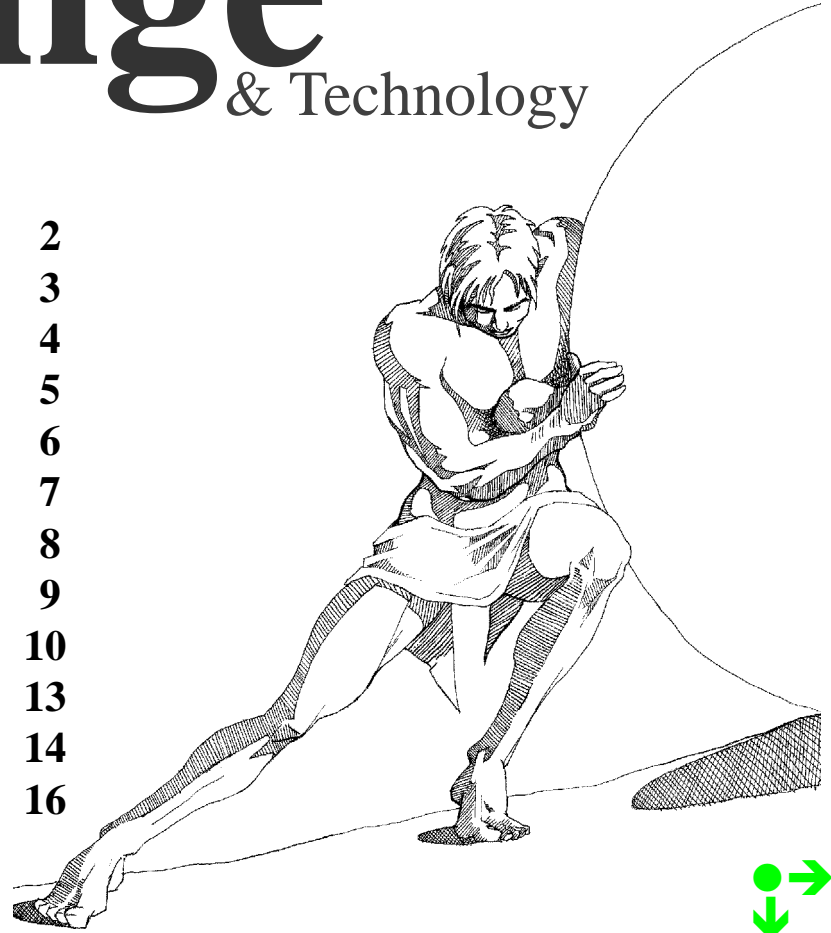


Managing Change

& Technology

May 2001
Vol. 2 No. 3

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Greetings!

Hi Folks,

As long as you don't let mistakes upset you, being at the very bottom of a learning curve is an enjoyable experience. The act of finding better ways to do something at every turn is exciting... but each one of these "Ah Ha's!" is preceded by an "Oh Oh!" which means you must brush off failure on a regular basis.

Learning about surveys is a good example. When you ask a person's age, who would expect so many different ways of answering the question, making it nearly impossible to tabulate. The trick, gentle reader, is to ALWAYS use a scale, that way you can force the participant to answer in a preferred format.

Another lesson painfully learned, is that there are very few questions to which, "I don't know" is not an unreasonable response.

All of these thoughts are obviously running around in my head because of the recent survey. But I think the general theme "When doing something new, expect, and don't get upset by, errors and false assumptions" is good general advice.

You're going to see a lot of surveys from MC&T. They provide an excellent way of confirming some assumptions and for digging out some things we should know, but don't.

I'd like to ask for your active participation over the next few weeks. With respect to Change, what are some questions you'd like asked? What are some general subject areas you'd like to explore with the MC&T readership?

You have my e-mail address... send me questions you'd like asked and answered. MC&T was always intended to become a dialogue amongst thousands, now's your chance to make that a reality.

Peter de Jager

*Statistics
are menda-
cious truths.
Lionel
Strachey*



Survey... The Basics

By: Peter de Jager

The sample size is 284 respondents for the total survey, individual totals for different questions will vary.

