

Although change is embedded at the very core of today's fast-paced world, businesses are surprisingly poor at implementing successful change initiatives. Change management is seen as mysterious, as something that happens in the 'black box'. Based on a blend of experience and research findings, UGM Consulting offers clients an easy-to-follow change process which includes customised tools and metrics selected and tailored according to client needs. This stepped formula has helped clients achieve much higher rates of success than are generally reported in the change management literature. Additionally, the tools are easily and quite typically applied to other projects and other areas of the business.

How well does your business manage change? What is that costing you?

Take a moment to reflect on both large and small changes you have experienced in the context of your business in the past year, month, and even day? Your list is probably much longer than you anticipated. Now, please spend a moment rating the success of the changes – score a 0 if it failed and a 10 if the change implementation and outcomes were perfect. How did your change initiatives fare? Chances are you have quite a wide range of scores, indicating that some changes were implemented better than others.

Discussing change with UGM clients, we have found that, although there is a reasonable degree of variability in outcomes, many larger change projects in particular have fairly similar ratings. On average, the verdict is that a lot of major change initiatives are not managed effectively and outcomes are below par. Further, a substantial number are managed really poorly, at great cost to the organisation. Research corroborates our clients' experience, and the accompanying table demonstrates that most change initiatives are, at best, only partially successful. Besides a couple of really successful projects, a 40% success rate (60% failure rate) is often as good as it gets across multiple industries and many types of change.

Many different research studies report low levels of change initiative success

Change Type	Studies	Total Respondents	High Score	Low Score	Average
Process improvements	5	2300	100%	16%	39%
TQM oriented	3	145+	33%	27%	30%
M&A	4	58+	80%	14%	39%
Restructure	3	214	<50%	0%	<20%
Business contraction	2	1121	19%	19%	19%
Strategy Deployment	2	181	58%	10%	34%

Table: Average degree of success in change projects of different types in a variety of studies

Looking at the table, and thinking back to your own change scores developed earlier, isn't it surprising that, although organisations 'do change' so often, they generally don't do it well? In addition, moving into the future, we are not likely to see any reduction in the pace or magnitude of change any time soon. So, in a highly changeable world, the capacity to change successfully could become a key competitive advantage – yours or your competitors. And that, as Charles Darwin pointed out in another context, is the essence of survival!

The UGM approach: developing a comprehensive, uncomplicated change action plan

Using a comprehensive methodology

Change is often complex. It usually touches on all of the UGM core focus areas of strategy-implementation, leadership, organisational culture, and innovation. If we were designing a change project with you, we would bring a comprehensive, evidence-based approach. We start by synthesising and integrating relevant elements in each of the core areas and then, together with you, distil a customised plan of action that meets your specific requirements.

For example, one of our clients needed to achieve a significant shift in organisational culture following a restructure aimed at presenting more effective ways of delivering business benefits. As is often the case, change has winners and losers. Special effort was required to help those who had conceded territory to exploit the potential that the restructure offered for creating new value by working differently. The change program we developed with the client included:

- **Leadership:** an assessment of, and plan for, personal leadership, including leadership style changes
- **Strategy:** strategic analysis of key stakeholders and tailored plans to engage each of them in the change process, including developing a communications strategy
- **Organisational culture:** clearly defining the current culture, the desired culture, and the gap
- **Innovation:** recognising and communicating that the culture change was an innovation which would deliver individual and organisational benefits
- **Change and strategy implementation:** determining a reasonable timeline for implementation, and metrics to measure progress

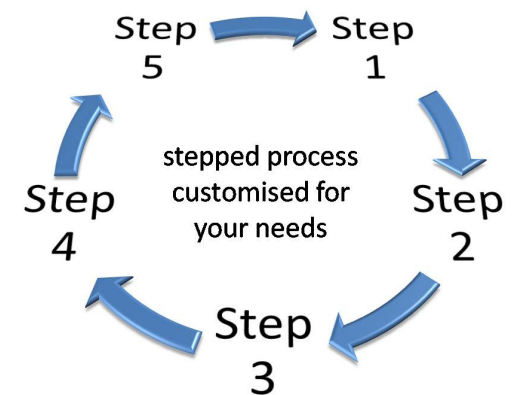
Invariably, in longer projects, plans are adapted and evolved as new information emerges. Even change initiatives need to be responsive to change! Yet, we sometimes see tremendous cost implications resulting from organisations being unable and, more often, unwilling to make timely adjustments to their change plans.

