



Major Company Transformation – the 15 Points to Remember

Written by Tim Thexton, Director, PD Ltd

As interim managers, especially senior managers and directors we are most frequently called in at times of major change – major transformation. As such, titling ourselves change managers, we are the harbingers of that inevitable part of the modern business environment – change. Change has been a constant through all the ages, but how quickly people forget change thanks to the shortness of memory. But change rarely comes easily. It can often be painful. But is that absolutely necessarily so?

As we come in to the transformation situation, we are familiar with the concept but must put across that organisations and thus the people within them must constantly re-invent themselves to remain competitive. Standing still is falling behind, as all the competition re-invent themselves and move forward. The new phrase is change readiness. Those managers and companies that have not been ready to embrace change have historically suffered so this is really nothing new. The ability to recognize early the need for change and to initiate and respond to shifts in the environment to create advantage, minimize future risk and sustain or even improve performance, has always been rewarded. Those managers with the ability to maintain change, while appearing to calmly steer a constant course have always been the winners.

But, as change becomes inevitable, every executive needs a road map to remind him of the things he will meet on the road through the change process, the pitfalls and how to avoid them and the preparations he must make to reach a secure and sustainable outcome.

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That road map will include 16 “touch points”:

- 1) **Talk directly – allow no politics.** Do not beat about the bush. Take a leaf from the book of the UK CEO of a major Global Corporation:
He addressed all his board simply like this:
'We are instituting SAP in XXXXXX UK. We have appointed IBM to help us do this (100 in the team for two years) this investment in SAP and them will be paid for by the increases in customer service and serious staff savings at the same time.
If ANYONE in the board politics against the changes he will face me and dismissal. You are either with this critical change or you can go'.
And then he appointed one man on the board to run the project and, vitally, one senior independent interim manager to independently oversee the SAP installers. They hated it but every play was check-mated, and the project was delivered on time and under budget.
No politics, as they were not allowed!

- 2) **Emotional and rational cases for change must both be built.** Many leaders excel at building the rational case for change, but they are less practiced in appealing to people’s emotional core. Yet the employees’ emotions are where the momentum for real transformation ultimately lies. It bears remembering that we are all consumers and that 80% of decisions are made at the emotional level and not the rational. For the employees to make the rational decision to go with the change and contribute actively to it, they will have to make the emotional decision to do so as well as the rational one. The change must be emotionally “good” for them. The rationality will follow.

- 3) **How to deliver bad news in connection with change?** Delivering bad news is one of the biggest challenges managers face. How can you deliver bad news in a way that minimizes the damage?
 - a. Address the whole workforce – break it into manageable groups if necessary
 - b. Address them personally, do not delegate (there’s time for that later)
 - c. Don’t wait too long – do it as soon as possible

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- d. Give them all the big picture
 - e. Speak openly, directly and candidly
 - f. Plan for questions
- 4) **Reckon with resistance to change.** “People hate change”, so expect resistance and plan for it from the start of the change management programme. This will allow effective management of objections. Understanding the most common reasons people object to change gives the opportunity to plan the change strategy so that it addresses these factors.
 - 5) **Create a real sense of urgency.** For the minds of the employees to be focused there must be a sense of urgency. If not, then it would be alright not to change. Failure to create a strong sense of urgency will cause a change movement to lose momentum even before it gets a chance to start. Establishing a true sense of urgency without creating an emergency is the first objective that has to be achieved to overcome the routine of daily business. Creating an emergency will only be counterproductive. It will lead to long discussions of the emergency and lead to losses of key people and knowledge that has to be retained in the company. Don't lose the “hidden factory”.
 - 6) **Get full involvement and participation.** Get the people involved. All of them. Whenever an organization imposes new things on people there will be resistance and difficulties. Participation, involvement and open, early, full communication are the important factors. The fuller and more open the better. This is not the formation of committees, but the practical tasking of teams to come up with the solutions, real ones, to achieve the required results.
 - 7) **Increase engagement by asking questions.** We all hate being “talked at” instead of being “talked with”? It doesn't feel good to have someone talk at you. The residue is bitter, it leaves you feeling like you might as well not have been there at all. How much more powerful it is to ask

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questions. He who asks, leads the direction of thought. Increase engagement by asking questions when leading change it promotes participant buy-in to the changes and their ownership of them..

