

EIGHT STEPS TO TRANSFORMING YOUR BUSINESS



Before you embark on any major shift in your business, take stock of what's going on both personally and professionally. If you're not satisfied or engaged with your business, engaging your customers and employees just isn't going to happen.

But once you've decided change is necessary then these steps by John Kotter* will increase the probability of success.

Eight Steps to Transform your Organisation:



Its likely support for change will increase if individuals are aware of existing problems and can identify possible solutions. Encouraging this environment will be important. Generating conversation about what is happening and what direction the business could go in will help to achieve this.

One way to kick-start this is to create a forum where issues and potential solutions are raised and discussed. This step is all about preparation and Kotter estimates



that roughly 75% of a company's management needs to be behind a change for it to be successful. This emphasises his point that it's important to prepare well before jumping into the change process. This step creates the 'need' for change, rather than just a 'want' for change. The difference is very important when it comes to the likely support and eventual success of the change.

- Examining market and competitive realities
- Identifying and discussing crises, potential crises, or perhaps major opportunities

#2 Form a Powerful Guiding Coalition

It would be difficult to lead the whole process on your own, so it's important to get the help and support of others. The coalition you build should be made up of a range of skills, a range of experience and people who come from different areas of the business, to maximise its effectiveness.

The coalition can help you to spread messages throughout the business, delegate tasks and ensure there's support for the change business-wide. Team members that collaborate, complement each other and can drive each other to work harder will make the changes more to be successful.



likely

- Assemble a group with enough influence to lead the change effort
- Encourage the group to work together as a team

#3 Creating a Vision

Change initiative can be complicated and can often be hard to understand, in particular for employees at the lower end of the hierarchy. For this reason, creating a vision that's easy to understand and captures the overall aim is a useful way of generating support from the whole business.

While this vision should be simple and understandable, it also needs to be inspirational to have maximum effect.

- Creating a vision to help direct the change effort
- Develop strategies for achieving that vision



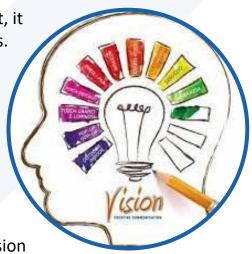


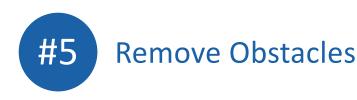
Communicating the Vision

Creating the vision isn't enough to generate support for it, it then needs to be communicated throughout the business. This is an excellent opportunity to utilise the coalition you have built up, as between them they're likely to have networks in all areas of the business.

It's important to continuously communicate and reinforce this message as it's possible that competing messages are also being spread.

- Using every vehicle to communicate the new vision and strategies
- Encouraging new behaviours by example from the guiding coalition.





The first four steps are essential in building the strength of your change initiative, but it's also important to look for what could reduce or hinder its chances for success. Whether its individuals, traditions, legislations or physical obstacles, it's likely there will be a few barriers blocking your path to change.

Identify these as early as possible and rely on available resources to break them down, without disrupting any other areas of the business.



- Getting rid of obstacles to change
- Changing systems or structures that seriously undermines the vision
- Encourage risk taking and non-traditional ideas in the improvements



It's really important to demonstrate the advantages of the new process by creating some short-term wins. Change processes can take a while to reap any rewards and this can cause support to fall if individuals think their effort has been wasted. Quick wins can encourage everyone in the team.



Shorter term targets are also useful tools for motivation and direction. Using these wins to justify investment and effort can help to re-motivate staff to continue backing the change.

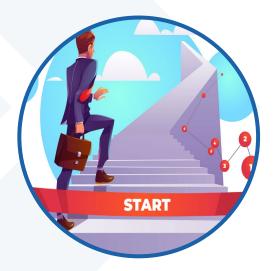
- Planning for visible performance improvements
- Creating these improvements
- Recognising and rewarding employees involved in the improvements



Consolidating Improvements and Producing Even More Change

Many change processes fail as complacency creeps in towards the end and projects are not finished properly. Therefore, Kotter argues it is important to sustain and cement the change for long after it has been accomplished.

Keep setting goals and analysing what could be done better for continued improvement and build on the success achieved.



- Using increased credibility to change systems, structures and policies that don't fit the vision
- Hiring, promoting and developing employees who can implement the vision
- Reinvigorating the process with new projects, themes and change agents

#8 Anchor the Changes in Corporate Culture

Simply changing the habits and processes of employees is not always enough to instil a culture change across the business. The changes should become part of the core of the business to have a lasting effect.

Keeping senior stakeholders on board, encouraging new employees to adopt the changes and celebrating individuals who adopt the change will all help to promote the change to the core of your business.



- Articulating the connections between the new behaviours and the success of the business.
- Developing the means to ensure leadership development and succession.

Summary:

The main reason that Kotter outlines these steps is to emphasise that change is not a simple and quick process. Many steps of planning are required and even when the change has been implemented there is still a lot to do to ensure it is successful.

Kotter argues that 70% of change initiatives fail, and attributes this to the fact that most businesses do not put in the necessary preparation or see the project through correctly. Following these steps ensure your change initiative is more likely to be a long-term success.

*Adapted from: Kotter, John P. (1996). Leading Change. Boston, Mass.: Harvard Business School Press, 1996.



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