

Change Management

MANAGING CHANGES, PLANNING FOR SUCCESS

The **Art of Progress** is to



preserve order amid change, and to
preserve change amid order.



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**“TO IMPROVE REQUIRES CHANGE. TO BE PERFECT REQUIRES CHANGE OFTEN.”
- SIR WINSTON CHURCHILL**



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RULE

For Every Change

There Are Associated Costs

**Some
Obvious**



**Some
Hidden**

List Area of Cost and forecast amount if possible

Obvious Costs – Anticipated and / or Included

Hidden Costs – Related to Impact and / or Risk

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CHALLENGE

Identify potential sources for Hidden Costs and take appropriate action to minimize losses.

Resources

Vendors

Materials

Revenue Impact

Performance

Customer Loyalty

Other _____

REACTIONS TO CHANGE

People are affected by Change

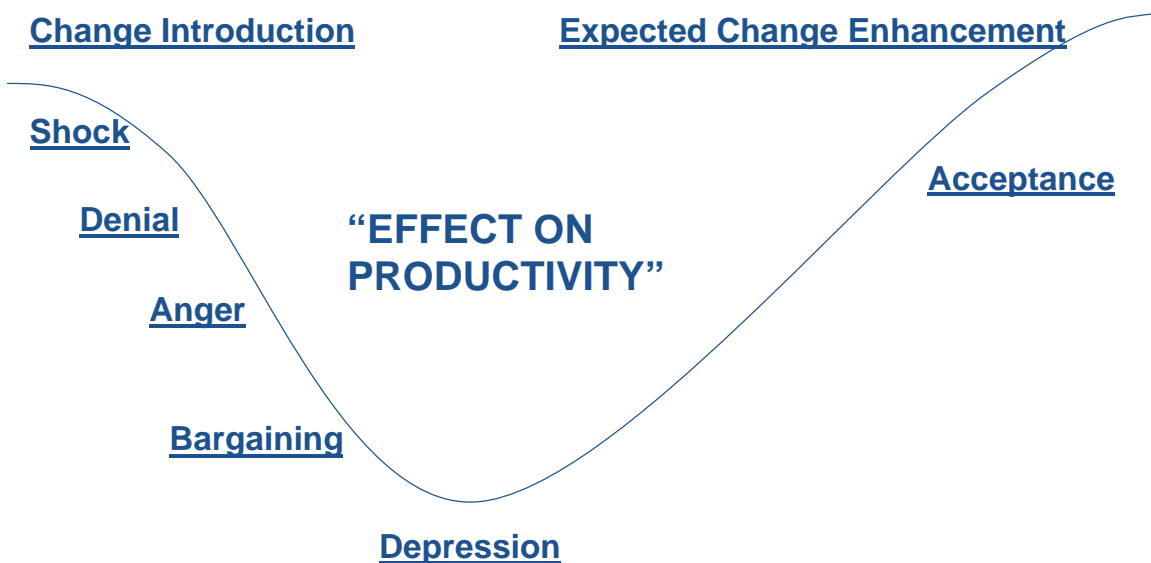
Individuals react differently to change with varying degrees of acceptance

- Some thrive on and actively seek change
- Some simply accept change
- Some resist change

Individuals who resist change have usually developed a psychological barrier to change causing them to go through a reaction cycle affecting their productivity negatively, resulting in unanticipated “hidden costs”

REACTIONS CYCLE

Stages and Effect on Productivity



INTRODUCING CHANGE

Checklist for Introducing Change

- Show need
- Involve Affected People
- Obtain Support of Individuals
- Develop a “Champion”
- Realistically Consider Consequences and Tradeoffs
- Reward Risk Takers
- Modify Organization or Technology
- Dramatic Demonstrations
- Shock
- Coercion



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RESISTANCE TO CHANGE

Resistance occurs when –

**Current Environment is Providing Personal Gratification
Needs From Environment are Being Satisfied
A Level of Competence Has Been Achieved
A Set of Skills Has Been Developed
Significant Time and Energy Has Been Invested**

Control – There is a Good Balance Between Needs and Competency

“CHANGE” – Threatens Equilibrium

When this happens -

Individuals Begins to Question

- The New Situation
- Ability to Maintain Control
- Personal Competence
- New Skills Required
- Time and Energy Available



PLANNING FOR CHANGE

Develop a checklist and Plan for Change

1. Consider People Needs

- Psychological connection of need for competence
- Importance of maintaining equilibrium
- Anticipation creates anxiety and resistance

2. Analyze Gains and Losses

- Actual versus perceived
- Create dialogue with people involved

3. Maximize Stability

- Introduce change gradually
- Separate impact areas (work skills, power and social relationships)
- Where possible keep teams intact, keep job titles, stabilize offices
- Clarify goals, policy, strategies, direction
- Maximize supervision, dialogue, interaction
- Offer support and assistance
- Alternate change with stability
- Develop trust and confidence

