

Getting Business Change to Stick

Sasha Aganova

Implementing Change is always an Issue

I have been in the consulting business, in internal teams, or external consulting, for several years and spent over a decade in business operations switching back and forth a few times along the way. Regardless, I've always been in a role related to improving operations and I've witnessed the implementation of large complex changes from the vantage point of the operator, and that of the consultant. This has allowed me to evolve a "best of" methodology to implement change that capitalizes on the relative strength of both points of view.

For the purpose of this Article, I will define a consultant as anyone who does not have a full time "day job", running the business or is doing project work on the side. A consultant can be external or internal to the organization, and is dedicated to work on one or several related change initiatives. Their mandate is the design, implementation and sustainment of a particular change.

Operations Staff and Consultants as Coalition to Achieve Sustainable Change

The majority of leaders responsible for day to day performance, and also involved in the execution of tasks, delivering products and services, know their operations. They are well aware of their business area's strengths and weaknesses. They also have plenty of ideas for changes needed to improve what and how things are done. They know their stakeholders, and team members. They know their competencies, personalities and their preferences. They also know when they have to get creative with their work in the process, and fill in any gaps where work is not adequately defined or when they don't have the right processes or capabilities in place.

However, when you are a part of the operating organization you are rarely given the mandate to lead a change; the usual expectation is to deliver on your numbers and business objectives, not change things around. Even if assuming you are not too involved in firefighting and the monthly/quarterly pressure of achieving results, you rarely have the span of control needed to affect changes across departments and impact outcomes to external stakeholders end to end. In addition, knowing what has to change, is different from knowing how to do it. Managers rarely have the knowledge of how to go about implementing changes that span multiple teams, involve technology, external contractors, changes in processes, business rules, roles etc.

When you are a consultant, you are able to master techniques of how to approach change due to the frequent application of your knowledge in different environments. Over time, you sharpen your skills in problem solving, facilitating difficult conversations, and managing conflicting stakeholders wants and needs to name a

few examples. You also have the luxury of picking your consulting team and depending on the task at hand, you can vary the team depending on what areas have to be addressed (people, process, technology). However, in most cases, you have no direct authority, especially over the front line. You cannot direct the support and coach the staff on a daily basis during and after implementation. Preservation of the fragile new design, the new mindset and the new desired behaviors can only be achieved by the operations team.

The best projects that I have been a part of had a close and long term collaboration between operational and consulting teams. That way the best of both worlds is leveraged and set-up for the successful change.

Model for Sustainable Change

Any activity or project performed within an organization is made up to 2 fundamental components: works structure and people.



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Work structure

Work Structure comprises strategy, policies, procedures, business rules, tools, technology description of desired behaviors, description of tools, etc. If you were to write a book with specifics of how your organization SHOULD work, it would be - the book of 'Work Structure' of your organization. It is a 'design' that is full of descriptions of various aspects of things that can be described using some formalism and the logical connections among them, engineered and modeled thoughts representing the various aspects of the blueprint of your organization. It explains how strategy in your organization gets achieved through the translation and alignment of processes, decisions, business rules, and capabilities.

People

Another component is People with all the amazing human variety, talents, and nuances. The geographical peculiarities, the style of the management team, the rewards system, the history of the organization and the way rules are enforced all play a huge role in shaping the team and company dynamics. Together these form the pervasive patterns of behaviors that are unique to a group and to an organization. It is what we ultimately refer to as culture.

When the Work Structure and People aspects are combined, you get action and results, good or bad. Action transforms data, resources, status or relationships from one state to another. It is not possible to achieve the same outcome from an action if the same 'work structure' is used with a different group of people with differing cultural attributes. Likewise, if you take the same group of people into a different 'work structure' the results will also vary.

When implementing a large or complex change, it is often necessary to transform both the work structure, and also influence the behaviors of people. Traditionally, project teams have focused on the work structure aspect, however, there was no clear and concerted effort to change the people aspects at the same time. Both need to change for the desired outcomes to be realized, and most importantly sustained. This is also where the roles of operations vs. consultants become very clear. Consultants are traditionally good at coming up with the work structure (in collaboration with the right stakeholders of course). However, it is nearly impossible for them to make a lasting impact on the people issues and the associated cultural transformation. This is rarely just about the project but about a continuing commitment. Consultants are not present day to day to see the changes through. That's where the operations teams need to be very actively involved in achieving and sustaining the results.

Once the desired future state work structure is in place, specific people attributes also need to be defined as part of that structure. These include rewards and measurements systems, specific desired behaviors, and shared values within a team. The following then need to take place:

1. Set-up reporting/measurement mechanisms: Managers should be able to observe not only numerical performance measurements, but also observe how the actions are performed, analyze exceptions and review incident reports. All of this should be incorporated into the new process. What you are watching for is deviation from the designed work structure and anticipated results. In all aspects: (1) structurally – what is working and what is not and (2) culturally - what behaviors are not carried out as defined and are failing to support the future cultural vision.
2. Find the trend in deviations from the design. We are not looking for one time differences but systemic/multiple deviation patterns from the design.
3. Analyze deviations. A consistent deviation does not necessarily mean a change in the structure is required. Instead, the people aspects should also be reviewed and addressed through understanding motivation, coaching and communication. During the coaching sessions, it is always critical to convey

not only what needs to be done differently, but the intent of the process and the action being performed. A clear understanding and agreement of intent will likely result in the right action being performed, and is critical in managing the growing segment of millennials joining the workforce.

A project we recently completed perfectly illustrates the distinction between the work structure and people aspect in a project. This project was completed with a very successful team of highly talented individuals within a large organization. This was a traditional process improvement initiative that spanned multiple departments and external stakeholders. New processes, tools, technology, templates, metrics and roles and responsibilities were well defined, implemented and accepted by all involved. The issue that arose, however, was that the operational team still felt significantly overworked, and their productivity did not increase. Through detailed observations of the individual behaviors and interactions among the team members, it was clear that a pervasive "hero" mentality prevailed inside the team, combined with an unhealthy distrust of the motivations and capabilities of external partners. While they understood roles and responsibilities and the handoffs with the partners clearly, the team perceived that doing more itself and going beyond their role was positive, when in reality, this behavior was unnecessary, and was taking away significant capacity from the team. The operations management team was able to observe the issues, reiterate the intent and coach their team through to the desired behavior, and eliminate the redundant, unwanted activities and extra overtime hours.

We are certain most of you would agree (some more reluctantly than others) that owning the most expensive golf set does not make one Jack Nicklaus. We see business change in a similar light. Having the best work structure does not guarantee successful and long lasting change. Similar to golf, it is through methodical observation, coaching and practice that one truly improves.



Sasha Aganova, MBA, is the [Managing Partner](#) of the [Process Renewal Group](#). Sasha has successfully implemented and executed process management best practices for organizations in multiple industries, countries and cultures. Her current focus is on helping her clients get ready for the millennial generation, and

become more agile and process centric. Sasha is a frequent conference speaker where she shares her experience and passion for achieving long lasting and sustainable change by aligning and combining business process management with cultural change.

Contact PRG

Email: info@processrenewal.com

Phone: 1-778-330-2195