



The Method and the **MAGIC**

An Integrated Approach to Change Management and Communications

By **Laurie Axelrod** and **Beth McDonald**

“They say that time changes things, but you actually have to change them yourself.”

- Andy Warhol

Every leader is at some point called upon to lead change. Imagine for a minute that it's your turn. You've been asked to spearhead an acquisition or reorganization within your company. Tapped to introduce a new system or process. Chances are you've been selected to lead this important initiative based upon your reputation, experience, expertise or all three. That's good, right? So, how do you feel?

Yay! Yikes!

Excited? Nervous? You probably feel a combination of both, something we call “Yay! Yikes!” Yay, because being chosen to manage change is a strong vote of confidence in you and your work. Yikes, because change can be daunting and often difficult—and many companies don't do it well. The stakes are high and the statistics can be discouraging.

You could just dive in. You know your business; you have good support within your company. Who's to say you won't succeed? A word of caution—the odds are against you.

Nearly 70% of change initiatives fall short of their goals, according to Harvard Business School leadership professor and change guru, John Kotter.ⁱ What is the fallout from falling short? Pretty damaging. Unsuccessful organizational change is among the top reasons chief executives are fired, accounting for nearly a third of terminations, according to a recent study.ⁱⁱ **Yikes.**

We want to help you through this. To share our method for successful change management and the magic that makes it happen. But before we get to how to do it right, it's helpful to look at how it can go wrong.

Turn and Face the Strange Ch-Ch-Changes

Any internal initiative, large or small, can only succeed when these two components: **change management** (understanding what's needed to move an organization from the current to the future state and using those insights to help people embrace change) and **communications** (conceiving and distributing memorable, compelling messages that will drive behavioral change) work in concert with one another. Many organizations keep these two disciplines separate—and to disastrous effect.

Here's an example. The CEO of a large chain of home improvement stores, upon taking the helm, quickly saw the need for efficiency and cost-cutting adjustments. A take-charge temperament and avid numbers guy, this CEO set out to install self-check-out lanes and a sophisticated inventory control system in the stores. As he implemented these improvements, he also instructed managers to save money by cutting staff.

What this leader missed was that the chain's knowledgeable sales staff and personal-touch customer service were the very characteristics that drove its strong revenues and repeat customers. If he had engaged store managers prior to communicating his vision, he would have gained valuable information and perhaps approached change differently. Instead, he alienated his staff and the changes flopped, both contributing factors to his termination.

The importance of engaging your team as part of any change management and communications strategy cannot be overstated. We once told a client, the CEO of a large organization, that the first step to success is developing a shared vision with his staff. Common sense, right? We thought so, too. So you can imagine our surprise when he responded: "That's already done. I have a vision and I just shared it with them." These common—and often costly—mistakes, like others we've witnessed over the years, revealed to us the pitfalls of keeping change management and communication on separate tracks.

But we weren't quite sure what to do about it. Until, one day, it came together for us.

The Peanut Butter Cup Moment

During the 1980s, Reese's® Peanut Butter Cups ran a commercial in which a pretty young woman is walking down the street, listening to music on her headphones and eating a jar of peanut butter (*who does that?*). At the same time, a handsome young man is coming from the other direction, also with headphones on, eating a chocolate bar. They bump into one another.



"You got your chocolate in my peanut butter!" she says. "Well, you got peanut butter on my chocolate!" he replies. They taste the novel blending of ingredients and exclaim: "It's delicious." And they realize that peanut butter and chocolate are "two great tastes that taste great together."

Our professional partnership and integrated change management and communications magic was sparked in a similar way. Some years ago, we were collaborating on a major company turnaround. At the time this company, like many organizations, kept communications and change management separate: Beth leading change management, Laurie leading communications. It was a clarifying moment.

The company had a new CEO with a fresh vision who set in motion a series of organizational transformation efforts, called "The CEO's Top 10." But unlike Moses, whose leadership needed no more than a divine stamp of approval, getting loyalty and buy-in for this CEO's Ten Commandments required deep insight into the hearts and minds of his people.

Beth got that insight—through takeaways from interviews and meetings, statistics from surveys, and executive input. Her data was comprehensive and thorough—but it was an assemblage of facts.

Laurie reviewed the treasure-trove of information and realized she could craft a narrative that gave the audience the details they needed to hear, in the way they needed to hear it.

Beth's message now had a medium; Laurie's media had a message. And together we created a cycle of targeted communication, feedback and dialogue—up, down and across the changing organization. Communicating about change based solely upon what executives *thought* their audiences wanted to hear hadn't gotten the whole job done. We owed it to our clients to find out what the audience was thinking and feeling, and tailor the message to successfully encourage new behaviors.