4. Maximize opportunities for acquiring competency in advance of change

- Maintain skill currency thru training
- Provide development opportunities
- Provide long forewarning of change
- Involve personnel and solicit ideas
- Clarify the nature of the change
- Clarify new skill level expectations
- Provide time for skill development

5. Supply time and energy “equivalents” relieve persons from some duties

- Modify deadlines on trivial tasks
- Assign assistants
- Provide personal support
- Provide specialist, consultation support
- Allow for time off
- Do not release people immediately after changes

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TEST YOUR READINESS FOR CHANGE

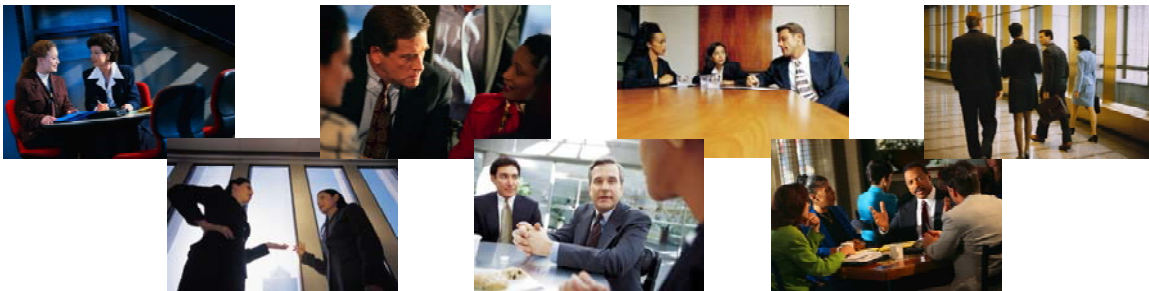
Check these change process steps for effectiveness.

In Place	Process Action	Needs Work
	We have justified and documented the need for this change	
	We have identified the people that will be affected by this change	
	We have involved affected people in the change planning process	
	We have identified the effect on the people involved	
	We have a plan for maintaining appropriate skill levels	
	We have training in place to develop the new skills required.	
	Our implementation plan places minimum stress on people	
	We have notified personnel considered excess due to the change	
	We have tested this change wherever practical	
	We have documented the change process with goals and timeline	

of Ten	How did you do? Are you ready for change?	of Ten
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REVIEW THE CHANGE PROCESS

- When planning for change, do we consider people needs
- Have we analyzed gains and losses from the planned change
- Have we provided for a stabilized environment
- Have we considered needs and opportunity for competency acquisition
- Have we provided for time and energy equivalents



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About the Author:

**Louis W Mehrmann
Biography**

Summary

“Lou” Mehrmann is a retired free lance Business Management Consultant with over 45 years of customer focused interrelationships and business process experience. He began his business career when he joined IBM immediately after serving in the U.S. Navy during the Korean “Conflict” where he earned his Dolphins aboard the Submarine U.S.S. Sennett (SS408) as an Electronics Technician.

Lou has 35 years of diversified IBM experience; in field, headquarters, line, staff, and management positions; in service, marketing, and corporate business functions. His major strengths are in business process planning/management, process problem/causal analysis, solution design/implementation, and standards. He has specialized knowledge in Information Systems Management, Data Security, Audit Practices and Procedures, and Baldrige Quality Assessments. He is a creative, energetic results oriented professional, whose work ethic, example, and exceptional rapport with younger employees build strong team commitment

After retiring from IBM, Lou spent:

- Two years as a consultant with the IBM Credit Corporation base lining, entitling, and reengineering their field marketing process.
- One year consulting with medical practitioners performing office work flow time/motion studies, evaluating staff assignments, making staffing recommendations, and in the evaluation of overhead expenses and recommended cost reductions.
- Five years as a consultant, again with the IBM Credit Corporation designing, implementing, and managing an end-user Customer Satisfaction Program.
- Two years with DBA Business Transformation Services doing self-study course evaluations and recommendations, learning activity identification to support specific skills, career path roadmap definition and design, and in evaluation of participation by business unit and profession in the career planning process.

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Accomplishments

Initiated, developed, implemented information systems management briefings, seminars, planning sessions to address customer concerns about complexity, reliability, availability issues resulting in eased transition to new applications, decreased pent up demand and increased productivity. Lou conducted sessions for several hundred customers including more than a dozen Fortune 500 establishments.

Lou designed, developed, and published twelve customer data control documents for IBM. (Security Assessment Questionnaire, Security Controls and Procedures, Risk Assessment, Contingency Planning, Dial-Up Security, Information Ownership and Classification, Personal Computer Security, Control of Off-Site Terminal and Software Usage, Information Systems Network Security, Fire Suppression in DP Operations, Bibliography of Security, Audibility, Control Publications, and a Detailed Three Phase Project Plan for Implementing System Network Control Centers).

