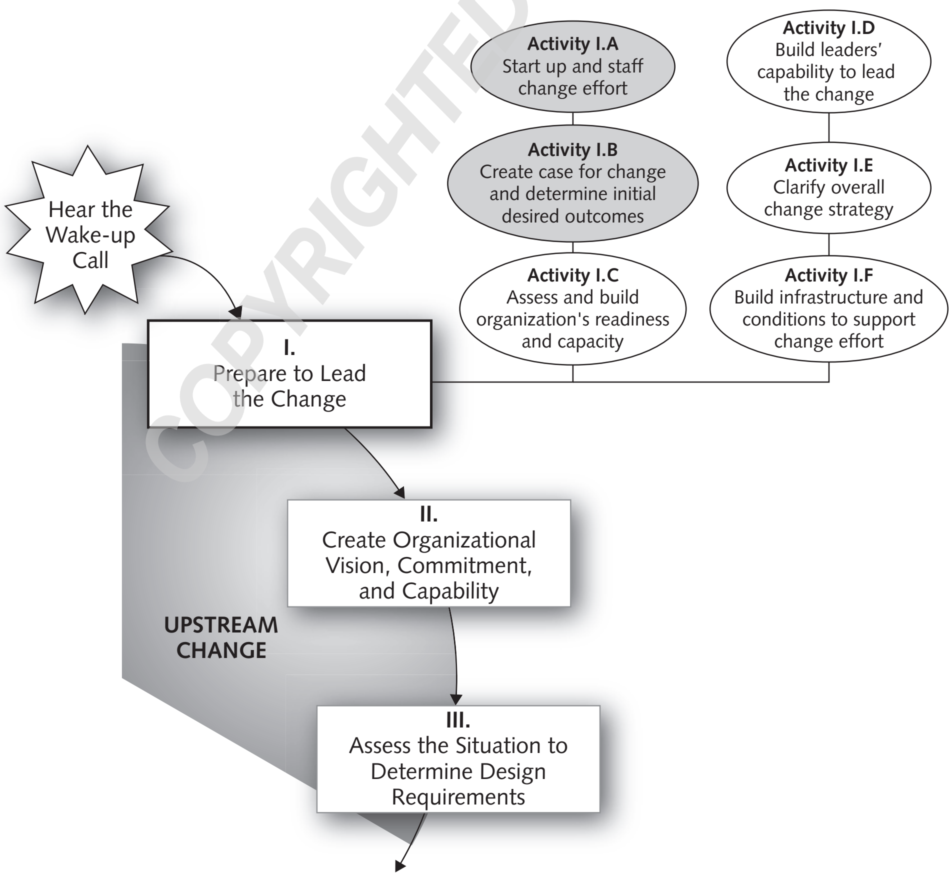
CHAPTER 1

PHASE I
Prepare to Lead the Change: Start Up, Staff, and Create Your Case for Change



ACTIVITY I.A AND I.B: TASK DELIVERABLES

I.A.1: A project briefing has been obtained, shared, and agreed to by all key leaders.
I.A.2: Change leadership roles have been defined, and the change effort has been staffed with qualified people.
I.A.3: Effective working relationships have been established among all change leaders, and between all of the change leaders and change consultants.
I.A.4: Your project community has been identified and mobilized to support the change.
I.A.5: Your Phase I roadmap has been determined.
I.B.1: The process for creating your case for change is clear and has been staffed appropriately.
I.B.2: The drivers of your change have been determined.
I.B.3: The type of change has been clarified.
I.B.4: Leverage points for making the change have been identified.
I.B.5: An initial analysis of the organizational and human impacts of the transformation has been done.
I.B.6: The target groups of the change have been identified, and the scope of change is clear.
I.B.7: The degree of urgency for making the change has been assessed.
I.B.8: Your initial desired outcomes for the change have been determined, and the complete case for change has been prepared for communication.

