

EDITORIAL

The Art of Creating Change



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When a butterfly flaps its wings in Denmark, the ultimate consequence may be that it triggers a hurricane in the Caribbean months later. This was one of the more spectacular conclusions that followed in the wake of the discovery that complex systems, such as the atmosphere, are extremely sensitive to the slightest change in the system's initial conditions.

When changes are to be made in an organisation, we face a similar complexity and are thus subject to some of the same chaotic natural laws that govern the weather. The full implications of this relatively new principle are difficult to grasp; for the managerial change agents in the organisation, for those who make a living advising on how to implement changes and for those who deal with the topic in books and theory.

There are basically two schools of thought: There are those who hold that changes are linear, proceed through a number of well-defined phases and can therefore be managed, and those who maintain that changes are non-linear and chaotic, and accordingly can be influenced but not managed. John P. Kotter and Ralph Stacey are good examples of leadership gurus from each school of thought.

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Kotter is popular because his approach is linear and creates order. On the other hand, it is our experience that Kotter's logic to a certain extent underpins those mammoth change

projects that look so enticing on paper, but are so difficult to execute in practice.

Here it is important for us to stress that major change projects must be approached with humility and respect. The risk of setting in motion something that will run out of control looms large. We have a good example in a large business based in Norway which, following thorough strategic deliberations, planned and executed the divisionalisation of its entire organisation. Within less than a year, the business went from a healthy two-digit profit margin into the red. The fixed costs exploded while the whole organisation's focus was directed inwards at its own issues rather than at the customers. And it wasn't the plan that was at fault, nor was it the strategic rationale for achieving the change. It was the change process itself.

This is where Stacey's viewpoints become relevant. He says that we cannot predict the outcome of organisational changes with any certainty. The bigger and the longer the project, the greater the uncertainty. By analogy, we can with reasonable certainty predict the weather tomorrow in Denmark, but have no idea of what it will be like in a month worldwide.

In organisational terms, this means that we can do ourselves a big favour by splitting up large-scale projects into sequences of smaller ones. More loops reduce uncertainty, the organisation's 'change muscle' is trained and its people learn from their experience. With the addition, of course, of targeted and intelligent planning and completion of the individual change projects.

Vast changes, which impact the entire organisation or much of it in one fell swoop, should as far as possible be implemented only as a matter of life or death for the business. They look good on paper, but the art is not in planning but in creating the change - which is what this newsletter deals with.