Middle Market Methods™ 2024: 1st Quarter

Change-Management or Change Management?

By

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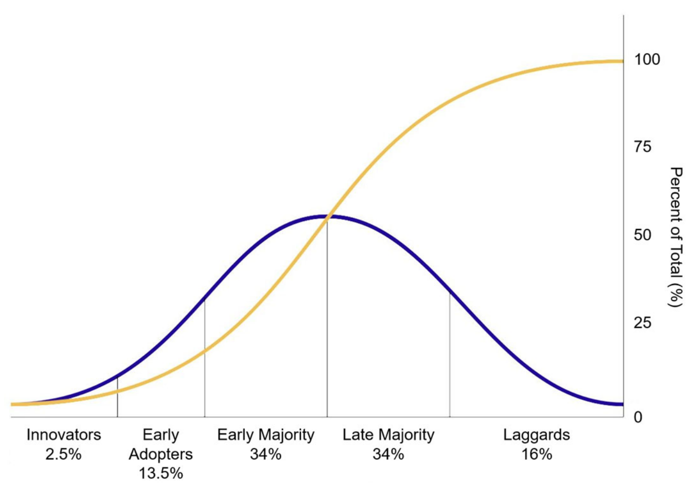
Among the leadership shortlist of constancy is the inevitability of change. The bigger challenge is the quantity and velocity of change. Most of us harbor some degree of skepticism toward change; however, leaders are not afforded that luxury unless they want to experience a change in management instead of a change-management success (ergo, the pun in the title). Accordingly, leaders have the responsibility to create and execute change-management strategies whose success is dependent upon engaged support.

Everett Rogers' seminal research profiled the change-management phenomenon in the Diffusion of Innovations Curve (see Figure 1). The bell curve is both useful in macro and micro terms. Simon Sinek imparted in *Start with Why* that it took about a fifth of the left-to-right accumulation under the Curve to establish market traction on goods and/or services. However, traction is but a milestone toward systemic change.

Figure 1: Everett Rogers' Diffusion of Innovations Curve



Note the monikers for stakeholder constituencies moving left-to-right along the Curve. “Innovators” represent a small but important population who are made restless by the status quo. They embrace risk taking. A larger population of “Early Adopters” catch on quickly and follow suit. These people may be analogous to social media personalities with significant followers. They both “get it” and freely “explain it.” A significant cohort of “Early Majority” stakeholders may be sufficiently persuaded by observing others as their leading indicator for assimilating change. They do not want to forfeit the advantages of proven and promising options. Of equivalent size, the “Late Majority” segment of the population eventually crosses the adoption Rubicon. They see more risk in not adopting than adopting an “obvious” alternative. By the time “Laggards” arrive, the party may be over, and change was accomplished despite or without them.

Seeing a bridge spanning the river does not necessarily translate to confidence in crossing it!

The Curve clearly presents this reality about change-management: Whereas the required change may be self-evident to a pioneering protagonist, the affected stakeholders remain human. The leader’s focus must be on deft persuasion to promptly traverse from ideation through traction to sustainable sufficiency (for the “right” reasons). Consequently, the visionary leader needs a model for navigating the obstacles between a vulnerable present state and the aspirational future state.

A Model for Change-Management

Persuasion is always preferable to directives, but emergencies require exceptions. Influence is slower but is more effective. Directives are efficient but may be culturally toxic. The objective of this section is to posit critical thinking questions whose thoughtful answers will facilitate expedient change agency.

- ***What is the leader trying to accomplish?***

This speaks to strategy, i.e., what the leader is attempting to accomplish through motivated and invested followers. There are two perspectives: threats and opportunities. Indeed, the fear induced by a threat is a potent short-term motivator. However, a threat must be existential to be a reliable long-term catalyst. Indeed, some unanticipated surprises are so dramatic that eschewing action may result in extinction. Resolution may take time, but decisive action is the only rational alternative. Having just emerged from the COVID-19 pandemic, this point should easily resonate.

Opportunities are much more fun, although not without risk. The leader must paint a vision of a better future—one which the stakeholders may not have understood or imagined. Even if the vision lacks novelty, there remains a perceived reward to the nimble organization that executes with resolve. Protagonists of disruptive innovation endeavors benefit by Agile project management methodology whose learning curve embraces failing forward fast as both necessary and healthy.

The messaging for attacking both threats and opportunities should be punctuated with the articulation of the “Why?” For example, why is something a threat that should not be ignored? Similarly, why is something an irresistible opportunity for which the abundant potential rewards should not be forfeited?