The process of change actually begins the moment a person or group recognizes that there is a reason to alter how the organization and its people operate. This awareness triggers a decision process, ending in the leaders agreeing to proceed. By the time leaders decide to formally mobilize a change effort, work has already begun and information has surfaced that will affect how the leaders start up the effort. Phase I is designed for leaders to clarify where the effort is, what they are trying to accomplish, and how best to get it launched. They need to understand what is known, who is doing what, and how far along the work has progressed. Early speed and effectiveness depend on the leaders being as aware, aligned, and informed as possible.

The overall purpose of Phase I, covered in Chapters One through Four, is for the leaders of the change to establish a conscious, shared intention and strategy for a successful transformation and to prepare to lead the effort through the following:

- Clarifying change leadership roles and the status of the change effort, and staffing the effort with the right people
- Creating a clear case for change and determining their initial desired outcomes to use to inform and compel people to support the change
- Assessing the organization's readiness and capacity to take on and succeed in the effort given everything else going on
- Strengthening leaders' capability—individually and collectively—to understand, commit to, and model the behaviors and approaches required to lead this change successfully
- Clarifying the overall change strategy
- Designing the optimal conditions and structures for supporting the change strategy to be successful

These efforts represent the six activities of Phase I. This chapter covers the first two activities, *Start Up and Staff Change Effort* and *Create Case for Change and Determine Initial Desired Outcomes*. Before we address the work of these two activities, let's start the action where it actually begins, with the first notion of the need for change.

HEARING THE WAKE-UP CALL

Wake-up calls are "aha moments," awareness of an opportunity to be pursued or a threat to be removed. They can surface anywhere in the organization, at any level. At times, there is grass-roots awareness of the need long before executives take notice. However, for an organization-wide transformation to mobilize, the leaders of the organization affected must ultimately hear the signal clearly enough to warrant attention and discussion, if not action. In change-resistant organizations, executives typically do not get or heed wake-up calls until the signals become so painful and dangerous that they threaten the organization's very survival.

The wake-up call may come in the form of a dramatic event, such as the competition beating you to market with a similar or better product; or it may be the accumulation of many small indicators that finally culminate in a loud and meaningful message. Examples of the latter include loss of market share, new technological advancements in your industry, mergers of your key competitors, the required closure of a once valuable factory, the initiation of a hostile unionization effort, or an increase in turnover of critical talent.

At this very early stage in the transformation, it is important to identify and understand what wake-up calls exist, what they mean, and what is being done with them by those in position to initiate a change effort. The mindset of the leaders has a major impact on the meaning they make of the information in the wake-up call. If the leaders are conscious and open to learning and changing, they will deal with the wake-up call differently than if they are not.

If you are consulting to the change, your initial responsibility is to assist leaders to acknowledge and respond to their wake-up calls in depth. This is the first moment of truth in the change effort; it can mean the difference between a reactive, superficial change and one that is conscious, purposeful, and able to achieve breakthrough results.

Let's assume that, at some point, the leaders receive the right signals and have acknowledged the need to change. They will automatically create an initial case for change and scope in their minds. These informal impressions will be used later as the starting point for designing the official case for change. After the leaders have committed to launch a change effort, the process is underway, officially beginning Phase I.

PHASE I: PREPARE TO LEAD THE CHANGE

Establishing clear foundations for a successful change effort from the beginning increases the organization's likelihood of success. Phase I and its six activities accomplish the majority of this work. Many of the tasks of these activities can be done in parallel.

Phase I is *critical work* for the leaders. It covers 50 to 60 percent of the decisions that will inform your change strategy and plan. It does not take that same percentage of time, but it requires that amount of upfront decision making. The leaders cannot delegate this work, although other people can be involved to help lay the groundwork for the change leaders.

Remember the television commercial where a car repairman removes himself from under the hood of a car and says to the viewer, "Well, you can pay me now, or you can pay me later." He is referring to the fact that work *must* be done. You can do it now, or you can do it later; but you cannot skip it. Doing this required work upfront will undoubtedly be easier and less costly than neglecting it and dealing with the problems its absence creates downstream. In our experience, conscious leadership attention to the work of Phase I is the most powerful of all change acceleration strategies. It models the principle "Go slow to go fast" and is well worth the time and effort.

