MEETING THE CHALLENGE OF TRANSFORMATIONAL CHANGE:

Do You Have the Transformational Change Leadership to Cross the Abyss?
We hear a lot of talk about transformational change, but what is it exactly?

If your organization is in the midst of or embarking on the journey of transformational change, what should you expect, and what will be required for success?

What will leaders need to do differently?

Those are important questions we’ll be addressing in this eBook.
Transformational Change is Widespread

Look around and you’ll find lots of examples of transformational change within organizations.

- **IT areas** that are moving to new structures with heavy reliance on outsourcing
- **Financial Services** that are moving to a shared services model
- **Healthcare organizations** that are dramatically changing patient care delivery models and transforming to meet requirements of Healthcare Reform
- **Cultural changes resulting from Mergers & Acquisitions**

In all of these cases, the changes are large-scale, complex, and highly disruptive. They impact people, process, and technology and entirely alter the way the organization operates.
Change Comes in Three Sizes

**MINOR**  
*Minor Disruption*

- Minor alterations to the Frame of Reference (FOR) resulting in minimal disruption and resistance, like a change in a policy or procedure.

**1ST ORDER**  
*Frame-Bending*

- Major alterations to the existing FOR resulting in significant resistance. In an organization, this means taking what you are currently doing, and doing it better, faster, cheaper or more often... There are multiple sets of improvements around something that currently exists. These are changes that can be categorized as continuous improvement.

**2ND ORDER**  
*Frame-Breaking*

- The old FOR is no longer adequate. A new FOR must be created resulting in maximum disruption and resistance - requires the old FOR to be broken down. The organization must “forget what we are doing now.”
Three Reminders about Transformational Change

1. Transformational change can’t be done incrementally; you can’t make the leap across the abyss in two jumps

2. Transformational change can’t be made totally safe. It requires a “leap of faith”

3. Transformational change means you can’t go back. Once you begin to cross the abyss, you can’t change your mind and go back to the old ways
Key Metrics for Transformational Change Success

There are five key dimensions for measuring the success of transformational change. Certainly the change must be delivered on time, and on budget. Beyond that, though, the transformation must also be completed with all technical, business, and human objectives met.

- We need to have implementation-specific success measures for the transformation across all five dimensions.
- We need to define the transformation in terms of the “behaviors we seek to see.” These behaviors will be different for different target groups.
- When the human objectives are defined as “behaviors we seek to see,” managers are positioned to apply reinforcements (positive and negative) immediately following the behavior for maximum acceleration.

It’s critical to have a clear definition of the human objectives so that sponsors will know what behaviors need to be reinforced. The more often you measure, with immediate positive and negative reinforcement attached to the measure, the faster you will be able to implement the transformation.
How Do We Get People to Make the Leap?

Fundamentally, the motivation to leave the current state, or the status quo, has to be greater than the desire to stay where we are. While Opportunity, Need, Discomfort, and Pain can all be motivators, pain is the most powerful motivator. At the same time, though, if you have to wait for the pain, you will constantly be in a reactive mode.

Simply communicating a new Frame of Reference will not provide sufficient motivation for the transformation. Remember that it is much more difficult for people to adopt unknown and untested behaviors (those behaviors we seek to see) than it is to stick with the status quo—which has worked up until now.
Reinforcement is the Power Lever for Motivating Behavior Change

The primary lever for accelerating the transformation is the application of reinforcement. Reinforcement drives behavior change - no behavior change, no implementation!

If you’re applying the same reinforcements as in the past, you will get more “same”. The current reward system is designed perfectly for reinforcing the status-quo!

It’s the special relationship between the manager and the direct report that drives the reinforcement for the transformation. That reinforcement occurs on a daily basis—it’s far more powerful than the formal performance management system.

But this poses a lot of potential challenge for successful execution of the transformation because the manager has to figure out what will motivate his/her direct reports, and respond accordingly.

Are your managers equipped to do this? You may be dealing with a management skill issue that you will need to address!
**Sponsorship Must Be Different for the Transformation**

You can't create radical, transformational changes with minor adjustments in sponsorship behavior. From the very beginning of the transformation, you will need sponsors to provide psychological cues that "this change is different".

The sponsorship we are talking about here is more than a group of leaders who are on a steering committee or the leader who is signing the check. Sponsorship for transformational change is a very active condition of leaders who are expressing, modeling, and reinforcing their personal commitment to the transformation.

For maximum acceleration, you will need to develop a cascade of sponsorship down each management level and across the organizational boundaries - a complete network of reinforcing sponsors that is demonstrating commitment through their individual actions on a daily basis.
Express, Model, and Reinforce Aren’t of Equal Weight in Impacting Transformational Change

Sponsors can’t just talk about the transformation without making changes to what they are modeling and reinforcing. The **timing is critical** - it’s important to have all three sponsorship behaviors aligned and launched together.

