

Leading Change in a Engineering Business

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The necessary stuff



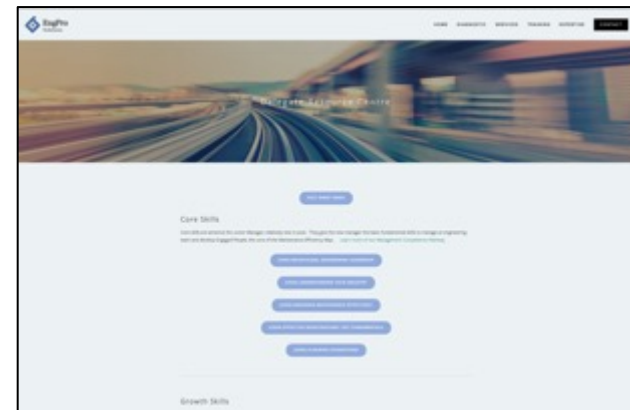
In workshop exercise



Factsheet (or further reading) online



Toolkit – checklist etc online



www.engpro.co.uk/training-resources

Today's Signposts (day 1)

- Introduction to change
- Project entry evaluation
- Strategy, scope, and the business case
- People and change
- Developing influence
- Homework



Introduction to BD Engineering Ltd. (BDEL)



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Change is risky! Change is necessary!

"There is nothing more difficult to plan, more doubtful of success, nor more dangerous to manage than the creation of a new system.

For the initiator has the hostility of all who would profit by the preservation of the 'old', and merely lukewarm supporters in those who would gain by the new"

Machiavelli



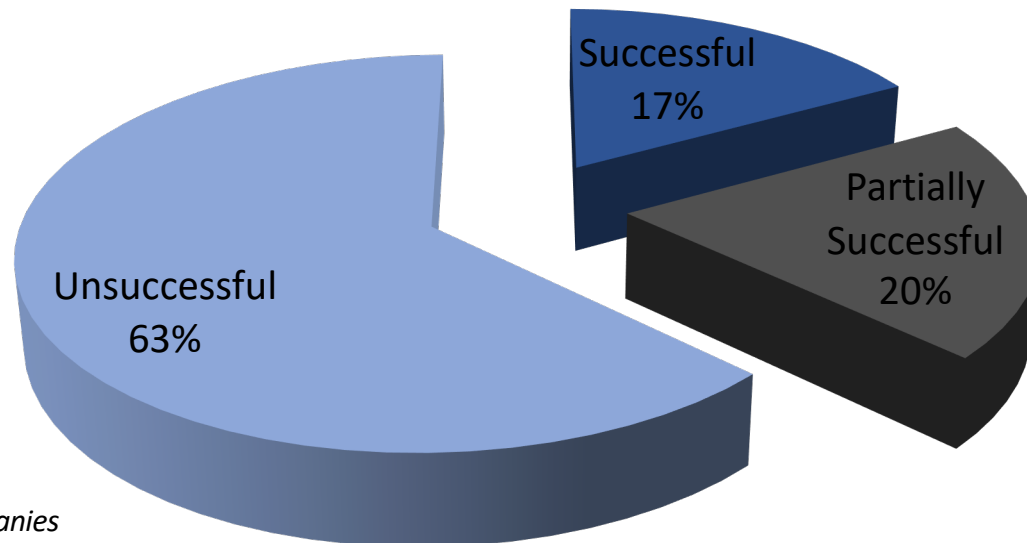
Change for change's sake?



Sustaining change is a challenge

Change programmes may start well...

but often don't sustain the benefits

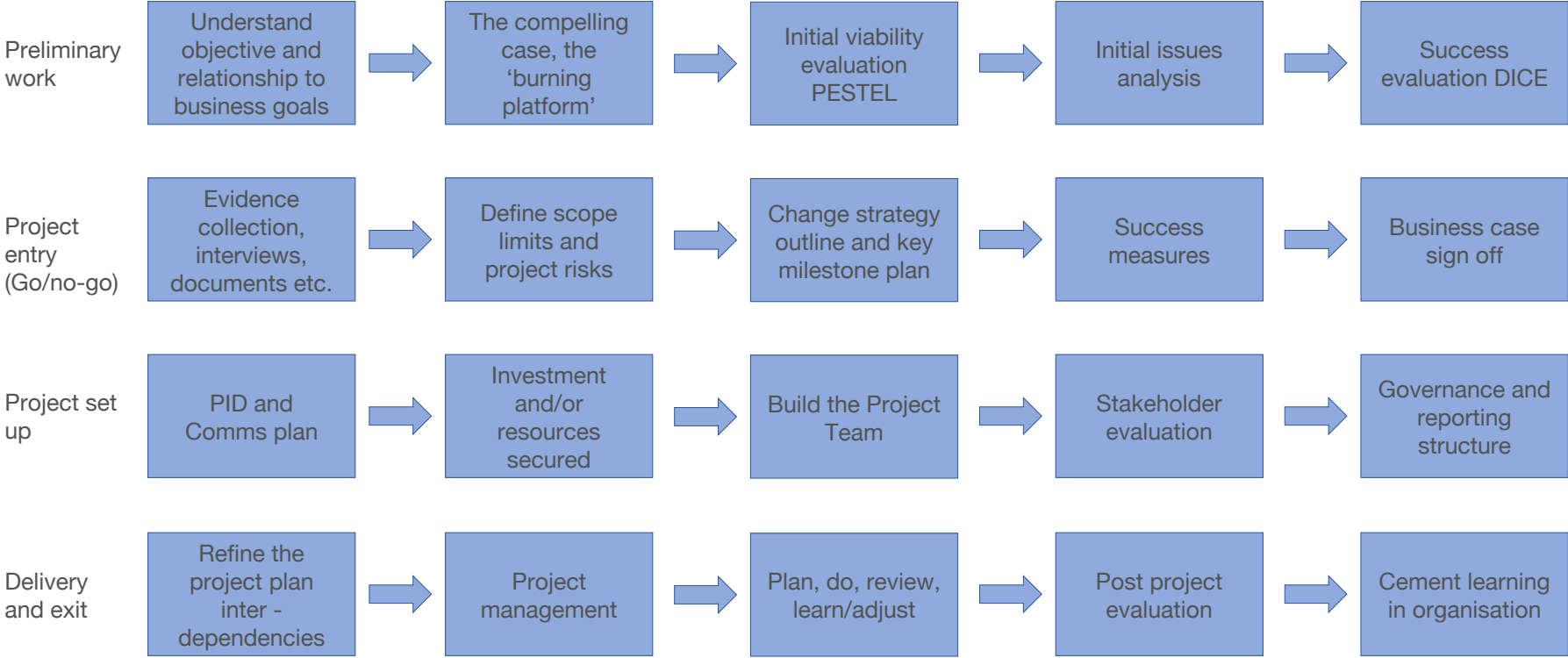


Source: Economist 2014
AT Kearney
N = 294 med/large European companies

A movement?