ACTIVITY I.A: START UP AND STAFF CHANGE EFFORT

Task I.A.1: Obtain Project Briefing

After the leaders decide to formally initiate their change process, it is imperative to gather and coalesce all of the existing information and opinion about the effort. The leaders need a clear picture of what is known, who has been doing what, and what the current reactions are. Without this, attempting to lead the change can be like herding cats. They need this early project briefing to ensure alignment, leverage progress, and minimize surprises.

You may find it useful to interview the various people or groups that know about the change and are going to be impacted by it to assess how they view the effort. Questions to these people usually include their knowledge of the content or focus of the change, people issues, political dynamics, or process expectations. You can ask about their knowledge about the drivers of the change, the history of the effort, perceptions of the current change events and activities underway, key issues that have arisen, and future directions. (See Premium Content: Identifying Project Briefing Questions, www.pfeiffer.com/go/anderson.) Once gathered, you would prepare this information to brief everyone who needs to know the status of the change effort at this early stage, including all consultants in the effort.

Briefing data usually reveals whether key stakeholders, including the leaders, see the change effort through the same set of lenses or whether there are potentially confusing or conflicting discrepancies in people's perceptions. How people are talking about the change effort at this early date can be a significant predictor of how well it will be received after it gets underway. And, if leaders are not aligned, they will not be able to lead the effort effectively. Their alignment is essential.

Task I.A.2: Clarify and Staff Initial Change Leadership Roles

The second task in this activity is to determine how the transformation will be led—who is sponsoring the effort, who is designing and leading the change strategy and process design, and who is involved in various other ways. Clear roles and responsibilities are needed for all of the change leaders to minimize redundancy and ensure full coverage of change leadership responsibilities and decisions.

Because taking on a change leadership role is usually considered an addition to one's existing duties, there are two predictable issues in staffing. The first is when these roles are assigned to people who have the most available time. Caution! Roles should be given to the people who are the most *competent* and *best positioned to successfully lead the effort*. These selections must be very strategic because your effort will either be enhanced or encumbered by these staffing selections. The second issue is that your best people are already over-committed and cannot give the change leadership role the time and attention it needs. If your best people are that busy, then you must ask yourself whether their current activities are more important than achieving the outcomes of the change. If these people are the right leaders for the change, they must free up the time to fulfill their role adequately. "Lip service" will not work.

The following sidebar presents a list of six typical change leadership roles and their deliverables. You can use all of them as described, or you may tailor them to fit the magnitude of your change effort and the resources available for it. To tailor

CHANGE LEADERSHIP ROLES

SPONSOR

The individual with highest line authority over the change effort, "executive champion," has primary influence over desired outcomes and breakthrough results: inputs significantly to change strategy; supports change process leader; is a member of change leadership team; sets boundary conditions and design requirements; approves desired future state solution, including cultural imperatives; ensures conditions for success are named and supported; keeps the transformation in alignment with overall business; delivers major communications; requires key course corrections to be surfaced and made; acknowledges benchmark successes during the process and sets standards for breakthrough results; maintains ongoing links with major stakeholders; models the desired culture, mindset, and behavior required by the transformation.

Deliverables:

- Achievement of the organization's business strategy through the creation and oversight of the change strategy, initiatives, and conditions required to produce business outcomes and breakthrough results

(*continued*)

CHANGE LEADERSHIP ROLES (continued)

- Mobilization and alignment of entire organization undergoing change
- Clear direction and path for change, clear expectations for results
- Sustained well-being in the organization during and after change
- Being a model of the mindset, behavior, and cultural changes required for success and breakthrough results

EXECUTIVE TEAM

The executive leadership team of the organization within which the change effort is occurring (may be the entire company or a segment): responsible for determining desired outcomes and breakthrough results of the transformation as required by business strategy and supporting their achievement; runs the business and inputs to change strategy; ensures right fit and priority of overall change effort within the other priorities underway in the organization.