What sponsors are reinforcing on a daily basis with their direct reports has **three times the weight** of what the sponsors say. So if you are focused on communication planning as the key element of your change management support, you are missing the most essential activity for change agents: generating sponsorship through sound contracting for the behaviors you need from sponsors at each point in the transformation.

If what sponsors say, do, and reinforce get out of sync, trust will go down, and resistance to the transformation will go up. And when trust goes down, speed goes down too. **Trust and speed are functional.**
Securing Sponsorship is an On-Going Process for Change Agents

Most sponsors are ineffective not because of bad intentions - they simply are not educated about what is required, and they are trying to pay the “least price” possible in terms of their personal commitment of time, energy, and reputation.

But having effective, durable sponsorship represents 30-50% of the success for the transformation - so it is worth change agent time and resources to devote a significant portion of time to securing sponsorship over the length of the transformation.

To add to the challenge, over the course of the transformation, it is entirely predictable that there will be changes in key leadership positions. Project teams must anticipate and plan for this to happen.
Sponsorship and Reinforcement are Closely Linked

Given the on-going need of sponsors to reinforce the “behaviors we seek to see” for their own direct reports, it becomes clear why sponsorship and reinforcement are intertwined.

- The more closely aligned what sponsors at each level are expressing, modeling and reinforcing behaviors, the faster you can go.

- The more often that sponsors are applying positive and negative reinforcement to observed behaviors of their direct reports, the faster you can drive behavior change.

The business of leaders is to determine what the transformational strategy is.

The business of managers is to change the organization through their daily actions.
A Structured Framework Ensures Consistency and Focus on the “Right Things” for the Transformation

The **Accelerating Implementation Methodology (AIM)** is a set of strategies, tactics, principles, and tools that can be applied to any change, including transformational change. It provides the same level of rigor and business discipline to the human elements of change as are applied to operational and financial areas of the business.

Since transformational change is radical and complex, AIM is useful for several reasons:

1. A standard language and approach for implementation is more efficient and drives speed
2. The methodology and its measurement tools serve as a risk dashboard that informs the leadership team where finite resources are best applied (Your organization will never have the level of resources you need for transformational change)
3. The methodology is extremely practical and operationally focused on securing the desired business outcomes; we like to say it is not “a group hug”
4. The methodology is both systemic and systematic - it provides a unifying foundation for managing the change across organizational boundaries, cultures, and geographies
Learn More about AIM and Transformational Change

**Using the Power of Reinforcement to Implement Transformational Business Changes**
A one hour recorded webinar led by Don Harrison, IMA President and Founder

**Building Readiness for Transformational Change**
A one hour recorded webinar led by Nancy Harrison, IMA Managing Partner

**Leading People Through Business Changes**
A white paper describing the Accelerating Implementation Methodology (AIM) from an application perspective

**Is There a Sponsor in the House?**
eBook to download and share
IMA is an international consulting firm that guides organizations through all types of large-scale change and implementations. Since 1989, our proprietary and systematic Accelerating Implementation Methodology (AIM) has been used extensively for the successful implementation of a wide variety of business-critical change projects.

We work with clients in four major ways:

- **Action Learning Programs**, designed to train your people in the principles, tools, and deliverables of AIM
- **Consulting**, where we work with your project teams to mentor them in application of AIM
- **Measurement**, using our toolkit of validated diagnostic assessments
- **Methodology Transfer**, our Accreditation process for building internal AIM Practitioners
Application of **AIM** is proven to deliver business change initiatives:

**On Time:** In most industries, being first to market results in making 4 to 10 times more profit than your competitors. Making decisions and implementing quickly is critical. **AIM** can help you meet or beat your schedule.

**Within Budget:** Change is a ferocious, resource consuming activity. The more quickly and efficiently an organization can implement change, the more resources it has available for other strategic initiatives. Effective use of **AIM** can significantly increase the probability of implementation success within budget.

**All Objectives Met:** Most large-scale change initiatives fail to fully meet the technical, business and human objectives, thereby missing the mark on anticipated ROI. **AIM** provides a framework that drives comprehensive change, speeds implementation, and helps ensure short and long-term business results.

For more information, contact [info@imaworldwide.com](mailto:info@imaworldwide.com) or call 800.752.9254 or +1.303.996.7777
Implementation Management Associates, Inc.

Corporate Headquarters
1658 Cole Blvd. | Suite 105
Lakewood, CO 80401
303.996.7777 | 800.752.9254
www.imaworldwide.com

For more information, contact info@imaworldwide.com