Change steps



Change types

Changing.....

Projects

Procedures

Structures

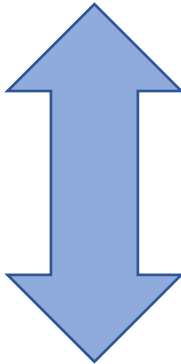
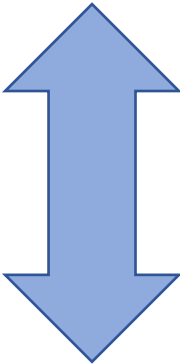
Strategies

Goals

Culture

Incremental

Less difficult



Transformational

Most difficult

Change - Barriers and Enablers

Barriers

- Competing resources
- Functional boundaries
- Change skills
- Middle management
- Long IT lead times
- Communication
- Employee opposition
- HR people / training issues
- Initiative fatigue
- Unrealistic timetables

Enablers

- Ensuring top sponsorship
- Treating people fairly
- Involving employees
- Giving quality communications
- Providing sufficient training
- Using clear performance measures
- Building teams after change
- Focusing on culture/skills changes
- Rewarding success
- Using internal champions

9 out of 10 barriers are people related

Mori survey 2015

5 'top' failure reasons

- Priority overload
- Partial and piecemeal
- No change process/infrastructure
- Fuzzy focus
- Leadership lip-service



Initial issues evaluation BDEL



15 mins

- Working individually, then as a collective group, establish the issues and themes that are displayed from what you presently know of BDEL

We will iteratively grow this as we move through our 'project'

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Quick acid test - DICE

- Duration
- Integrity of performance
- Commitment
- Effort



Harvard Business Review Onpoint article (www.hbr.org)

Sirkin, Harold, Keenan, Perry and Jackson, Alan, (Oct 2005) *The Hard Side of Change Management*

DICE

Duration

- How long is the project?
- Do formal project reviews occur regularly?

Integrity

- Is project manager capable?
- How strong are team members skills and motivation?
- Do they have sufficient time to allocate to the project?

1 = Excellent | 2 = Good | 3 = Okay | 4 = Poor

Top-Down Commitment – C1

- Do senior management communicate reasons and importance for change?
- Is the message convincing and consistent?
- Has top management devoted enough time and energy to the project?

1 = Excellent | 2 = Good | 3 = Okay | 4 = Poor

DICE

Bottom-Up Commitment – C2

- Do users understand and agree with need for change?
- Are users enthusiastic and motivated?

Effort

- What % of effort is required to implement changes?
- Is incremental effort on top of a heavy workload?
- Have people strongly resisted extra workload?

1 = Excellent | 2 = Good | 3 = Okay | 4 = Poor

DICE - Evaluation



4 mins

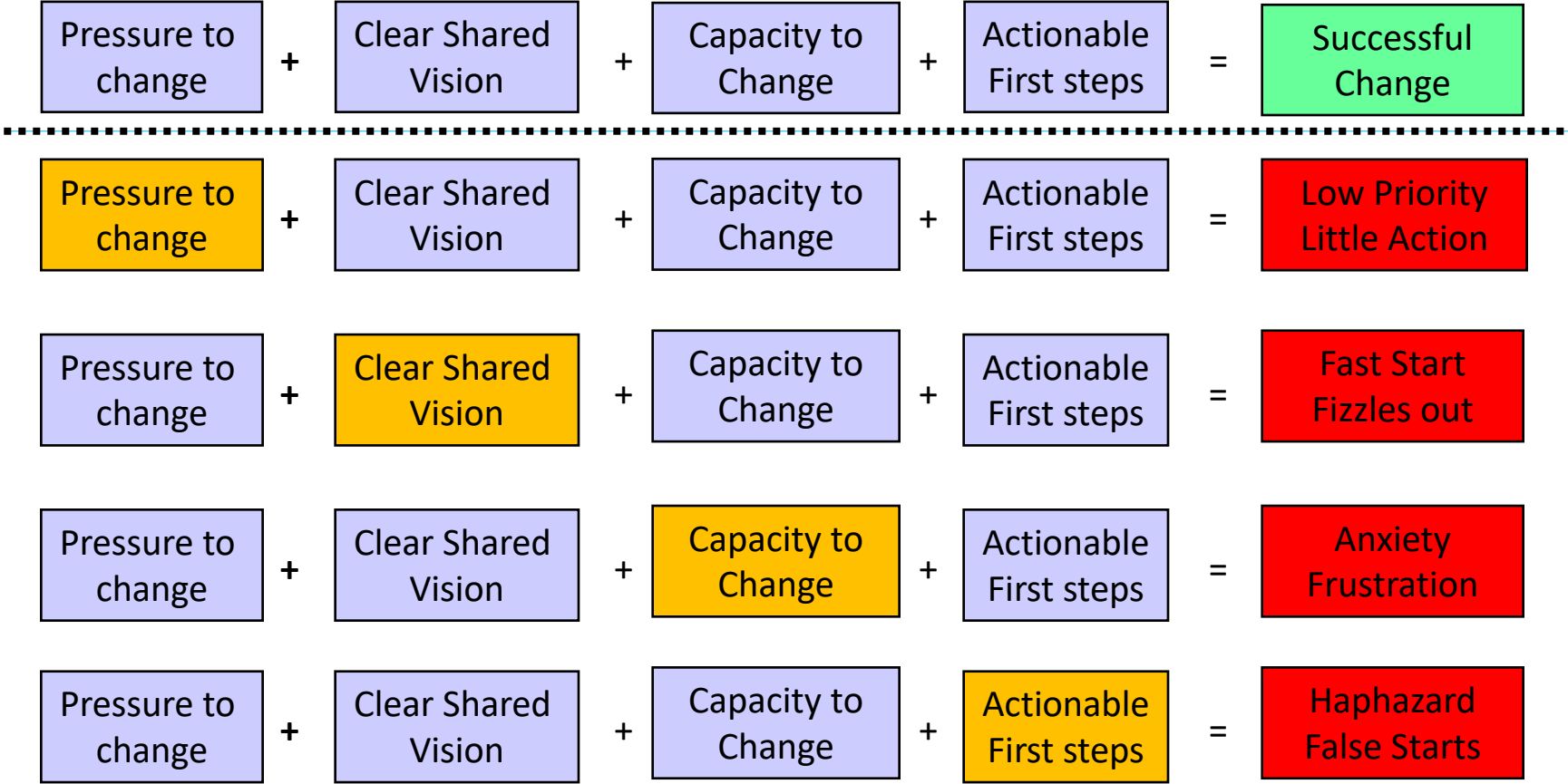
- In small groups, perform a DICE evaluation for BDEL



$$\text{Score} = D + (2 \times I) + (2 \times C1) + C2 + E$$

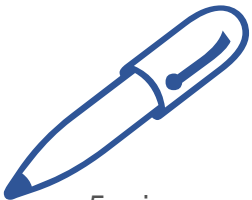
Below 14	=	Win zone
14 – 17	=	Worry zone
Over 17	=	Risky zone
Over 19	=	Failure zone