A significant number by any measurement. The following provides a good overview of MC&T subscribers.

Q.1-5 Age

Age	Freq	%
20-29	9	3.46%
30-39	48	18.46%
40-49	102	39.23%
50-59	89	34.23%
60-69	12	4.62%
Total	260	



Q.2 Management Level:

Choice	Freq	%
Staff	79	28.4%
1st Line Management	52	18.7%
Middle Management	71	25.5%
Upper Management	58	20.9%
N/A	18	6.5%
Total	278	

Q.3 How long ago was the merger/acquisition (M/A)?

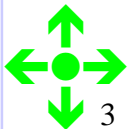
Choice	Freq	%
Less than 6 months ago	45	16.2%
Between 6 & 12 months	66	23.8%
Between 12 & 18 months	48	17.3%
Between 18 & 24 months	37	13.4%
More than 24 months	47	17.0%
N/A	34	12.3%

Question 3 offers us the first confirmation of something we all knew already... Mergers and acquisitions are tapering off after a steady period of growth.

If you look at the 3 highlighted periods, there's a steady increase in M/As... and then a drop off over the last six months. However, it would be hasty to draw any long term conclusions from this. A single data point does not demonstrate a trend, never-the-less, perhaps the period of M/A is on the wane.

There are two kinds of statistics, those you look up, and those you make up.

Rex Stout



Survey - Communication vs. Success

Q.4 How did you first hear about the M/A?

(vs. Do you consider the M/A a 'success'?
ie. That it went smoothly and efficiently?)*

Choice	Total	Yes	No
<i>Rumour amongst Staff</i>	18.4%	9.6%	8.4%
Rumour outside company	2.9%	1.1%	1.4%
Through the Media	9.2%	4.8%	3.7%
In a corporate meeting	19.1%	13.6%	5.5%
<i>Directly from manager</i>	22.4%	16.9%	5.2%
<i>Corporate 'memo'</i>	15.1%	8.5%	6.2%
N/A	12.9%	3.6%	5.5%



*The Yes and No percentages are the combination of the judgement that the M/A was a 'success' or a 'failure'

This is a result that any student of change would have been able to predict.

A company that cares enough to communicate a major change directly to their employees, has a greater chance of that change being successful.

What is surprising is the size of the increased likelihood.

If the news is heard via a rumour, then the overall chance of success or failure is about 50/50.

A slight improvement is seen if staff are informed via a corporate memo/e-mail or some other impersonal method.

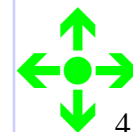
If however, the organization takes the time to hold some meetings or instruct line management to communicate directly with staff, then the chances increase dramatically to 2:1 or 3:1 in favour of success.

Of course, it is NOT the single corporate meeting, or staff meeting, that makes successful M/As more likely. These are only the symptoms of a company suffering from the strange notion, that treating staff like people is the right thing to do.

It is stressed time and time again, that communication is crucial to any large change. These figures support that belief.

Most statistical research goes wrong or becomes biased right at the beginning, in the way it is set up. It may set us up too.

Mark Johnson



Survey-What we did Right

a sample

- They offered a bonus to those of our employees that stayed on until the end of the year, which showed they weren't planning on dumping employees.
- A multi (ex-)company merger office was set up to organize the new company. This worked very well.
- Addressing expectations as the merger occurred.
- Advance warning.
- Attempted to communicate with employees.
- Attempted to create a single company culture, whether everyone liked it or not.
- Attempted to merge fully within a short period of time.
- Attempted to combine the best of both companies.
- Brought the management on-line quickly.
- Everyone was treated with respect.
- Candid and frequent information.
- Chose a strong leader that was not vested in either company, to assume top control.
- Communication (*Ed. listed dozens of times*)
- Completed the merger in the time frame forecasted.
- Continue community activities in all communities involved.
- Early, complete, truthful announcements throughout.

Of those who quote statistics in conversation, 87% make up their numbers, 93% of the time.