- ***Who are the stakeholders?***

If change-management were a play, there is more to the production than the cast on the stage. There are people behind the scenes who fund the production, create the sets, and manage the stage. Musicals have original scores and an orchestra playing the notes. All the foregoing is moot without an adoring audience. Even so, the theatrical business model has additional functional stakeholders analogous to other lines of business: stewards of governance (e.g., a board of directors for the theater company’s legal entity, management, and support functions), lenders, vendors, and marketing. Some are very actively engaged, others episodically so. Successful change-management requirements across the stakeholder population are typically diverse and may be scenario specific.

Thoughtfully crafted questions are the first step to useful answers.

The leader must identify which stakeholder endorsements are essential and in what regard. Not all have to be raving cheerleaders. Indeed, for some, that is not their role. For example, a chief financial officer may only need to know that certain risk-mitigating prerequisites are addressed before an initiative may be executed proficiently. By contrast, those expected to write orders for new products and services should have a more eager disposition toward the proposed outcomes.

The change-agency risk falls in two counterproductive buckets relative to the Diffusion of Innovations Curve. The first is spending too much time cajoling stakeholder groups whose status quo is unlikely to change: the extreme Laggards on right side of the

Curve. The second is spending too little time energizing the marines who must take the beach: Innovators and Early Adopters.
The take-away is to profile the future state for each stakeholder constituency, then contrast it with the present state to discern how much the needle must move. With this information, the leader may more effectively consider the "How's?"

- ***What are the root causes of resistance to change?***

While there are many reasons to resist change, there is a useful shortlist of likely suspects. One is turf, i.e., whether the affected parties feel like they are losing power. This could be in the form of budgets being reallocated from their department to the proposed initiative. Jealousy of groundbreaking glamour is a first cousin to turf resistance.

Another category is capabilities. Management has an obligation to train any new skill requirements to avoid setting employees up to fail. However, this does not guarantee enthusiasm from someone distressed by a learning curve proximal to their retirement glidepath.

Inertia is also part of the shortlist. The poker tell often sounds like, ". . . but we have always done 'it' this way!" Sometimes there is a blind spot in the comfort of the traditional despite the looming hazard of the antiquated. Think digital photography versus film.

The essence of effective leadership is productive followership.

Finally, no one is immune to carrying personal baggage to work. Personal financial straits, relationship tension, and family illness are sources of angst which can exacerbate perceived risk. Sometimes those at home are challenged to understand that a company cannot guarantee much in a globally competitive market. ". . . But the company owes you . . . ." may not be realistic.

For the population, the leader also needs to address the tails of the Diffusion of Innovations Curve. Sometimes this means toning down the zealots on the left of the Curve as well as inoculating the organization from saboteurs on the right of the Curve. This may seem contradictory to earlier stakeholder observations. However, manic enthusiasm may be irritating to some Late Majority people who may be "from Missouri"—show me before I dive in.

Winnie the Pooh's friend Eeyore (i.e., Laggard) comes to mind on the opposite extreme. An exasperated Tigger (i.e., Innovator) may impart to his Hundred Acre Wood friend to just jump in once in the spirit of camaraderie—or complain in private.

- ***What are some tactical change-management tools?***

The objective for this question is to convey a sample of reliable tools and techniques. Leaders have the obligation to choose what they think best based on context: the type of change relative to the culture of the organization.

Veteran change agents expect headwinds. Their genius is trimming the navigational sails to make port despite impediments.

Tool #1: Communications messaging is essential. This begs planning. Let us return to the threat versus opportunity point. It is conceivable to frame the need for change in both threatening and opportunistic terms, i.e., two sides of the same messaging coin. Change agents might distill the threat to a problem statement. For example, we might express the threat in terms of lost market share. Conversely, we might express the opportunity in terms of new product introduction. Messaging must be relevant, frequent, repetitive, and multimodal. The leader's focus should be on the stakeholder WIIFM (what's in it for me?).

Effective communication is bidirectional. Questions should be encouraged. Feedback should be welcomed. The leader should ask a constituency to repeat what they thought they heard as a litmus test to validate clarity. This tactic also challenges stakeholders to be attentive when verbal communication is received.

Tool #2: Kurt Lewin's forcefield analysis tool is helpful to itemize and rank both enabling and resisting issues relative to change. (See Figure 2.) What if Lewin's enablers and restrainers were augmented with a triage mechanism? Even better, what if the critical stakeholders were engaged to complete the tool? Consider the following criteria on a low (1), medium (5), and high (9) scale whose factors (i.e., numbers) are multiplied to yield a product (i.e., score). The criteria values are positive for enabling and negative for restraining:

- Accelerates profitable sales
- Improves scalable productivity
- Substantiates "employer of choice"
- Mitigates the risk of doing nothing

The multiplied factors yield a product ranging from 1 to 6561 for enablers; (1) to (6561) for restrainers. The optics may resonate with stakeholders.