- 8) **Change management requires that all employees feel the problem.**
There will be no buy-in until the people, all of them, feel the problem. People, employees, are not going to consider anything until they are convinced there is a problem that truly needs to be addressed. Just telling them will not work.
- 9) **Cultural change is a major integral part of transformation management.**
Change in organisations is always challenging, but perhaps the most daunting is changing culture. If managers want to build a sustainable, high-performing organisation, they must address culture change even though it may be the slowest of the organizational aspects to modify. If the emotional case has been well made, then the cultural change becomes much faster than traditionally accepted. The correct sense of urgency will drive it.
- 10) **Become a Storyteller.** No one likes anything better than a good story. Creating and repeating “stories” can be a powerful tool when you want to drive organizational change. Good leaders tell stories that “cast” them and their organizations as agents of change, rather than defenders of the status quo. The more the story is repeated the more it becomes the “truth”.
- 11) **Demolish the Silos.** Change means breaking down silos. Business silos, departmental silos, are just like agricultural silos, they hold something important and make it hard to get at. That’s good when you’re protecting wheat and corn from rain & snow. But it’s bad when you’re trying to enact major change across departments and divisions. The bigger the company, the more harmful is the role that silos play. Silos create an environment where sharing and collaborating for anything other than one silo’s special interests is virtually impossible.

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Communication is reduced to almost zero. Cross-functional working is almost nullified. Silos tend historically to have developed where there has been a “blame” culture or weak managers were afraid of being shown up by “better” subordinates. In all events, silos must be demolished, it may just take “explosive” demolition.

- 12) **Communication is paramount when it comes to change management.** Lots of it. Change is unsettling because it brings with it an element of uncertainty. And it is the uncertainty which is a major cause of resistance to change. People can relate to facts – good or bad – but uncertainty and contradicting messages breed unease and resistance. Therefore, it is important to communicate with everybody about everything in relation to the upcoming changes in order to reduce the uncertainty. Use any communication channels available and remember that it is impossible to over-communicate change.
- 13) **Use social media.** Social media platforms are ideal mechanisms to facilitate change because much of change management boils down to communication, ongoing conversations and dialogue in a company. If you are not so familiar with the social networks, get a teenager to show you – you might even “hire” one to help you through this rapid communication jungle.
- 14) **Change those old habits.** Sustaining success depends on an organization’s ability to adapt to a changing environment – whether it’s an external change, such as a transformative technology or a changing economy, or an internal one, such as a restructuring or key process overhaul. It is imperative to find the habits and break them – the meetings held because they always have been, the reports that are compiled but no one reads them, the committee that still exists even though the reason for it has disappeared.

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- 15) **Change is not a discrete event.** The companies most likely to be successful in making change work to their advantage are the ones that no longer see change as a discrete event. They see it as a constant opportunity to evolve the business and continuously improve.
- 16) **Take every “win” in Change Management and celebrate it.** Harness the power of even the small ones. In transformation we are often faced with large change management problems. They are best broken down into smaller ones with concrete achievable goals. Otherwise, it can be so overwhelming to most people that solutions seem unattainable. As a result, people often avoid tackling them or come up with single, grand programs that fail. Remember to celebrate every “win” with wide communication. Toast even the smallest with champagne.

Successful transformational change managers do most of these instinctively. Outstanding ones cover all these bases.

About the author:



Tim Thexton is a formidable European multi lingual business transformation and turnaround specialist with over 17 years of successful independent company transformations and some remarkable transitions across all manner of sectors— mining, manufacturing, aerospace, automotive, airline, capital plant. Whether in the corporate world, European Bank, Private Equity (PE), Venture Capital (VC), the results speak for themselves.

- Global, versatile, multi-lingual, cross-cultural interim management – Europe, N+S America, Africa, CIS
- Target-driven, result-producing, pan-organisational change manager – Operations & Sales
- Measurable, over-target success, regardless of business sector –

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Instrumentation profits up 60%; Airline saving €5mio in aircraft maintenance; Mining 75% production increase; Valve manufacture sales up 80%

- Manufacturing production streamlining, cost out, quality improved – Manufacture production increase 100%, delivery time reduced 75%, quality improved 95%.
- Commercial reorganisation, order-to-cash acceleration, outsourcing cost programmes – 50% reduction in order-to-cash time

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