How Does Your Company Stack Up?

Once we understood that organizational transformation required clearly defined change management and communications plans woven together, we set out to gather data. What were companies doing well? Where were they falling short?

We reached out to upper-level professionals with more than 20 years experience in varying fields—from IT and government to non-profit and hospitality—and surveyed them about their experiences with effective (and sometimes not so effective) change management and communications strategies.

The answers were telling. While the vast majority of respondents believed change management and communications strategies were essential to organizational transformation, many felt that their companies were not adequately putting these strategies into practice:

 **83%** of respondents said working with stakeholders to get consensus about vision, tagline and success criteria was essential, **but more than half** conceded their companies did not do it well enough.

 **More than two thirds** said using multiple communications channels to share changes was essential, but **more than 35%** said they did not achieve it.

 About **70%** called message testing prior to rolling out to a big audience crucial, with **50%** saying they did not put the strategy into practice successfully.

 While **74%** believed in being truthful with employees as early as legally permissible, **only 30%** said they did this adequately.

 A full **three quarters** of respondents felt involving an executive sponsor was critical to success, but **a mere quarter** felt they did this sufficiently.

The Method and the Magic



To ensure the success of organizational change initiatives, we recommend a multi-discipline approach that integrates change management and communications.

Our method has come out of years of helping clients navigate change effectively, and has worked wonders for organizations big and small, public and private.

Some of what we're saying may not seem new. Many researchers back up the importance of solid communication and change management in achieving large-scale transition. Where our approach is unique is its seamless integration and execution of the two disciplines.

We know our method is sound, because it's based upon common-sense principles, informed by the best thinking in our field and guided by knowledge of human behavior. It's more than a method. Much more. There's an element of magic that comes from knowing your audience, listening to their needs and being creative in how you reach them.

Unlike many magicians, we're willing to reveal how we pull the rabbit from the hat.

The Method and the Magic



STEP ONE: BUILD THE BIG PICTURE

In the first step, we define vision and determine what success will look like from the perspective of those involved. We gauge readiness and develop commitment from the project team.

MAGIC: Recognize that there is *no ideal* vision. Perfectionism is an impediment to change. And the processes of defining the vision, who you involve and how you engage them is *just as important* as the end product.



STEP TWO: REMOVE THE GUESSWORK

Now, it's time to identify critical stakeholders, group them into four distinct categories

(champions, advisors, implementers and impacted employees) and determine their impact by the change.

MAGIC: Be collaborative. Share the big picture and gather reactions, input and concerns from your stakeholders. And here's a big one—don't do a stakeholder analysis without members of the stakeholder group in the room.



STEP THREE: GET THE MESSAGE RIGHT

Next, we develop a balanced message using insights from the stakeholder analysis.

MAGIC: Take the time to share with a smaller group first. Even the most seasoned executives have earned a few scars neglecting this step. Find out how the message will sit with your intended audience. What you learn could save a career—perhaps your own.



STEP FOUR: PREPARE THE STAKEHOLDERS

Then, we create and deploy a plan that prepares each stakeholder group for the change. Activities may include training, tools and reference guides.

MAGIC: *Don't start with this step*, remember to build the big picture, remove the guesswork and get the message right first. Steps one and two are not a luxury and they don't have to take a long time. There are some magical shortcuts we've developed through the years.



STEP FIVE: EVALUATE RESULTS

Finally, we evaluate the success of the initiative and make continual refinements to improve business results.

MAGIC: If you followed the first four steps, you should be enjoying the benefits of successful organizational change and communication.

Back to you. It's go-time. You're charged with initiating change within your company and you want it to succeed. You want to gather the right insights *and* communicate them effectively to your audience. You want to make changes that will be heard and understood—and impact your business in positive, long-lasting ways.

It may seem intimidating but, by utilizing an integrated approach to change management and communications, you can face the challenge with confidence and perhaps begin to see change as the very instrument of your organization's ability to survive and thrive in today's competitive landscape.

"It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change."

- Leon Megissen, summarizing Charles Darwin

¹ Kotter, John P. 1998. Leading Change: Why Transformation Efforts Fail. In Harvard Business Review on Change. Pp. 1-20. Boston, MA: Harvard Business School Press. (Originally published in HBR 1995 (March-April).

² Murphy, M. (2005). Leadership IQ Study: Mismanagement, Inaction among the Real Reasons Why CEOs Get Fired. Retrieved on 23 July 2014 from http://www.hr.com/en/communities/training_and_development/leadership-iq-study-mismanagement-inaction-among_t_eak34wir.html