Figure 2: Forcefield Analysis Tool

Enablers *Low: +1; Medium: +5; High: +9*

Restrainers *Low: -1; Medium: -5; High: -9*

Acclerates Profitable Sales	Improves Scalable Productivity	Substantiates "Employer of Choice"	Mitigates Risk of NOT Doing	Enabler	#	Initiative (*Threat or Opportunity*)	#	Restrainer	Doesn't Acclerate Profitable Sales	Doesn't Improve Scalable Productivity	Doesn't Substantiate "Employer of Choice"	Doesn't Mitigate Risk of NOT Doing
					-		-					
					-		-					
					-		-					
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Tool #3: A leader can make a more compelling case for change when they reinforce the message with objective data. Data may (i) quantify the problem, (ii) verify root causes, and (iii) forecast the solution benefit. Data may also correlate with benchmarking examples.

Tool #4: Inclusion and collaboration are effective. A cross-functional team to scrutinize options and recommend the best apparent execution choice is a solid alternative. This is a scenario which draws deeply from the tribal knowledge of the group. Persons who co-author options are unlikely to subvert initiatives—especially when they are accountable for their implementation. Moreover, piloting and/or iterative implementation mitigates execution risk. Iteration in manageable chunks against milestones is thematically compatible with the Rockefeller Habits.

Tool #5: The leader must have a high EQ (Emotional Quotient) and convey both empathy and sympathy while simultaneously substantiating necessity. The leader should read all the relevant verbal and non-verbal signals which indicate whether the stakeholders are engaged and supportive. Indeed, this is one of those times when slowing down (to make sure the messaging is gaining traction) is a hedge on the ability to speed up for the long term. Effective leaders understand the difference between eustress (inspiration stress) and distress (counterproductive stress). When distress reaches unhealthy levels, the mind crosses the DMZ into the fight-or-flight mechanism whereby rational thinking shuts down.

Setting a good example is imperative. Behaviors are non-verbal communications. A leader who has been "there" (or something analogous to being "there") is powerful. For example, leaders whose companies have been acquired or those who have implemented technology systems conversions have valuable perspectives on persuading their followers what it takes for a successful deliverable.

Tool #6: Celebrate success. Sadly, the reward in many organizations for excellent work is more work. Commemorating milestones is a simple, rejuvenating gesture before engaging the next tollgate. A pizza party in a training room is one of the best morale investments on the planet. Obviously, success in the more strategically impactful initiatives should be ingrained in performance management systems for both remuneration and career pathing.

Change-Management in Action Example

A masked engagement sample from M3 archives is offered to pull together the points of this article. Despite the favorable implications of unprecedented growth opportunities, not all company departments were keeping up with the required changes. One of the high-potential managers for a key function was in Early Adopter mode. Her team was ramping up effectively within their functional span of control, but creating friction across internal vendors and customers by her insistence that peer colleagues pick up their pace.

The boss should always eat the vegetables before asking the team to ingest them.

A coach was offered to the high-potential leader to diffuse the tension among the departments. The first assignment was to profile stakeholders in the "resistant" functions. Probing identified two broad categories of stakeholders: legacy employees and new hires. Legacy employees seemed reluctant to stick their necks out for yet another perceived "cry wolf" episode. New hires had no perspective on company history; their point of reference was the company they left behind. New hires (i) could be distancing themselves from a previous employer's perceived problems, (ii) joining an exciting opportunity (but seemingly with inexplicable tension), or (iii) deciphering the paradoxical hybrid of both. A dearth of Innovators, Early Adopters, and Early Majority was self-evident.

For both legacy and new hire cohorts, one of the first moments of truth was substantiating revenue projections. Business development leadership had to assure stakeholders that the forecast should be used as the point of reference for functional planning and follow-through. Indeed, conveying that the C-suite unanimously endorsed the plan approved by the board of directors was substantial initiative endorsement. This was a classic communications issue with data available for corroboration. One should note that leaders further up the chain of command were more culpable than the high-potential manager being coached. Influencing up was necessary.

Another revelation from the probe was that few of the peer departments had ever tackled growth rates so daunting. In response, the high-potential manager drew from prior analogous experiences to create a Gantt chart which covered recruitment, onboarding, training, and productivity calibrated to the forecast—for which senior leadership approval mitigated execution and budgeting risk. There was an opportunity for the high-potential manager to both mend peer fences and provide value by sharing her model (even tutoring peers) for benchmarking replications.

Presto! Empathy, sympathy, teamwork, humility, accountability, and civility blossomed. Change-management was effective and no change in management was necessary. In this case, no pizza was required as the support provided by the high-potential leader to her colleagues was sufficient reward.

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