

STATE OF THE ART REPORT
**LEADING STRATEGIC CHANGE
TO
PREVENT ITS 75% FAILURE RATE**

**The Top 12 Common Mistakes
Most Organizations Make**

*Using
“The Systems Thinking Approach®”*

**WORLD LEADER:
THE HAINES CENTRE**

*“We Are The World Leader in Strategic Management
Powered by Systems Thinking”*

**Planning—People—Leadership—Change
To
Deliver Customer Value**

A GLOBAL ALLIANCE OF MASTER CONSULTANTS AND TRAINERS



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WHO IS STEVE HAINES?

STEVE HAINES

Founder & CEO:

- Haines Centre for Strategic Management®
- Systems Thinking Press®

Founded in 1990 • Offices in Over 20 Countries

STEVE

is a:

- “CEO—Entrepreneur—Global Strategist”
and
- “A Facilitator—Systems Thinker—Prolific Author”
(of 16+ books)
- A graduate of the US NAVAL ACADEMY’s
Legendary Leadership Class of 1968

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This Report is the result of a blend of three fundamental sources:

1. The Strategic IQ Audits that the Haines Centre does
2. Our Interpretation and Translation of Others Best Practices Research (We do not do original research ourselves-rarely paid for)
3. Our consulting practices around the world in over 20 countries

SUCCESSFUL ORGANIZATIONS DO TAKE THESE STEPS:

- Have clarity about the problem
- The Problem, when solved, will make a big difference in the firm's success
- Strong Commitment is there of a key executive champion
- Funding for the intervention is found
- Seriousness with which the problem is taken
- Strong commitment of the Project Team undertaking the change
- Strong skills by Project Team Members in the specific change
- Utilization of an outside consultant who is an expert on the change
- Understand the need for good financial metrics
- The willingness to adopt the latest research on change technologies, such as Appreciative Inquiry, Executive Coaching, etc

YET, WHY DO ABOUT 75% OF ALL MAJOR CHANGES FAIL??

These Strengths are "Necessary but not Sufficient for Success"

MAJOR CHANGE FAILS
75% OF THE TIME:

WHY?

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“If the rate of change on the outside
exceeds
the rate of change on the inside,
the end is near.”

—Jack Welch
Former Chairman and CEO
General Electric Corporation

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A NEW APPROACH TO CHANGE IS REQUIRED IN THE 21ST CENTURY

THE 21ST CENTURY MACRO BEST PRACTICE:

**NEW
APPROACH
NEEDED**

THINK DIFFERENTLY—THINK STRATEGICALLY

Use The Systems Thinking Approach®

LOOK FOR SYSTEMS SOLUTIONS TO SYSTEMS PROBLEMS

(Not Analytic & Piecemeal Solutions to Systems Problems)

CLARITY AND SIMPLICITY = SUCCESS

(Simplicity Wins the Game Every Time)

THIS IS WHAT THIS STATE OF THE ART REPORT IS ALL ABOUT

(So Do Not Take These Best Practices Separately)

LEADING STRATEGIC CHANGE TO DELIVER CUSTOMER VALUE

A Yearly Strategic Management System and Cycle



The Systems Thinking Approach



"The Organization as a System"



From:
Chaos & Complexity

How to Start Moving:



To:
Elegant Simplicity



Take a Helicopter View of Life!

Work **ON** the Enterprise First



OUTSIDE
(Plan)



OUTSIDE
(Check)



1. Work **ON** the Enterprise
(Customer needs?)

2. Work **IN** the Enterprise
(Biz Drivers and Costs)

3. Check **ON** the Enterprise
(Total Value Delivered to the Customer)

Problem: Lack of execution and follow through

**PRACTICE
#1**

Best Practice: A monthly Change Leadership Team Meeting

People do what you inspect, not what you expect!

#1 MONTHLY RESULTS:

Change Leadership Team Meeting:

- To lead successful execution of any Strategic Plan/direction
- Led by senior management, meeting monthly
- To track, and make adjustments and ensure Superior Results