Change management – success steps



Initial evaluation

- P – political drivers
- E – economic drivers
- S – social-cultural issues
- T – technical issues
- E – environmental considerations
- L – legal framework considerations



5 mins

- In small groups carry out a brief PESTEL analysis for the change at BDEL

Change and people

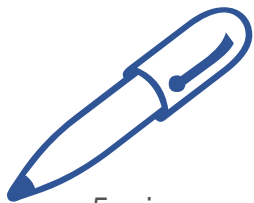


5 mins

- In small groups discuss, how much change relies on people?
- Considering BDEL, list what meetings, documents and interviews you might want to help further inform your issues analysis.



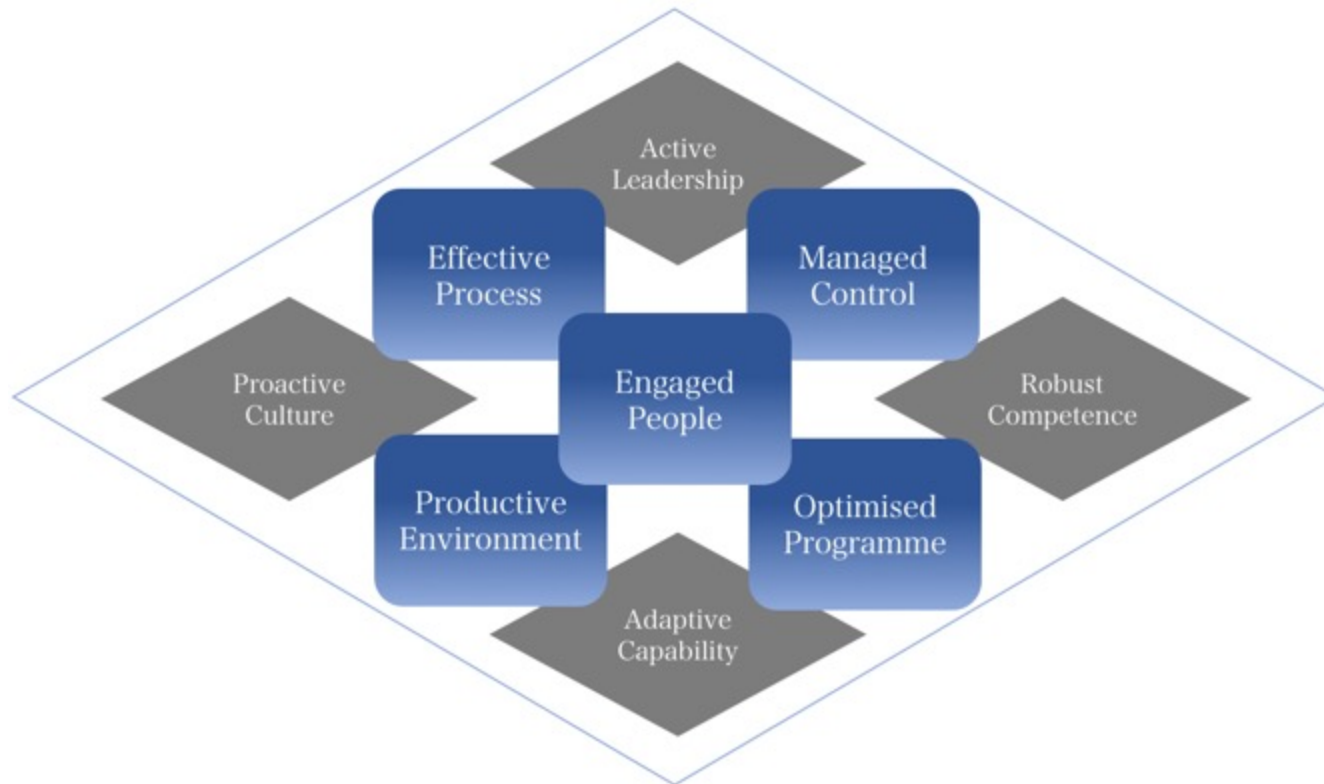
Revisit the issues analysis



5 mins

- Update the issues analysis in light of different information you have learned, about people and

Most engineering changes involve....



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Defining scope

The purpose of this exercise is to gain a clear and shared perspective of the items that are in (and out) of scope, so that success can be realised

- Situation analysis – PEST, SWOT etc
- Issues analysis – silent clusters
- Clarity of objectives and outcomes desired
- Define what SUCCESS looks like
- Written and unwritten objectives
- Define what is out-of-scope



BDEL – Change scope



7 mins

- In Groups
- Discuss and list some items that are:
 - In scope and
 - Those that you would want out-of-scope

Change Strategy



- 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.”

In our world then....



3 mins

In small groups order these statements as to what comes first, second, etc...