Michael Thomsett



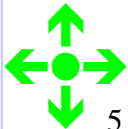
Peter de Jager

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Consulting
Inhouse Change Workshops
tailored to assist your projects
\$150/person + exp.
(min. 15 persons)

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- Emphasized communications to all employees. Many face-to-face meetings regardless of distances involved.
- Everything was reviewed...best practices from both organizations were adopted.
- For those that were losing their job, the company attempted to find them alternate positions.
- Good Retention/Severance Package
- Informed the employees all the way.



TRUTH PICK # 077

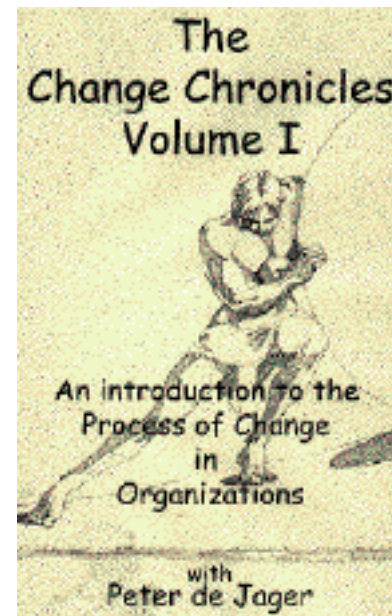
Management that wants to change an institution must first show that it loves that institution
John Tuss

We are, where we are, for a reason. Our present situation took effort. To get to where we stand today, required an investment. Good or bad, it represents what we've done. Regardless of its ultimate quality, we possess a strong sense of ownership, if not pride, in our achievement. Show disrespect to it, and you show disrespect for us.

Understanding how something got from where it once was, to where it is now is, is the first step towards moving it somewhere else. What motivated us to build what we built? Does the answer to that question suggest what might motivate us in the future?

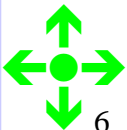
Institutions are comprised of people. To think of any organization as anything but the combined efforts of one person piled on the efforts of the next person, is to give substance to something that doesn't exist. It's all about people, taken one at a time, or in crowds of thousands, it's people who change, not 'organizations.'

To change an organization, step away from the edifice in which we stand in awe, and step closer to those who make it move through their daily actions.



60 min Video workshop
\$75 + \$15 S+H

Truth Picks are a daily posting of a short sharp commentary... intended as a thought provoker... think of them as free Mental Floss.... to Subscribe send an e-mail to Truthpicks-subscribe@egroups.com or click below to launch your e-mail application.



Survey? Perspectives on Success

Was the M/A a 'success'?	Q.8 Management		Q.9 Employees?		Q.7 MC&T Readers	
	Freq	Percent	Freq	Percent	Freq	Percent
Yes	102	40.8%	33	13.2%	50	19.5%
More yes than no	113	45.2%	99	39.6%	108	42.0%
More no than yes	21	8.4%	87	34.8%	60	23.3%
No	14	5.6%	31	12.4%	39	15.2%

Should there be any surprise with this result? Management, those in charge of the M/A, are much more likely to judge the M/A a success. Employees bearing the brunt of the Change are more critical.

Q.5 How long between first hearing about it, and the (M/A) actually occurring? vs. Was the M/A a success?

Choice	Total	Yes	No
Less than 6 months	52.6%	32.3%	18.5%
6 & 12 months	23.3%	16.2%	8.1%
12 & 18 months	9.3%	6.7%	2.6%
18 & 24 months	1.5%	0.5%	0.0%
More than 24 months	1.5%	0.0%	1.1%

This suggests that M/As, which go directly from announcement to implementation, are less likely to achieve success. This result is a bit surprising. A delay would seem to indicate 'procrastination'... but might well be an indication of time taken to properly plan the M/A. We'll explore this further in future MC&Ts.



The true science and study of man is Man.

Pierre Charron



Survey - A Matter of Culture

**Q.10 When you compare the two old cultures, would you say they were:
vs. Was the M/A a success?**

Choice	Total	Yes	No
Extremely different	13.2%	5.6%	7.6%
Very different	40.4%	22.0%	18.0%
Different	27.2%	19.2%	6.2%
Reasonably the same	16.8%	14.8%	2.0%
Identical	2.4%	1.2%	1.2%



How does one measure a Culture? Never mind the more difficult task of comparing two cultures? Even without tools for this task, it's not that difficult to form an opinion that Cultures are different, which is what forms the basis of this question.