Lou counseled over 3000 IBM customers nationwide via seminars relating to security, audibility, and control of information systems to address data integrity and corporate Data Asset Protection issues. This resulted in heightened customer awareness and implementation of improved protection methodologies.

Developed and initiated three new corporate audit programs for IBM; (Personal Property Taxes for M&D Sites, Buy America Procedures and Controls, Import Process Controls) which identified a lack of business process controls over several critical business functions exposing the corporation to significant financial loss opportunities. Resulted in major changes to worldwide sourcing logistics system and strengthening of associated internal controls. Participated in 12 audits, acted in capacity of Auditor in Charge for 11 additional audits, Mentored and trained six new audit team players.

Facilitated documentation and analysis of IBM field technical support process that identified significant redundancies. Resulted in initiation of major process re-engineering project to affect ten times (10X) improvement in process effectiveness and efficiency.

Developed, implemented, and managed an End-User Customer Satisfaction program for IBM Credit Corporation. Established closed loop process to identify and correct systemic root causes of customer dissatisfaction. This resulted in 8% (87%-95%) improvement in overall customer satisfaction and designation as "Best of Breed" within IBM parent company.

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Louis W Mehrmann

Personal

Lou is a prostate cancer survivor, having both surgery and radiation after diagnosed less than one year after retiring from IBM. Since that time, both Lou and his wife Gloria have been actively involved in promoting cancer awareness in a variety of ways. Lou developed and provided the American Cancer Society (ACS) a presentation on prostate cancer that is readily available to deliver to any organization with an interest in the subject.

Lou personally presented to over 100 business, fraternal, university and church organizations in Southwest Virginia. He has been actively involved with the American Cancer Society as a committee Chairman for cancer education and on the local ACS board of directors. Lou is also an active member of the planning committee for the local Man-to-Man prostate cancer support group sponsored by ACS. In recognition of his dedicated service, Lou was selected and participated for several years in the Department of Defense (DoD) Prostate Cancer Research Program as a consumer advocate to evaluate proposals from medical professionals competing for research funding.

In response to requests, Lou and Gloria established a volunteer program for cancer advocates to support the Southwest Virginia Cancer Center. As a couple, they became active participants in the Man-to-Man program and selected to participate in the American Cancer Society National Cancer Awareness Education Council. They developed several training modules to teach selected leaders how to establish, organize, and run successful Man-to-Man functions for ACS. They personally trained new Man-to-Man leaders in several cities across the mid-south region of ACS.



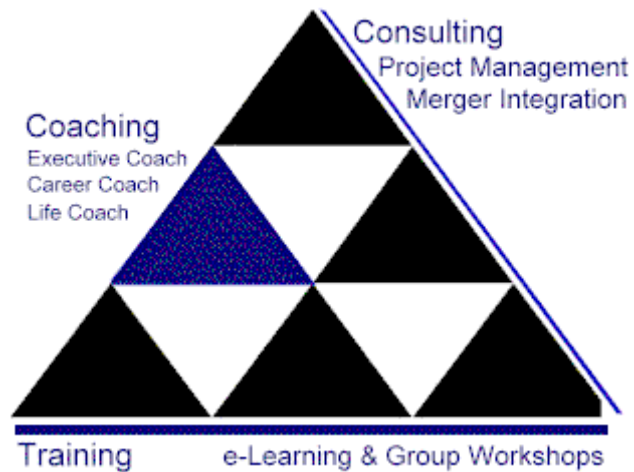
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Time is Money
More Impact, Less Interruption

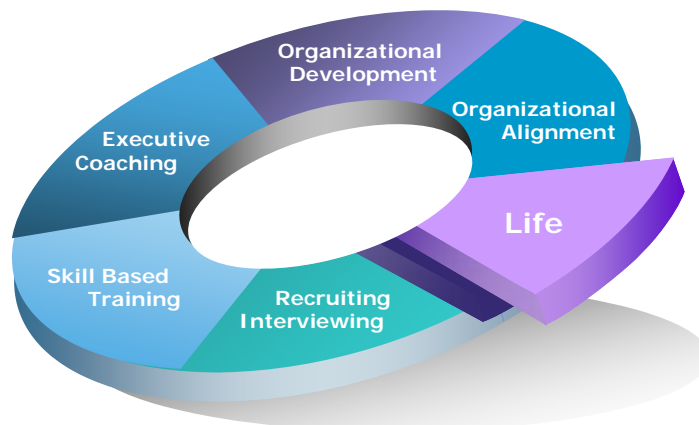
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The foundation of every organization is the talent of the people within it.



Executive Blueprints, Inc is dedicated to supporting leadership by providing proven blueprints for success and individual resource development. Services include preparing a customized library of training and reference materials, consulting and management coaching.

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