Strategy

Strategic Priorities

Investment

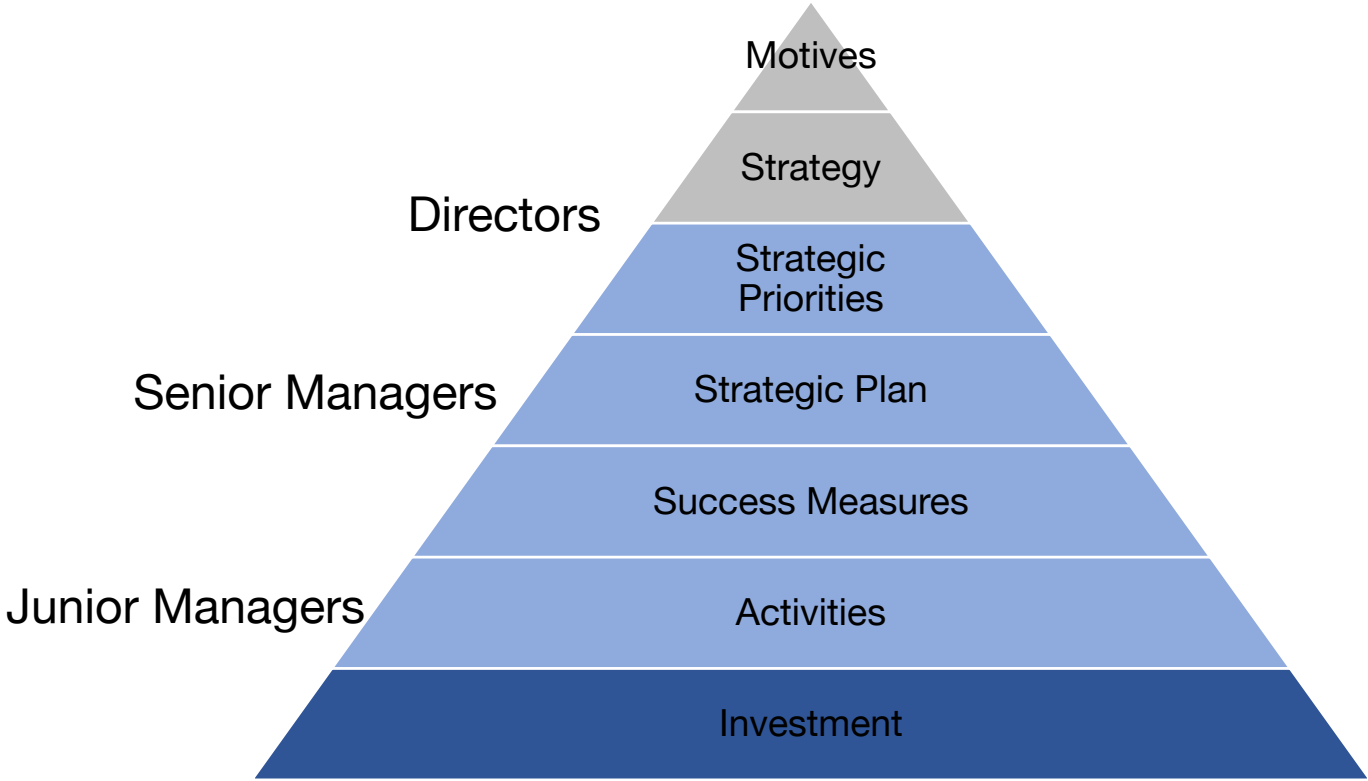
Motives

Strategic Plan

Success Measures

Activities

Strategic approach



Elements of a change strategy

Clearly define the goal we are delivering, what the prize is, why even try etc. (this must links to strategic priorities)

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



BDEL – change strategy



15 mins

- In groups, referring to your issues list (and other notes)
- Discuss and list some strategic priorities and success measures for the change. (draft an outline strategy)
 - Also have a think what is in (and out) of scope
 - And list any known (or perceived) risks

Need investment?



10 mins

- Why? – the first question is always....
- In small groups
- List out some activities that you will need to undertake on BDEL (that will need funding)
- Link these to the company's strategic goals

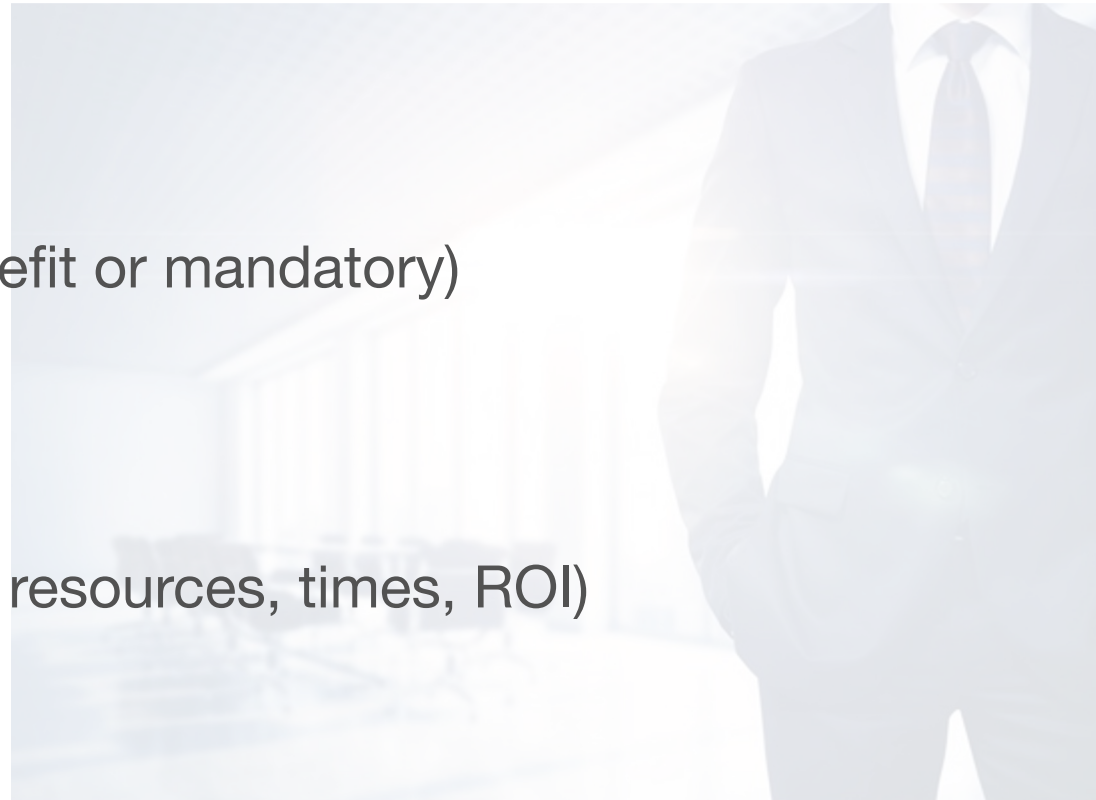
We need investment...?




- How do we get investment?
- The business case – some key questions
 - Who are your stakeholders and are they engaged/interested?
 - Are the business benefits real and understood?
 - Resources
 - Capability in team or bought in?
 - Scope
 - Risks

The business case

- Flexible
- Executive summary
- Objectives (either benefit or mandatory)
- Alternatives
- Preferred option
- Outline plan (including resources, times, ROI)
- Investment sought



A compelling executive summary

- 2 pages of A4 – slightly more if you have good pictures: 
- Describe the problem, need or goal. We are experiencing a £10 million shortfall in yearly revenue due to telecommunications network outages.
- Describe the desired outcome. According to our estimates (see Section 1), reducing or eliminating these outages will increase our profitability by as much as 20%.
- Proposed solution. 1, 2, 3.....
- Risks and mitigations. To convert the entire customer service department, we'll need to retrain our service personnel, which could reduce the department's response time. However, we plan to reduce that possibility by writing a customised training manual.
- Ask for the decision you want making. To complete this project by the end of the current fiscal year without disrupting our current operations, we need you to approve an increase of £2 million in next quarter's IT budget.

Exec summary exercise



10 mins

- In small groups – try writing some compelling sentences for the BDEL case study.

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Change and people



5 mins

- In small groups – briefly consider why several people often resist change?