Deliverables:

- Clear expectations for change results required within organization
- Effective operations of the business while the change is taking place
- Being a model of the mindset, behavior, and cultural changes required for success and breakthrough results

CHANGE LEADERSHIP TEAM

Leaders (cross-functional, initiative leaders, or key stakeholder representatives from entire system being transformed) with delegated authority to create change strategy and high-level process plan to execute it: This includes refining desired outcomes, breakthrough results, and conditions for success, as necessary, prioritizing and integrating initiatives, and identifying milestone events and realistic pace; led by change process leader; core team that oversees and course-corrects change strategy, initiatives, change process, and conditions for success as the overall effort unfolds; ensures resources, right pace, and cultural imperatives. Depending on scope of change, this team may be same as executive team, in which case it has responsibilities for combined functions of both teams. If a separate team, it runs change effort while executive team runs current operations, with some executives likely having dual membership—"two hats." If large, this team may have a small subset that functions as a nimble "strategic navigation team"—max three to five most influential/knowledgeable people.

Deliverables:

- A change strategy and change process plan that will produce desired outcomes and breakthrough results
- Continuous oversight and realignment of change strategy, initiatives, and process to meet emerging needs of change effort during continued operation of the business
- Successful integration and alignment of all change initiatives
- Adequate resources and pacing for change effort
- Being a model of the mindset, behavior, and cultural changes required for success and breakthrough results

CHANGE PROCESS LEADER

A line manager or executive as high as possible in the organization being changed: has delegated authority from sponsor to lead change effort and produce its results; oversees design and execution of change strategy, initiatives, and each phase and activity of overall change process; leads change leadership team and project integration teams; responsible for clarifying scope, desired outcomes, pace, conditions for success, constraints, infrastructure, and metrics; provides advocacy for and integration of change initiatives; obtains resources for transformation; oversees communications and information management, and ensures course correction; models mindset and behavior changes; provides feedback and coaching to all change leaders, initiative leads, and stakeholders.

Deliverables:

- A change strategy and change process plan that will produce the desired outcomes of the change effort
- Creation of conditions for success
- Continuous oversight and realignment of the change strategy, initiatives, and process to meet the emerging needs of the change effort during the continuing operation of the business
- Successful integration and alignment of all change initiatives

(*continued*)

CHANGE LEADERSHIP ROLES (continued)

- Building a critical mass of support for the change through employee engagement
- Being a model of the mindset, behavior, and cultural changes required for a successful change

CHANGE INITIATIVE LEAD

A line or project manager who is in charge of an initiative within the overall change effort: may have own sponsor, yet also reports to change process leader and change leadership team; responsible for setting their initiative up for success according to the overall transformation's content and cultural outcomes, values, and guiding principles; ensures that best solution is designed, and oversees planning and implementation so that results are achieved and people are engaged in positive ways; ensures timely course correction and coordination with interdependent initiatives; leads change project team for this initiative; models the desired mindset, behavior, and cultural norms.

Deliverables:

- A change strategy and change process plan that will produce the desired outcomes of this initiative
- Continuous oversight and realignment of the change strategy, project teams, and process to meet the needs of the overall change effort
- Successful integration and alignment of this initiative with all other change initiatives and events
- Being a model of the mindset, behavior, and cultural changes required for a successful change and breakthrough results

CHANGE PROJECT TEAM

Cross-functional representatives, sub-initiative leaders, and/or specially skilled individuals who help the change initiative lead in day-to-day activities of carrying out a particular change effort: completes work of various change activities for this change effort (e.g., design and impact analysis); pursues feedback and information for course correction and communicates with all stakeholders;

invests in change required to produce cultural changes and breakthrough results.