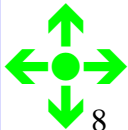
If we ignore the tiny handful of respondents who reported the two cultures were exactly the same, then we can draw some reasonable conclusions.

The further apart the cultures, the more difficult it is to merge two organizations. Cultures we would describe as being 'Reasonably the same,' will achieve success 7 times as often as failure. While cultures that we describe as 'Extremely different,' have less than a 50% chance of success.

Of all the differences found in this survey, the notion of culture had the most effect on the success or failure of a Merger or Acquisition.

What is this thing we call 'Corporate Culture'? Is it nothing more than how we describe a company? Entrepreneurial, Traditional, Conservative, Aggressive etc.? If you have some thoughts on this issue, send them to me... An MC&T issue devoted to the topic of 'culture' makes sense to me.

*Where
observation
is con-
cerned,
chance
favours only
the pre-
pared mind.
Louis
Pasteur*



Survey - What we did Wrong

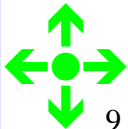
a sample

- 3 months later, announced a site closing.
- Alienated employees and customers by changing cherished community names.
- Arbitrary cuts in staff to meet cost reduction targets, caused a lot of other attrition.
- Attitude of “We know all the answers, and if we don’t we will talk to a consulting firm and not you.”
- Before the fact: “merger of two equals.” After the fact: “one company bought the other.”
- Blatantly lied about how the merger was going to be handled.
- Changed the job descriptions of all employees to 100% travel from 10%-20% travel.
- Created an “us” vs. “them.”
- Culture clashes were unresolved.
- Delayed too long making decisions, even if they end up being the wrong ones, its better to make them rather than do nothing.
- Did not keep us updated/informed on how things are going now and recent happenings regarding the merge.
- Did not tackle the differences in cultures.
- Did not take the advice of the people affected by the change, those who are in the best position to understand the ramifications.



- Didn’t deal with the HR issues.
- Didn’t establish standards/practices/protocols.
- Didn’t seek to find out the people, processes and knowledge that they had purchased, and just pushed their solutions on us.
- Didn’t adhere strictly to the corporate mandated language of English.
- Introduced a class warfare atmosphere that didn’t exist in the smaller company.
- It appeared that most of the terminations occurred in one company. Circumstance caused this, but it should be discussed with the employees.
- Letter to existing clients was not clear enough.
- No consultation. People are worried about losing jobs. Morale low.
- Not enough on-site presence for the first few weeks after the acquisition.
- Pace of change was too slow, e.g. logo is still not formally approved.
- Poor communication (*Ed. a frequent mention*)
- Pretended we couldn’t know about it. Worst kept secret.
- Pushed a solution without identifying the problem that was supposedly being solved
- Railroaded on process and style.

You can observe a lot by just watching.
Yogi Berra



Lean, Mean and Flexible

By Hugh Ivory

“Warning : For best results, use as part of a Calorie Controlled ...”

Don't we all just hate the small-print. The “Magic Milk” that's 99.75 % Fat Free, but only helps you to get trim if you watch all the other stuff, get off the beer, take the stairs etc. etc.

But those small print warnings apply to all the “Silver Bullets” in life and in business. Particularly in the *Change Process Improvement* Business.

“Let's Improve our Change Processes, perhaps we'll do RAD,” involves a lot more than changing just Processes, or just Organization, or just Technology. The application of the “Magic Milk,” in any one of these dimensions alone, will not result in the leanest, most flexible organization.

In *Change Process Improvement*, as in any business change, it is important to take a holistic approach, understanding the requirements in all of these dimensions, and especially the

implications for People and Culture.

In fact, the improvement of our business change processes is really best treated as a business change in its own right.