Change - Barriers and Enablers

Barriers

- Competing resources
- Functional boundaries
- Change skills
- Middle management
- Long IT lead times
- Communication
- Employee opposition
- HR people / training issues
- Initiative fatigue
- Unrealistic timetables

Enablers

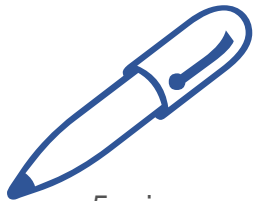
- Ensuring top sponsorship
- Treating people fairly
- Involving employees
- Giving quality communications
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Mori survey 2015

Change Leadership



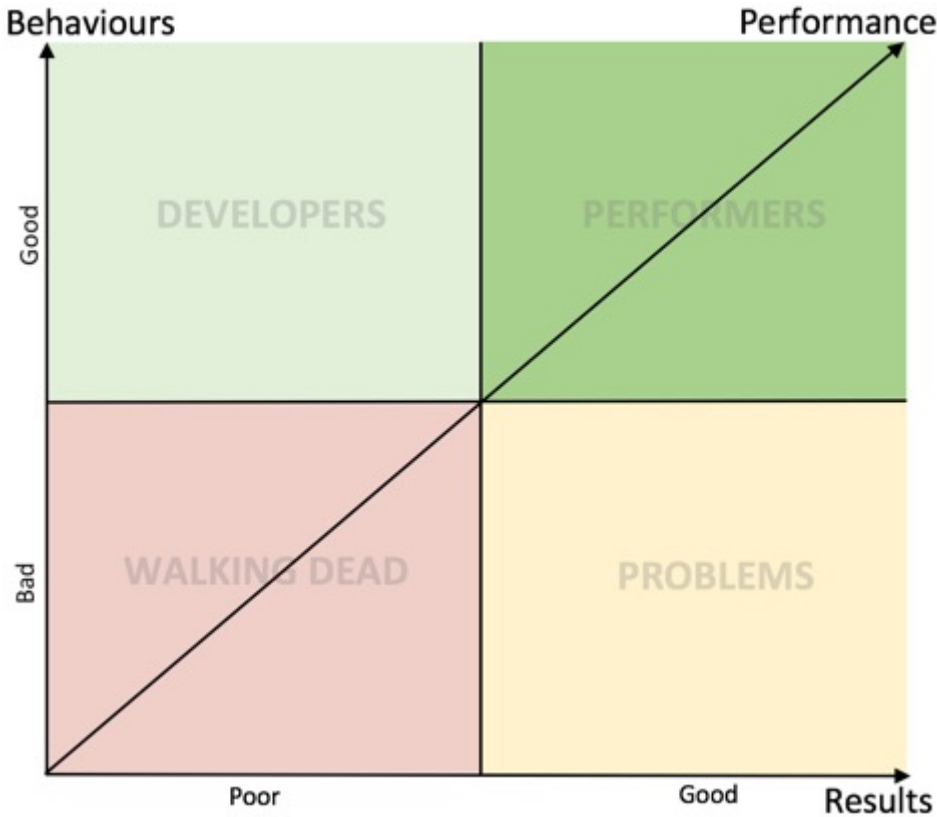
5 mins

- Again in small groups – before we get into personality styles and leadership traits etc., list some qualities a change manager will need to have, especially anything that is different to the norm!