Deliverables:

- Fulfillment of requirements of each major phase of change process for an initiative
- Continuously gather new information about change effort that may influence how it rolls out
- Being a model of the mindset, behavior, and cultural changes required for success and breakthrough results

CHANGE CONSULTANT

Change process expert and coach: key support to sponsor, change process leader, and change leadership team in building and carrying out best overall change strategy and change process; acts as sounding board, third party, and advocate for conscious awareness and breakthrough results; educates about transformation and strategies for how to proceed and achieve breakthrough results; helps plan change strategy, major events, communications, trainings, and meetings; assesses progress, problems, concerns, political and cultural issues; helps facilitate change in culture, mindset, and behavior; facilitates course corrections to change strategy and process; provides feedback and advocates for conditions for success; interfaces with other consultants working on the transformation. You may have a change consultant for each major sub-initiative to guide the process and participate in integrating all interdependent change initiatives.

Deliverables:

- Advice and support to produce change strategy and change process that will deliver the results of overall change effort and/or sub-initiative
- Guidance to make change initiative integration successful
- Improved competency and knowledge transfer to organization about effective and conscious change leadership
- Timely course corrections on any aspect affecting success
- Being a model of the mindset, behavior, and cultural changes required for success and breakthrough results

the roles, you can use different titles and determine expanded, reduced, or different responsibilities and deliverables for each role.

We have labeled the role of the person in charge of planning the change effort as the change process leader, rather than change project manager. This title conveys the required shift from project-oriented thinking to process thinking, as described in *Beyond Change Management*, and emphasizes that the person in this role is responsible for designing and overseeing the transformational change *strategy* and the transformational change *process* in ways that make the possibility for breakthrough results most likely. This person may provide input to the content of the change, but the priority of this role is to shape *how* the change is led, designed, implemented, and course-corrected throughout.

The person selected as the change process leader will represent the degree of importance the transformation has for the organization. The more well-respected the person is, the more important the change will be perceived as being. In most cases, our bias is that a high-level line executive should fill the role of change process leader. This role should not be filled by a consultant or a staff person, unless the change is occurring primarily in a specific staff function, or the staff person is well-respected by the leaders and the organization. It is critical that the entire workforce respond positively to the leaders of the change, especially this one. The person selected to fill this role is one of the first clear signals you will send about the magnitude and priority of what is to follow. (See Premium Content: Selecting the Best Change Process Leader to Oversee Your Transformation, www.pfeiffer.com/go/anderson.)

The change process leader should be selected not only for the respect he or she commands from the line organization but also for three other critical competencies—the ability to demonstrate conscious process thinking and design skills, being sophisticated about dealing with the human dynamics of change, including culture, and having a facilitative (versus controlling) change leadership style. In addition, the more dedicated this person is to personal development and building awareness in nonthreatening ways, the better, for all the reasons discussed in *Beyond Change Management*. Change process leaders stuck in the autopilot, controlling, need to be "right," or project thinking modes will severely limit the probability of a successful transformation. This role works best when filled by a leader capable of working with all of the dimensions of the Conscious Change Leader Accountability Model.

One more note of caution: We frequently find that the individuals named to this critical role are the primary content experts, such as the IT guru in charge of implementing a new technology system, or worse yet, the external IT content consultant. This is extremely dangerous! The more invested the person is in a particular content outcome of the change, the less effective—or more complicated—his or her influence will be on the process of change and understanding the intricate people and cultural issues. More often than not, these people are not knowledgeable about the process or people dynamics—they are the protective owners of the content. Because there are so many process and people issues that IT implementations trigger, an objective change process leader is required—an internal person who understands how the organization operates. This role can then make sure that the content expertise of the IT guru is used in the right ways in the right tasks to produce the best content outcome for the change.

The most current example of this is in the healthcare space, for all hospital systems implementing electronic health records (EHRs). The vendors that offer the IT solutions to this critical change in healthcare are typically the least able to perceive and influence the organization's unique cultural, mindset, and behavioral requirements that a successful EHR implementation demands. EHR implementations are transformational changes—they have a direct and heavy impact on the culture, relationships, communications, and emotional needs of physicians, nurses, and support staff. They need an internal, culturally smart change process leader to shape the strategy and process plan, meet the people needs that inevitably surface, and work closely with the EHR vendor and internal IT experts when their knowledge is required.