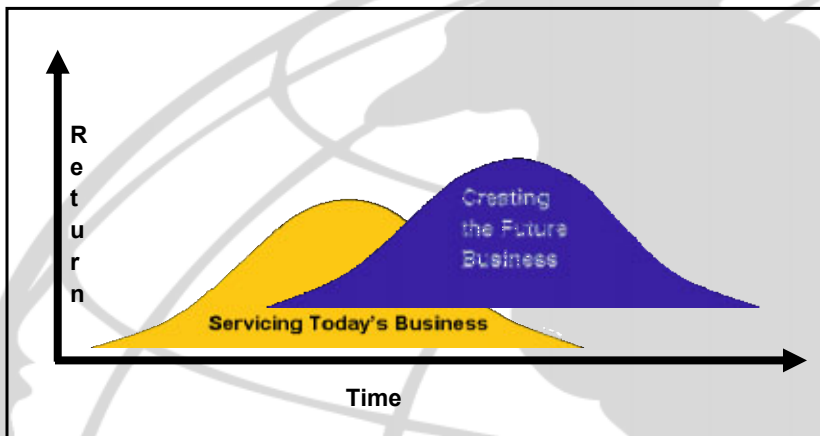
**PRACTICE
#2**

Problem: Lacking the Organizational Capacity for Change

Best Practice: Invest in, Hire and Develop the Capacity to make change succeed

You now have two full time jobs—the day-day and Leading Strategic Change

THE SIGMOID CURVE



NOW YOU HAVE TWO FULL-TIME JOBS

The Difficulty of Strategic Change

1. Managing the Day-to-Day Business/Organization
2. Executing the Change Process

*Under stress and a heavy load,
which management activity above loses out?*

(FOR SUCCESS IN ENTERPRISE-WIDE CHANGE)

1. Demonstrated Long-Term **Commitment** by the Collective Leadership Team to Culture Change
2. Effective **Organizational Change Processes** to facilitate successful outcomes.
3. Effective Enterprise-Wide **Organizational Change Infrastructures** in place.
4. High Level Individual **Competencies** to lead Enterprise-Wide Change effectively.
5. Adequate **Resources** devoted exclusively to Enterprise-Wide Change.

THE ICEBERG THEORY OF STRATEGIC CHANGE

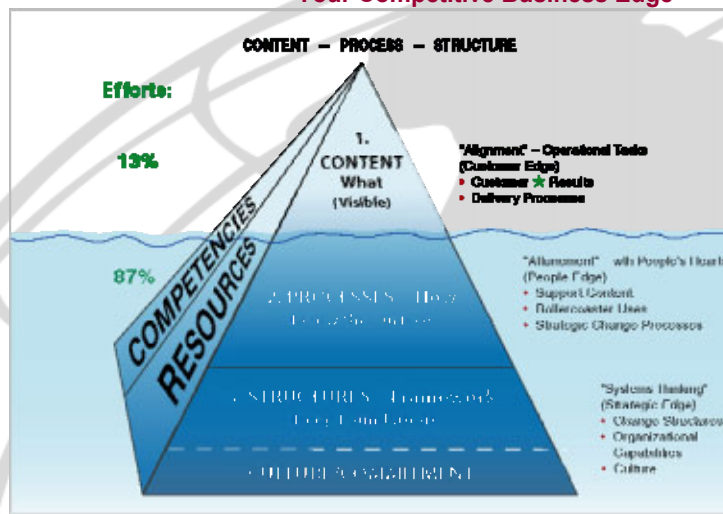


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THE ICEBERG THEORY OF CHANGE

The Capacity To Achieve
Your Competitive Business Edge



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CONTENT MYOPIA

is our failure to focus on Process and Structure.

Yet,

Change is dependent on good *Processes and Structures*
in order to Achieve the *Content* of the desired changes.

STATE OF ART BEST PRACTICES: STRATEGIC CHANGE # 4

PRACTICE #4

Problem: Missing the Key Structures and Roles to make Change successful

Best Practice: Installing the Players of Change Roles and Infrastructure

*Think Structures/Roles first, then processes to support
the content of your desired changes and outcomes*

Ineffectiveness of Hierarchical “Cascade” Implementation Strategy Alone

The normal “cascade” strategy for implementing change is usually ineffective, because memories remain embedded in the way the organization works after the change. This applies particularly if the change relates to the culture rather than to work practices or systems.

*—Dick Beckhard
Changing the Essence*

What we think,
or what we know,
or what we believe
is,
in the end,
of little consequence.

The only consequence ...
is...
what we do!

STATE OF THE ART BEST PRACTICES IN LEADING STRATEGIC CHANGE

There are 12 State of the Art Best Practices in Leading Strategic Change.

We welcome you to pursue these further through:

1. Attend our Leading Strategic Change Webinar available 24/7
2. Attend our Leading Strategic Change 2 ½ day Public Workshop
3. Have us conduct an Executive Briefing for your Management Team
4. Have us conduct an in-house Leading Strategic Change Workshop
5. Have us facilitate your change process for your organization or unit.

**THANK YOU
FOR YOUR INTEREST**

Stephen Haines

Founder and CEO

Haines Centre for Strategic Management