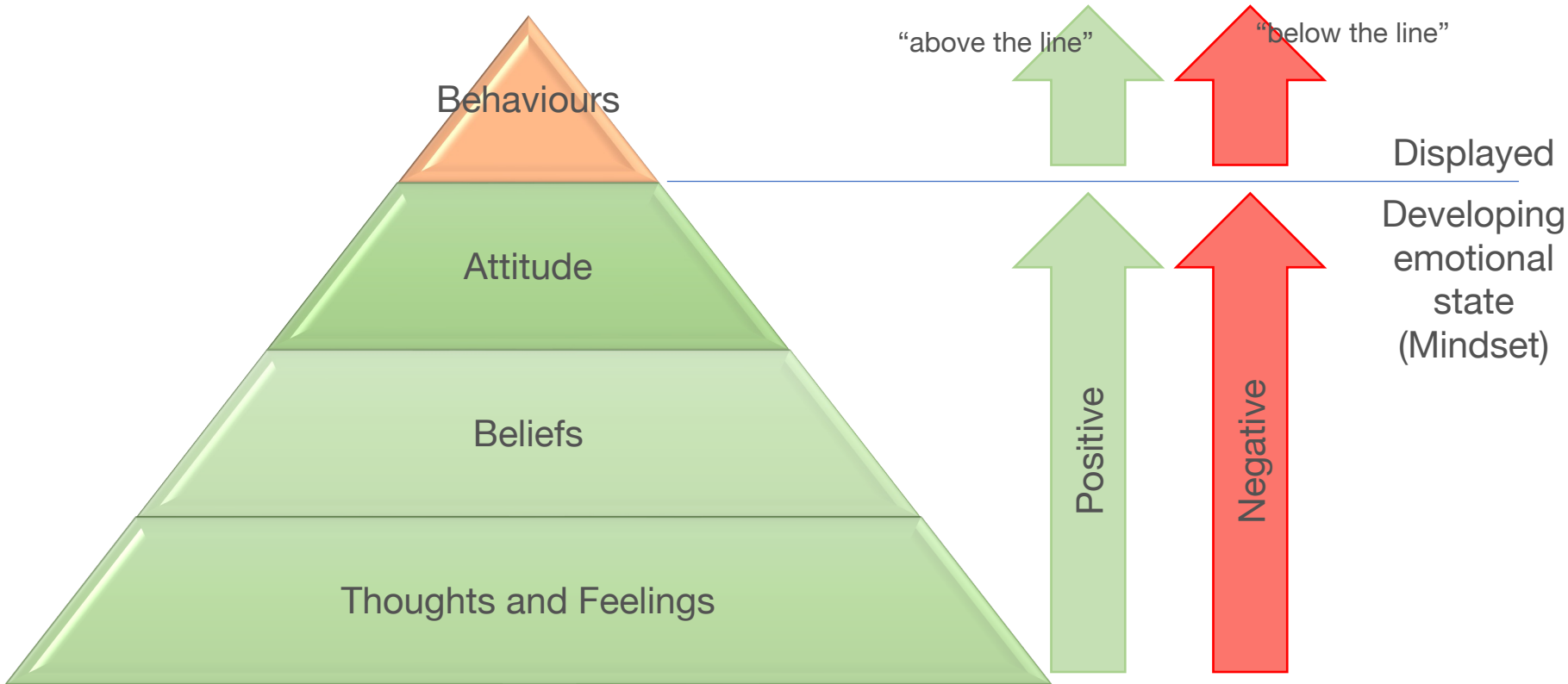
Mindsets, behaviours and performance



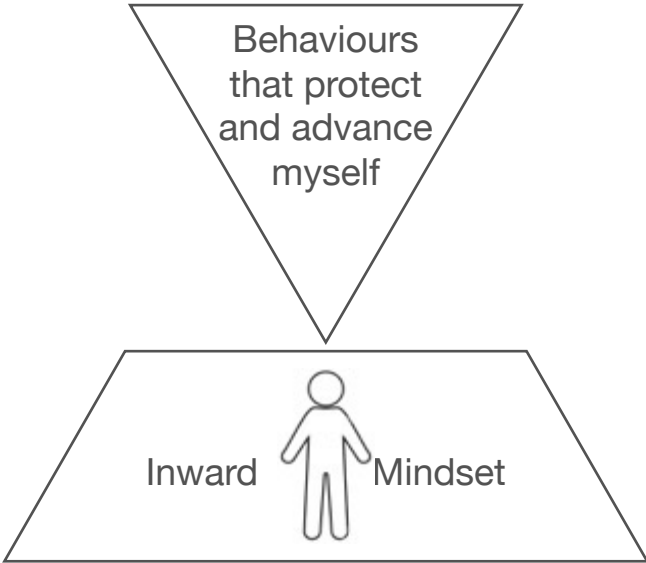
Behaviour matrix



Mindsets and behaviours



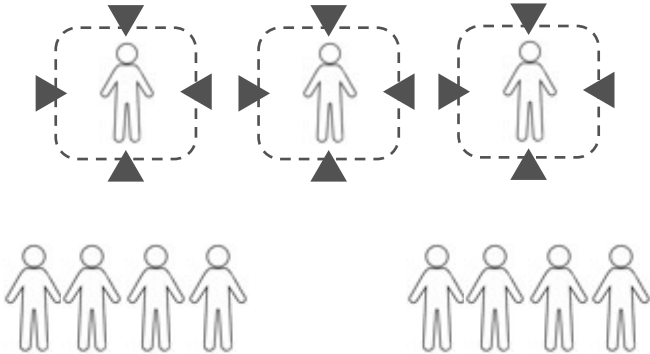
Open and closed mindsets



Open and closed mindsets

Closed mindsets

Often driven from highly assertive leadership



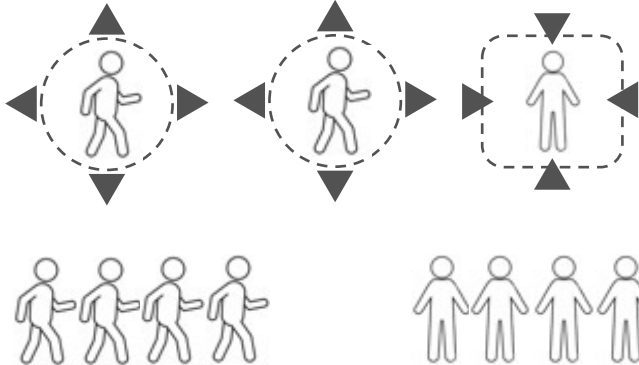
Organisation
leadership (and
culture)

Open mindsets

Usually means engaging leadership

(Note the department head who is closed)

Departmental
heads



Teams

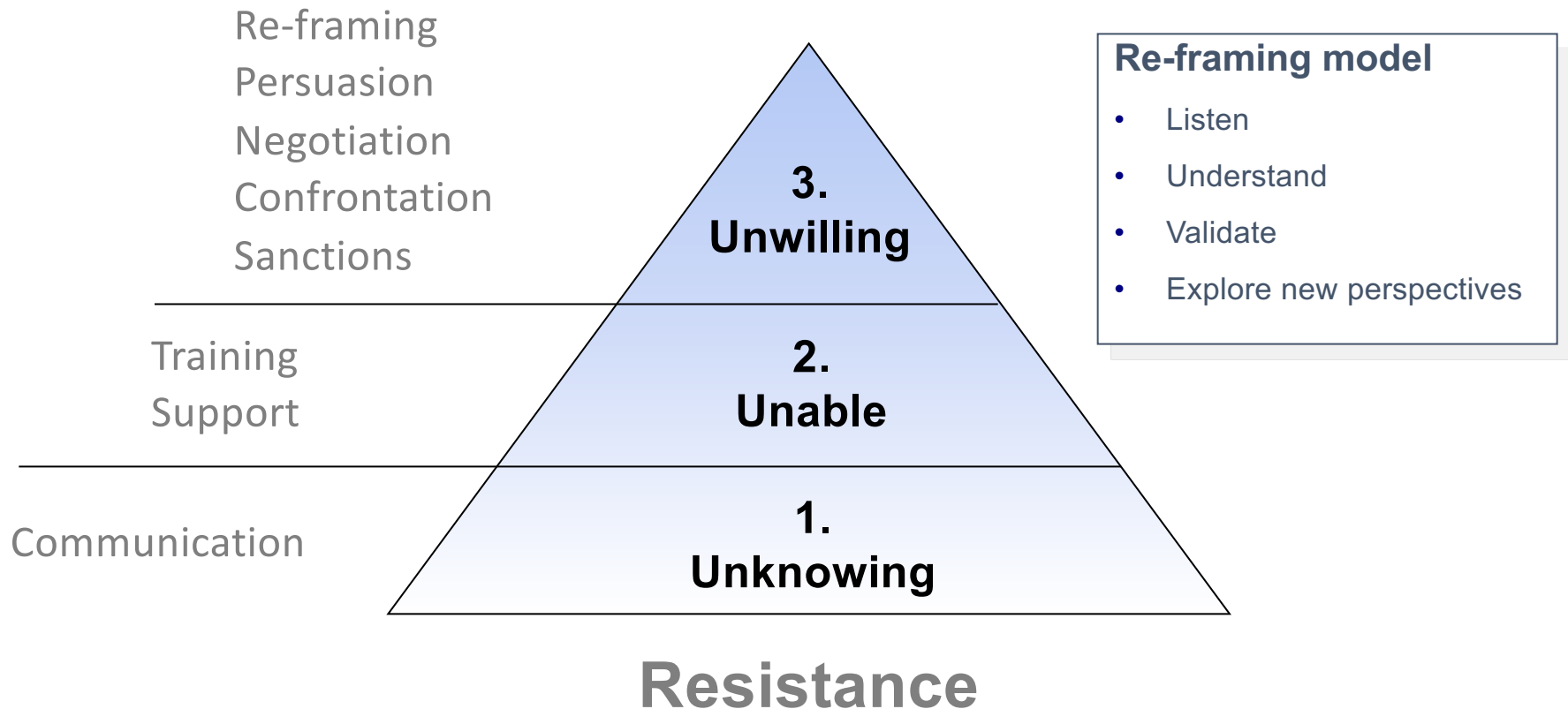
Leadership mindsets and change



10 mins

- In small groups – consider the management team at BDEL. Think if they have open or closed mindsets; evaluate how you might either use them on the change or align them to it.
- Write a short brief that you are going to take to Kate and discuss?