We have experienced one creative way of dealing with the requirements of the change process leader role when an IT or other content expertise is critical to a successful outcome. It is to create a "project/process" partnership between an individual who has the technical or business expertise and a consultant with process design, people, culture, and organization development expertise. The benefit of this scenario is that the technical leader learns how to design a complex change process, and the consultant learns how to make the process relevant and timely to the business and workable for the people who must make the change happen on the ground. This joint strategy requires that the two leads have clearly defined "decision rights" and work in true partnership. Its cost is that it requires the focused attention of two people who must regularly share data and perceptions and work closely on behalf of achieving a sustainable outcome.

After change leadership roles have been defined and staffed, a common dynamic that surfaces is the confusion or tension created when leaders are asked to wear two very distinct hats—a functional executive hat and a change leadership hat. Most often, the functional hat takes precedence because it is most familiar and immediate. Plus, leaders' compensation is often tied only to their functional performance. Without support to balance leaders' drive to keep the business running *and* to change it, this conflict can sandbag the change effort before it gets off the ground.

Under normal circumstances, leaders' tendency to take care of daily crises in their functional organizations first is a good thing. However, when an organization is undergoing major transformation, the functional leader mindset is not sufficient. Change leaders must focus on *doing what is good for the overall organization as it transforms* while keeping it operational, especially at start-up. There is no formula for the percentage of time a leader will spend wearing each hat. We do know, however, that keeping full-time functional responsibilities without making real space for change leadership duties is a formula for failure. Therefore, you will need to set clear priorities and expectations for how and when the leaders should be wearing each hat, and how much time they will need to give to their change responsibilities. The resolution requires a shift of both mindset and behavior because there is only so much time available for both roles. Make the change focus a conscious one!

Ensuring that the right people are in key change leadership roles and that core responsibilities are fully covered is essential to mobilizing the quality of leadership required for conscious transformation. Our definition of "right people" here means the best match of mindset, behavior, expertise, leadership style, and time with the magnitude and type of change you are facing.

An exploration of your change leadership roles may reveal that the wrong people are in key roles. This task is an opportunity to correct your change leader selection and role expectations. Although this can be politically ticklish, making these changes now is far less costly than doing it later. You will have another opportunity to do this when you confirm your governance structure for leading the change in Task I.E.3.

Task I.A.3: Create Optimal Working Relationships

Building and sustaining effective working relationships is an important condition for success. When people take on special change leadership roles, it is essential to clarify the working relationships among them and with their peers who retain existing functional roles. Too often, old political struggles will surface and hinder the change leaders from doing what the change effort requires. By addressing and clearing up past history, conflicts or political dynamics, the leaders ensure the cleanest, clearest leadership thinking and behavior to support the overall transformation.

Having the leaders model the healing of broken relationships and the creation of effective partnerships is a powerful cultural intervention, one that is absolutely required to make your change effort expedient and to produce breakthrough results.

When key change leadership roles, such as the change process leader or the top change consultants, are filled by people from lower levels in the organization, you must re-establish effective working relationships among all of the change leaders and the executives. Everyone who has a key role must be clear about who has responsibility and authority to do what so that everyone can pull in the same direction. It is especially critical that people from lower in the hierarchy be given the authority they need to succeed in their new roles.

The relationship between the executive team running the business and the change leadership team changing it has to be crystal clear. The business must continue to operate effectively during the transformation, and it must also be enabled to change so that it can better serve its customers' new needs. This requires negotiating clear decision authority and responsibilities between these two teams. Make the predictable tension between these teams overt and clarify how both teams can best serve the overall good of the organization. Organization development consultants can assist with this work, which should begin when the change leadership team is established and be revisited periodically, or when issues surface throughout the transformation.

Because most enterprise-wide transformations use multiple external consultants, make sure that all consultants know who is responsible for what and how to work among them and with in-house resources to do what is best for the organization, versus their own individual agendas. Set the expectation for addressing the quality and effectiveness of their working relationships in advance, and then hold them to it.