Some Critical Success Factors

Some of the CSFs that we apply to all business change projects are also key in *Change Process Improvement* :

Understanding the Business Vision

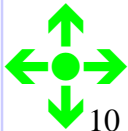
In order to understand how to improve our change processes, we really need to know what matters to our business. For example, is it more important that we be first to market, or that we react a little more slowly, but with a world-class product? This will help us to direct our improvements, speed or quality (or maybe both?)

Involving the Stakeholders

Most change will deliver best results if all of the people impacted have been consulted, and have contributed to the change. In many cases, the improvement project will be just the catalyst that

How much trouble he avoids who does not look to see what his neighbour says or does or thinks.

Marcus Aurelius



Lean, Mean and Flexible

some people need to drive the implementation of their own ideas, and these people will willingly get involved.

Sponsorship

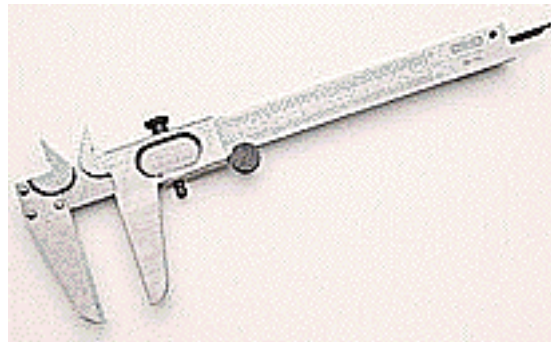
Because of the level of cultural change involved in implementing new Business Change Processes, it is essential that the project be sponsored at the highest level in the organization, not just in IT, but also in the Business Units. It is equally important that the initial sponsorship be sustained by the senior management in each impacted Business Unit.

One Piece at a Time

Rome wasn't built in a day. Select the areas that are most important to improve, based on business priorities and stakeholder pains. Pilot best practice, improvements in these areas, and measure the benefit before rolling the changes out across the organization.

Communication

Sometimes, it is difficult to explain to the stakeholders the reasons why we need to change the way we do things. Constant and active Marketing and Communication of new change processes, particularly where radical new ideas and concepts are being proposed, is essential.



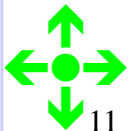
Well maintained Intranet sites, publication of Pilot Project war stories, and presentations from experts in some of the areas of improvement, are some potential ways to do this.

Support

It is key to support the people whose roles are being changed, particularly those who may be involved in Pilot Projects in the first wave of improvements. This is best managed through a central Process Improvement Support group, possibly the group responsible for managing the improvement project and measuring progress.

As I grow older, I pay less attention to what men say. I just watch what they do.

Andrew Carnegie



Lean, Mean and Flexible

Some of the areas to consider when improving Business Change Processes :

Organization

The projects to be undertaken by IT and Change Teams are best prioritized across the entire business, not just within individual business units. If this is not, it may be difficult to ensure that we are making the best use of all of the Change Resources. It is also important that we have the ability to understand whether we actually gain the stated benefits from the change projects which are prioritized.



Technology

How flexible are our Technical Architectures? The availability of reusable Business Object and Software Components, or Integrated Case Tools to aid Rapid Prototyping, can significantly aid speed to market, and quality of delivered product.

People and Culture

The availability of the right resources, both business and technical, and the ability to build

multi-disciplined change teams quickly, is important if the business needs to react quickly. The availability of a flexible pool of resources, and a process for assigning these, will be of benefit here.

Change teams should be empowered to build the change as they see fit. It is important that sponsors define the boundaries within which the team can make their own decisions, and when it will be necessary to refer. Referrals will have an adverse impact on the speed of change.

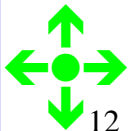
Summary

Get lean and mean by taking a holistic approach. If you understand the business drivers and have the appropriate level of sponsorship, then take it a step at a time and see how things shape-up.

Hugh Ivory is the founder and Principle Consultant of Best Outcomes, offering consultancy on best practice in business change approaches.

Contact him at Hugh@bestoutcome.ie

All empty souls tend to extreme opinion.
William Butler Yeats



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Errors in Haiku

Your file was so big.
It might be very useful.
But now it is gone.

The Web site you seek
Cannot be located, but
Countless more exist.