How to deal with resistance depends on its cause



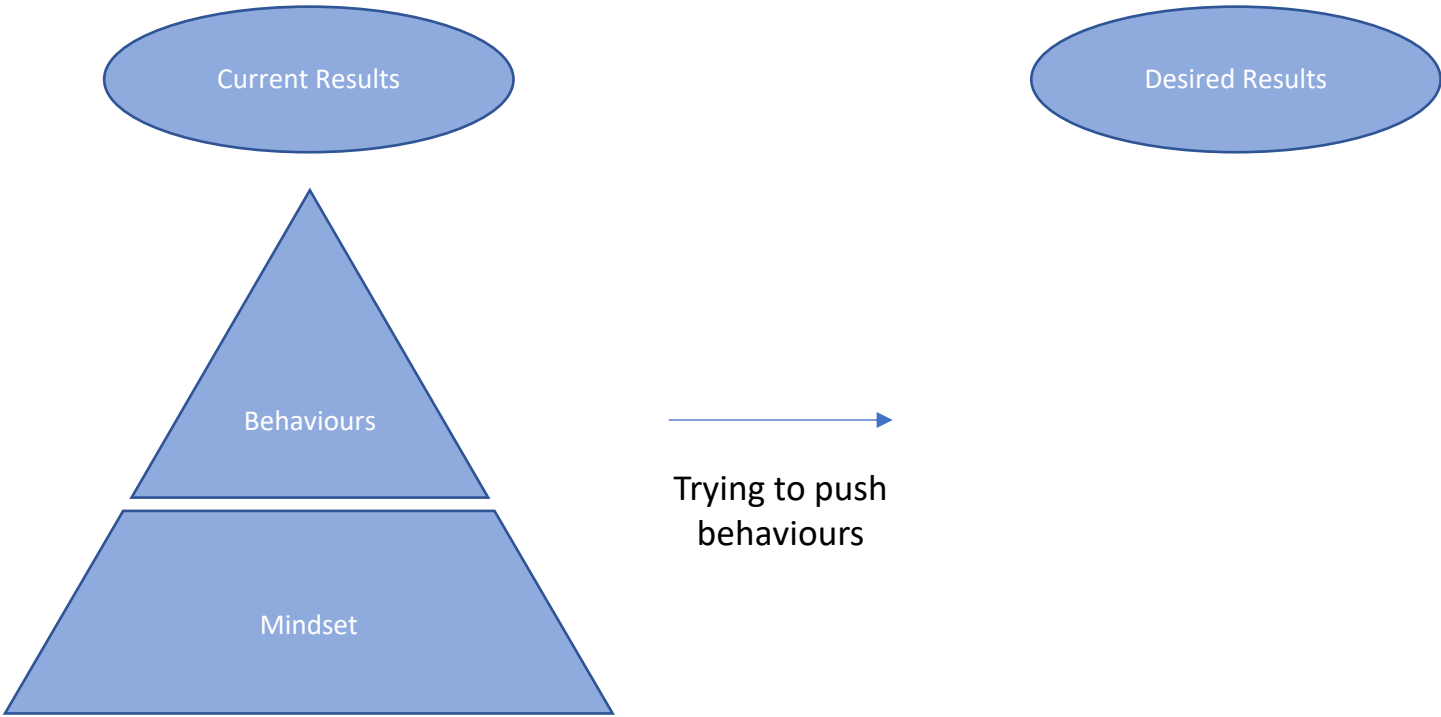
Alan Mulally CEO Ford (2006)

Open mindset example

- People first
- Everyone is included
- Compelling vision
- Clear Performance goals
- One plan
- Facts and data
- Propose a plan – ‘find a way’ attitude
- Respect, listen, help and appreciate each other
- Emotional resilience...trust the process
- Have fun



Behaviours and mindset



Private exercise – improving your mindset



This evening

- Consider yourself, and anytime where you felt your behaviours have been “below the line...”
 - What were your feelings, beliefs, and thoughts?
 - Challenge how you could have framed it different - thoughts
 - How might you recognise this emerging in the future?
 - What actions can you pre-empt?



Today was the worst day ever....

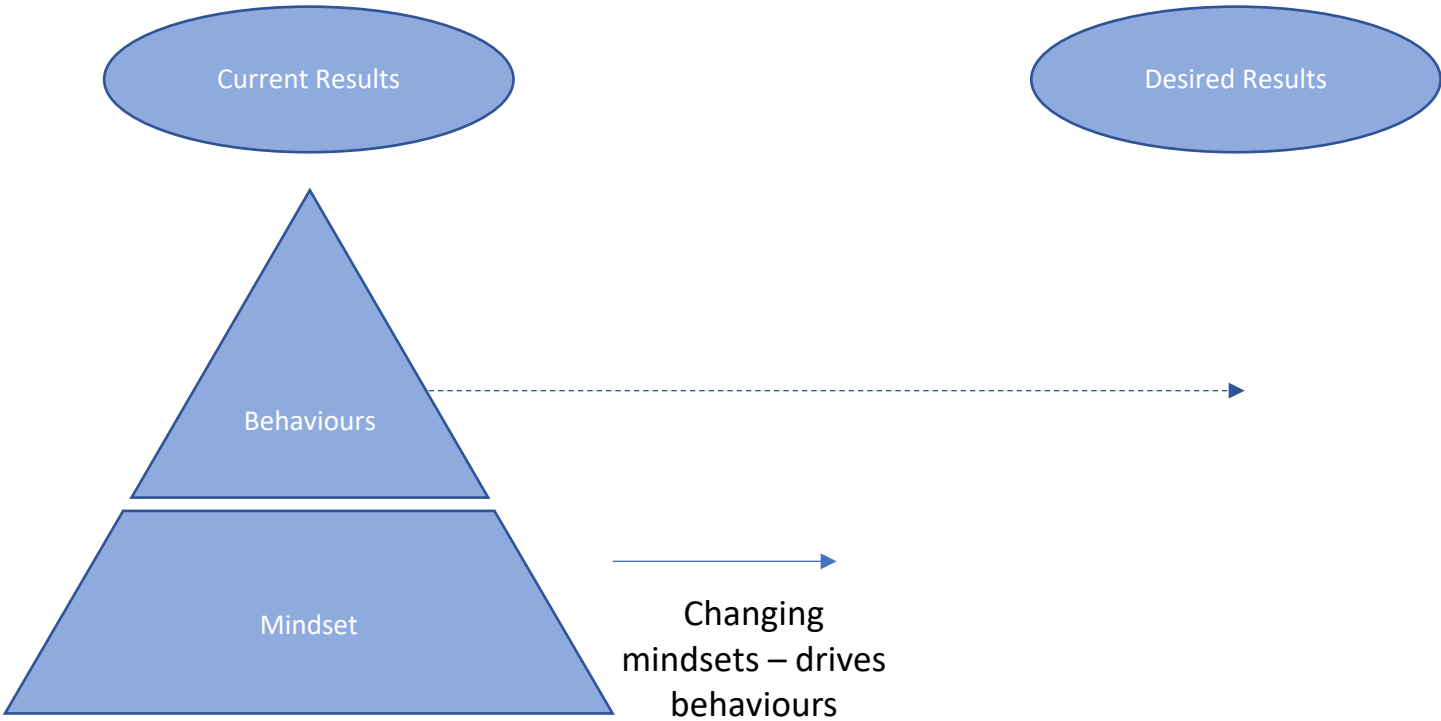


Today was a good day....

and you'll never in a million years hear me say that....

