

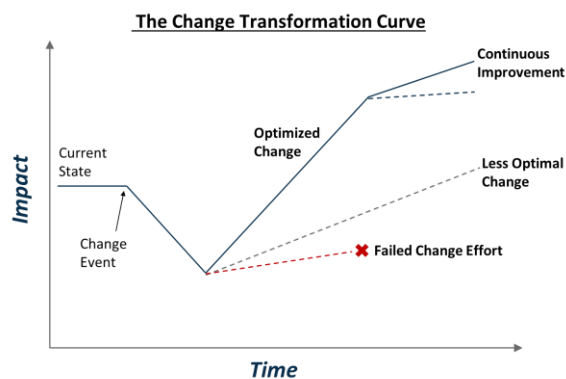


Change Is Difficult

Research indicates that 50%-75% of change efforts fail¹. In fact, studies of failed projects over the past decade show organizational failure rates have slightly increased². The good news is there are instances of success, but even successful change tends to miss the targeted business outcomes. Why is change so difficult?

Change Transformation Curve

In 1969 Elisabeth Kubler-Ross, a Swiss-American psychiatrist, introduced a new paradigm on grieving. Her research acknowledged the difficulty in dealing with individual loss and led to what is commonly known as the 5 stages of grief. Organizational Behavior scholars adopted the underlying principles from Kubler-Ross and applied them to individuals in an organization dealing with change.



Based on this line of research, along with 40 years of practical experience with change, SC&E Partners have developed the Change Transformation Curve. The curve illustrates the dynamics of change and helps answer the question of why change in organizations is hard. Individuals, teams, and organizations experience the shifting “impact” of a change over time. The “impact” in the curve is often quantified through organizational metrics such as productivity, adoption rate, sales, or return on investment (ROI) as an example. Change initiatives experience a number of phases over

time and will typically follow one of the four paths described in the curve.

Prior to the introduction of a change event an organization experiences, what is commonly referred to as, the “current state”. The current state includes the old way of doing things, the familiar. Once the change event occurs, some people will struggle to gain proficiency necessary to maintain or increase the level of impact. Here is where the human element enters, we categorize this as proficiency and degree of acceptance:

Proficiency: This involves training, experiential learning, and competency development. By default the effort to become proficient will cause a dip in impact.

Degree of acceptance: This relates to the mindset of the individuals experiencing the change. If an individual is not willing to learn, any training will be sub optimized. If individuals are in a state of denial, angry, or depressed, training will prove fruitless, rendering the original goal unobtainable.

Thus, a dip occurs as people become concerned or uncomfortable. They often seek ways to maintain stability and may become resistant to change efforts as the dip becomes deeper in impact and extends over time. Leaders become anxious with the change and question if the original outcomes are possible. Without immediate improvements the organization often reverts back to the current state resulting in a failed change effort. Individuals and leaders alike often overlook the inevitable “dip”. Simply getting the new way up to the impact level of the old way can often prove too challenging to overcome.

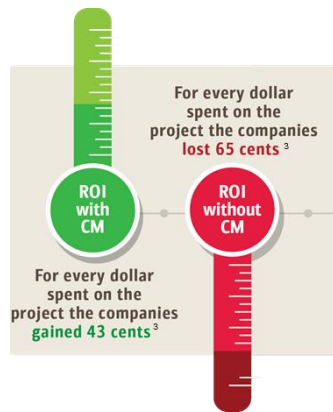
Optimizing Change

It is possible to overcome the dip and institutionalize change at an optimized level.

¹ <https://hbr.org/2017/05/overcome-resistance-to-change-with-two-conversations>

² https://www.standishgroup.com/sample_research_files/CHAOSReport2015-Final.pdf

Success requires a rigorous Change Management (CM) approach that includes strategic planning, proper execution, and institutionalization of the change. A recent study by Pepperdine University, in partnership with McKinsey, revealed the financial implication of a rigorous Change Management approach. For every dollar spent on a project, companies with a Change Management approach enjoyed a gain of 43 cents. Companies without a Change Management approach incurred a loss of 65 cents for every dollar spent on a project³.



Optimizing change may be challenging, but with the proper tools, training, and strategic change management approach it can result in significant gains.

Becoming Change Ready

Change that is sustained and institutionalized results in significantly higher impact. Even so, at some point the impact becomes stale and begins to flatten over time. This situation is common. Leaders and individuals celebrate successful change and become satisfied with the results. In the meantime the competition begins to catch up, technology emerges, and people turnover. How can you overcome this urge to be complacent? Implement a continuous improvement program.

Creating a culture of Continuous Improvement (CI) is the icing on the change transformation curve. Correctly implementing the right CI approach will enable incremental increases to the impact of change as well as build a change readiness skillset.



Researchers have studied the resulting benefits organizations with a CI program incur. Benefits include higher productivity, better quality, lower costs, enhanced safety, improved employee morale, and higher profitability to name a few⁴.

Overlaying a CI program with a change management approach will result in an enhanced readiness for change. The “dip” that effects change will increasingly become shorter and less impactful with each subsequent change. Leaders and individuals will be properly equipped with the tools and experience to face change.

SC&E Partners – Strategic Change and Execution www.SCandEpartners.com

SC&E Partners can help no matter which phase of change your organization is experiencing. Not only do we bring 40+ years of experience leading Change, Projects, and Continuous Improvement, but we also teach the subjects at the highest undergraduate, graduate, and doctoral level.



Dr. Donald P. Addison II
 Managing Partner
don@scandepartners.com



Dr. Troy A. Montgomery
 Managing Partner
troy@scandepartners.com

³ <https://gbr.pepperdine.edu/2010/08/the-business-impact-of-change-management/>

⁴ Singh, J., & Singh, H. (2015). Continuous improvement philosophy—literature review and directions. *Benchmarking: An International Journal*, 22(1), 75-119.