Evidence-based approach as a key differentiator

We believe that our evidence-based approach is a primary reason why clients find our advice interesting, useful, and highly applicable. The two primary sources of evidence are our own experience, together with the best ideas from leading thinkers and practitioners in the core fields.

The team at UGM has gained extensive practical experience and insights from studying and working in and with: the private sector; multiple levels of the education sector; the public sector; and not-for-profit organisations. We have worked with a wide range of private sector companies in industries including financial services, engineering, telecommunications, legal services, aviation, retail and travel industries, to name a few. As a result of operating in diverse sectors and industries we (and ultimately our clients) benefit from the subtle, and sometimes not-so-subtle, nuances we observe as we apply the different tools and steps in the change process. When we develop customised change plans with our clients, we are confident that the principles we use are robust, have been fire-tested, and deliver successful outcomes.

In addition to drawing on UGM's own research, we are also passionate about continually challenging our own thinking with the best-in-field in all of our core areas of interest. We enjoy having our own experience-based approaches validated through the research of others, but really revel in the opportunities for extending and challenging our thinking through the cutting-edge research of others. However, instead of lurching from fad to fad, our personal practical and academic backgrounds allow us to use research findings to complement already solid, proven foundations. The long-term relationships we enjoy with many clients endorse this approach.



Change Process Customised

Despite their importance, many organisations place metrics, at their peril, in the ‘too-hard’ basket.

Change as a stepped process rather than some mysterious formula

We do not subscribe to any particular framework of change, but rather adapt the most suitable frameworks to meet a client’s particular needs and situation. We then use this customised framework to inform the specifics of the action plans which will deliver the required change outcomes. Of key importance are the metrics associated with the various initiatives, an area we have found is a key determinant of change project success. However, despite their importance, many organisations place metrics, at their peril, in the ‘too-hard’ basket. This does mean that it is more difficult to decide whether the project was successful or not, which may be good for the project lead if things turn pear-shaped, but in some ways is a self-fulfilling recipe for failure!

UGM approaches change in a systemic manner, much as we have described in our articles on ‘Strategy Design and Facilitation’, and on ‘Strategy Implementation’ - after all, the implementation of strategy is simply one form of change. (Please refer to the articles mentioned for details of our approach, including an outline of the type of tools we use).

In brief, our change process consists of a sequence of manageable steps. The specifics of change might vary from business to business, but the broad sequence of stages is usually very similar, like many other business processes. To sell successfully, for example, most businesses will establish consumer need, develop a suitable product, market and sell the product, and then provide good after-sales service if applicable.

All steps in our change sequence have at least one customised tool that supports leaders in achieving the desired outcomes of each particular stage of change. In addition, there are tools that apply across the whole change process, such as our evaluation and monitoring tool that we use to estimate the likelihood of change success at any time of the project, from its inception onwards. With this tool you can assess how likely a change initiative is to succeed, and determine where it might falter, in under 5 minutes. The tool can also be used by multiple stakeholders to compare perceptions about the likelihood of success. We know that often the leader and committed change team use very different coloured lenses from the 'end-users' of the change initiative. The tool allows you to compare and align diverse views, before costly project slippages occur.

Transferring knowledge to extract additional value

Another key feature of how we work relates to knowledge transfer. We expect that if UGM Consulting works with you, the business will adapt our processes and tools for use in other parts of the organisation and in other projects, as our clients quite typically do. Being able to cascade and re-use tools greatly increases the return on investment associated with the use of our services and is one of the key metrics we use to judge the success of our engagements. The multiplier effect obtained from this approach is another of the reasons why we have so many long-standing, repeat clients.

Conclusion

Many businesses seem to struggle with change initiatives which invariably end up having a negative impact both on the bottom line and also on company morale. But handled well, change can truly be a source of great new opportunities that boost the business and can even be a differentiator. UGM Consulting draws on both experience and research to develop customised frameworks and change action plans. After assessing your needs, we work with you and your business, using a variety of tools that are tailored for your specific circumstances. Each of these steps moves your business along the change continuum in a considered, rather than haphazard, manner. Meaningful and useful change metrics help you assess how you are tracking and provide up to date information that informs the change management process. As they are learned, the tools become available for use in other parts of the business and in other projects, extending the value of your initial investment.