It's all beyond my control. My attitude creates the reality! I'm sure you can agree that it's not true that good exists only if one's surroundings are good. True happiness can be obtained, because it's all in the mind and heart and its not true that satisfaction and happiness don't last. Some goodness does shine through once in a while even if this world is a pretty evil place. Because, when you take a closer look, there's something good in every day, and don't try to convince me that today was the absolute worst day ever!

Behaviours and mindset



A final thought....

“When people focus on themselves rather than on their impact, lots of activity and effort get wasted on the wrong things!”

“The absence of collaboration results in low levels of innovation, and employees disengage due to the boredom inherent with inward-mindset thinking.”

10 reasons people resist change

- Loss of control
- Uncertainty
- Don't like surprises
- Everything seems different – comfort zone challenge
- Loss of face – perceptions of devalued roles
- Concerns over competence
- More work!
- Ripple effect phobia
- Old wounds run deep
- Sometimes it IS painful



Mindsets, people, and comms planning



8 mins

- In small groups – although we haven't touched on comms planning yet, list out some thoughts about a possible comms plan for BDEL – based off the work on mindsets we have just done.
- Clue - Think about listening, reacting, adjusting, workshops, focus groups etc.

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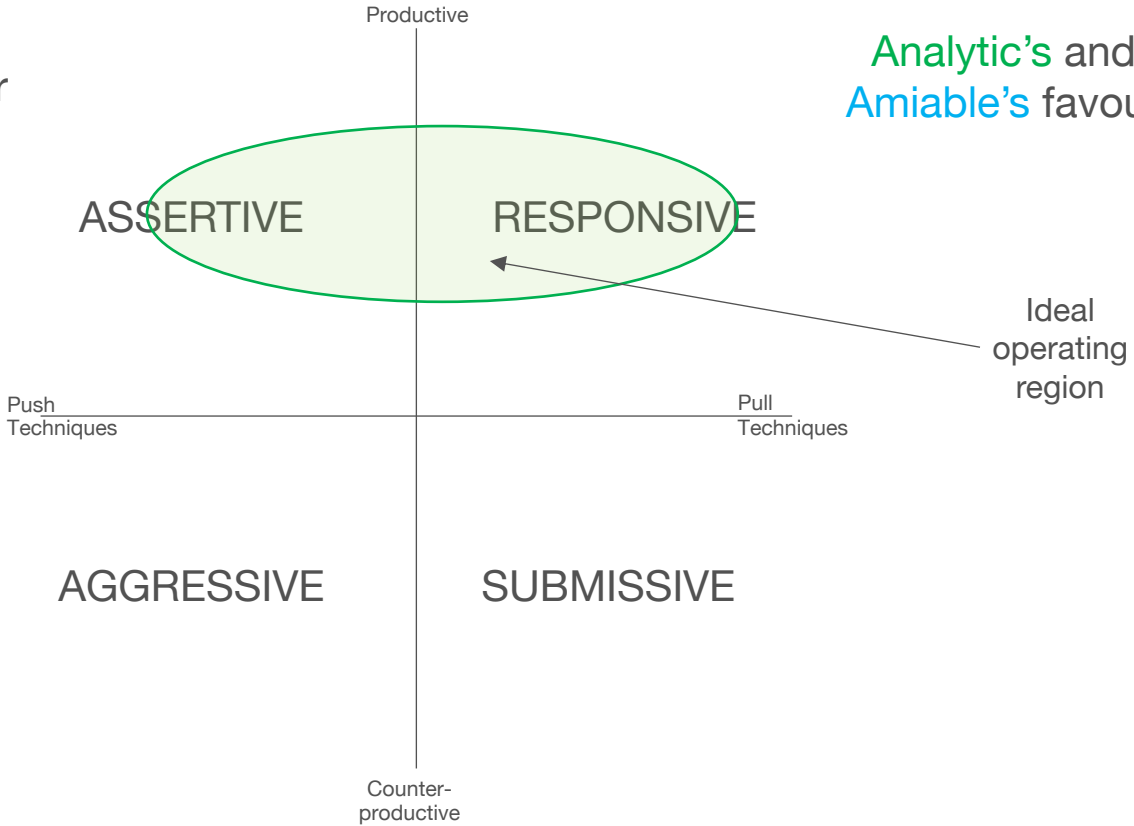
Influencing people during change



Four strategies

Driver's and Expressive's favour

Analytic's and Amiable's favour



Influencing strategies

Sanctions

Coalition

Higher authority

Bargaining

Reason

Assertiveness

Friendliness

Most selected strategies

	Most influential on 'us'	What managers often use when influencing others
1	Reason	
2	Coalition	
3	Friendliness	
4	Bargaining	
5	Assertiveness	
6	Higher Authority	
7		

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Homework



- Have a go at completing the PID exercise for BDEL
- At the end of tomorrow you will be presenting your strategy and project change thoughts to “Kate” and her team (you all). Have a thought as to template, and a few slides To save time
- Mindset – try the private exercise perhaps?

Learning outcomes (1)

Day 1 – The change set up

- ❖ Introduction to change
- ❖ Setting up the change project
- ❖ Gather basic set up tools
- ❖ Change strategy and the business case
- ❖ People and change
- ❖ Developing influence

So that the manager can:

- ❖ Understand the key issues with change, why we need to change and some of the challenges and opportunities it brings
- ❖ Understand the need to spend time setting up the critical success aspects ahead of starting the project. There is no time after the project starts to do this and it is vital.
- ❖ Establish a simple to use set of tools to make the initialisation of project easier and consistent.
- ❖ Develop a business case that matches the strategic direction of the business; and be able to link success measures and investment directly to that change.
- ❖ Manage all the different characters that emerge during change programmes
- ❖ Understand the underlying principles of effective communication – a vital skill for the project manager.

