



The Importance of a Change Strategy

Few executives would compete in the marketplace without a clear business strategy, yet many undergo multi-million dollar change efforts without a clear change strategy. Because of this many change efforts fail to produce the anticipated return of investment.

The creation of a change strategy is one of the most important documents produced for a transformation. It is a high level plan for how the results will be achieved and determines information and decisions critical to setting up a change up for success.

A well thought out change strategy:

- Brings content and people under one strategic framework
- Clarifies leadership and governance
- Links change execution to the business strategy and resources
- Specifies the strategic positioning and pathway for the change
- Increases efficiency and speed through initiative integration
- Initiates engagement and communications early
- Legitimizes the change in the organization

While a business strategy determines what in an organization needs to change, a change strategy clarifies how those changes will happen. It integrates three key components and ten core elements.

3 Key Components

There are three key components integral to a change strategy, they are: content, people, and process.

Content – Content refers to what in the organization needs to change i.e., structure, systems, technology, business processes, products, services, etc. Content describes the aspects of the business solution being designed and implemented—and often gets the most leadership attention.

People – The people component of a change strategy includes people’s emotional reactions to the change, how to engage people in design and implementation, and how to ensure commitment and capacity to the change. These are as important as the content of the change. Most change efforts fail because of lack of attention, or skill, applied to people dynamics.

Process – The process component of a change strategy draws the roadmap to get an organization from where it is today to where it needs to be to achieve the results desired. It moves an organization through the design of the solution, including:

testing, planning, implementation—all the way to full realization.

10 Core Elements

There are ten core elements of a change strategy. Although not every change requires attention to all ten elements, discussing each will spark critical discussions among the change leaders and executives. These discussions can greatly accelerate a change effort and reduce its cost.

1. *Values and Guiding Principles* - Change is all about taking a good idea or a new direction and making it real. An organization's values and guiding principles are paramount to the new direction and must form the foundation of the future state being created. This element is especially important in the way in which individuals are engaged, communicated to, and how the implementation is designed. Make the organization's values and principles overt and keep them visible throughout a change initiative.

2. *Change Governance* – How a change is governed is determined by:

- Identifying clear change leadership roles
- Creating a recognizable change governance structure to oversee the effort
- Clarifying how change-related decisions will be made
- Clarifying how the change structure will interface with ongoing operations

These four actions form the basis of an overall change infrastructure. Include here any temporary teams, systems, course correction vehicles, or technology that will be used to support the initiative.

3. *Identification and Integration of Change Initiatives* - This element translates the scope of the change into actual initiatives which address organizational and technical changes, as well as human and cultural ones. Integrating these into one unified effort simplifies the magnitude and complexity of the change and clarifies confusing, competing, or unrelated work.

4. *Fit and Priority of Initiative* – This element clarifies where each effort fits among other organizational priorities. Ideally, the level of priority given to the change effort, by its sponsors, will match the degree of visibility and resources allocated to it. The intent of this element is to clarify how the change effort fits within—and supports—the organization's business strategy requirements.

5. *Multiple Project Integration Strategy* - An integration strategy is necessary when there is interdependence or overlap among any sub-initiatives or interdependence between one effort and any others occurring in the organization. The integration strategy surfaces, addresses, and streamlines the work across efforts or regions. A multiple project integration strategy reduces redundancy, competition, or gaps among changes and aligns them to share resources, reduce costs, increase efficiencies, and accelerate the pace of change.

6. *Bold Actions* - Bold actions are highly visible (often dramatic) actions which demonstrate that things are going to be different. Bold actions are especially important if the changes are significant or require a successful organization to alter course. Bold actions radically wake people up to the seriousness and magnitude of the

new direction. It is powerful for senior leaders to identify bold actions, and equally important for them to carry them out to have the intended impact.

7. Communications and Engagement – Typical, top-down communication channels are inadequate for complex change. Change communications require interaction, exploration, and high-level engagement to ensure that the changes, and their implications, are felt and understood. It is crucial for a communication plan to take the human dynamics of change into account from the beginning, and at every step of the way.

8. Acceleration Strategies – Change takes time, the larger the change initiative the more time it will take to plan and implement it. However, there are effective acceleration strategies which can be implemented. These include: large group engagement meetings—to address visioning, design, and impact analysis, putting special teams together—to have dedicated time to tackle key issues, running key aspects of the change in parallel, integrating activities with other change efforts, and setting up conditions for success at the beginning.

9. Required Resources – A change strategy should determine a high-level “guesstimate” of the types and magnitude of the resources needed to carry it out. Resources may include capital assets, people, expertise, technology, support, time, etc. Resources will need to be renegotiated when variations from original estimates are recognized, identify these ahead of time.

10. Milestones & Guidelines - Create a comprehensive plan that outlines the phases and milestone events necessary to carry out the change effort. This high-level roadmap is not a detailed implementation plan. Instead, it should communicate how the change will be rolled out and at what pace. It should include critical actions, events, announcements, decisions, and benchmarks. Note: at this stage in the transformation, the timeline is a best guess.

Building an effective change strategy takes time and resources, but it will accelerate any change effort and reduce its ultimate cost. Furthermore, it can increase an effort’s efficiency, remove unnecessary or redundant activities, and engage people optimally.

Join us next month when we will be discussing the importance and implications of change capacity.

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