Chaos reigns within.
Reflect, repent, and reboot.
Order shall return.

Program aborting:
Close all that you have
worked on.
You ask far too much.

Windows NT crashed.
I am the Blue Screen of
Death.
No-one hears your screams.

Yesterday it worked.
Today it is not working.
Windows is like that.

First snow, then silence.
This \$1000 screen dies
So beautifully.

With searching comes loss
And the presence of
absence:
“My Novel” not found.

The Tao that is seen
Is not the true Tao-until
You bring fresh toner.

Stay the patient course.
Of little worth is your ire.
The network is down.

A crash reduces
Your expensive computer
To a simple stone.

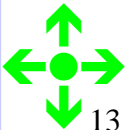
Three things are certain:
Death, taxes and lost data.
Guess which has occurred.

You step in the stream,
But the water has moved on.
This page is not here.

Serious error.
All shortcuts have
disappeared.
Screen. Mind. Both are
blank.

*So many
men, so
many
opinions.
Terrance*

From the Internet



Laid off? - Survivor this Time

For a few months now I have lived with a considerable amount of uncertainty regarding my employment. A new “boss” arrived about a year ago and it was obvious that things were going to change, though it took longer than I expected.

Initially, he was appointed for a period of a few months and was uncertain of his own future, but within six months his status changed to full-time permanent. He saw this as his chance to make his mark in the organization.

The build up was slow, but deliberate. A snide remark or a put down here, a “that’s a good start BUT...” there. I, along with my two peers, knew that he was either going to change the people (to do things his way), or change the people.

The big day was Wednesday last week - major announcements were to be made. One of us had an 8:30 a.m. meeting with the boss and the others met with him at 4:30 p.m.

As you may have guessed, the guy with the 8:30 a.m. meeting got the short straw and is now “off to pursue opportunities elsewhere.” So now there are two of us - that makes me a survivor, this time and my departed peer the latest victim.



How does it feel to be a survivor?

I had been expecting to be laid off, so I was mentally, if not yet physically, prepared for a different outcome.

How would we manage with only one car? And the computer and mobile phone will have to be returned. OK - so we use public transport where we can, maybe pump up the tires on the bicycle, use a PC at the library?

Make sure the resumé is brought up-to-date. Where’s the latest copy of “What

Color is Your Parachute?” Better hit the library soon! That recruiter who keeps nagging me to find a placement for some of her excellent candidates - I better give her a call, I’d like her to help me!

Nothing is good or bad but by comparison.
Thomas Fuller



Laid off? - Survivor this Time

I was prepared for the worst - in fact, in some ways I was looking forward to leaving my employer, especially as the severance package would have been quite generous.

Instead, at 4:30 p.m., my boss shows me the new structure and there's a position for me. (Doesn't it always seem like whenever there's a new structure, down-sizing, right-sizing whatever it's called, someone loses their job?) Not a promotion nor demotion, no extra money, just fifteen more people - well, someone has to look after the staff who have lost their manager!

Having survived, I don't feel relief, I don't feel joy or elation - I feel numb. I told my family the news. They were pleased that I still had a job.

I told them about my colleague who had lost his job - "But he's got six children", said my teenage daughter, "that's not fair!" How do you explain that life is often not fair? His face no longer fit. Maybe when the boss said to be open and honest, he was!

So I go back to work. Am I meant to feel grateful?

Should I be extra careful of what I say now? Better be on my best behaviour, or I could be next!

I had a close relationship with the "victim" and will miss his advice and the opportunities to discuss and resolve issues with him. Life goes on for both of us, yet I can't help thinking that the enthusiasm is no longer there and some of the light that used to burn within me has gone out.

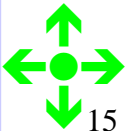


I used to believe that there was loyalty between employers and employees - I will take a lot of convincing now. So I keep on with my studies and job search while I have a job. Years of service count for nothing and I need to look after myself - I know that now.

An anonymous MC&T reader... April 2001

Sent in a few days after reading the article "Tomorrow's Layoff" in the last issue of MC&T.

*If there is an opinion, facts will be found to support it.
July Sproles*



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