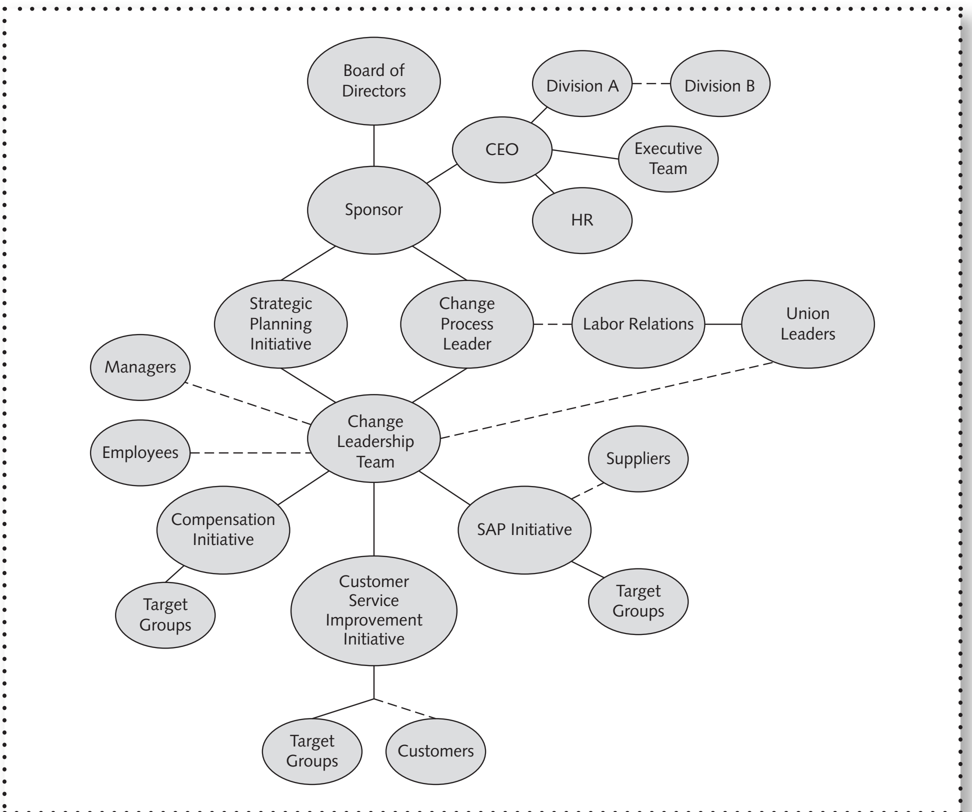
Task I.A.4: Identify Project Community

It is important to be clear about whose realities the change effort is affecting and who needs to be involved in some way. Who has a vested interest in it producing its results? Who has something to offer it—knowledge, skill, resources? Who is going to be seriously impacted by it? Whose voices should you be seeking out and listening to as you plan it? At start-up, identify everyone—internally and externally—who has a stake in the effort and is engaged in or affected by it. This identification will provide you an easy reference for thinking through various stakeholder needs as you shape your change strategy, process plan, communications, and engagement strategy. It will also help identify the critical mass of support required for the transformation to succeed.

Some change management approaches refer to this exercise as building a "stakeholder map," which they use to identify resisters to the change. We call this group the "project community," preferring this language to convey the intention of this group to share a common vision of the change and to work together for the collective good of the organization, which provides much more use than just resistance-mapping. Figure 1.1 shows a sample project community map.

When you map your project community in detail, consider the categories of people to include: those with knowledge, skill, resources or influence to offer; those who need to be on board politically or emotionally, or buy in to the change to implement it; and those who will be impacted by it but not involved in execution,

Figure 1.1. Sample Project Community Map



Note: Solid lines represent direct reporting relationships, and dotted lines indicate influence and/or partnership or cross-boundary relationships.

such as partners, vendors, customers or patients, or other departments dependent on what you are doing.

Your project community map should graphically reveal the relationships among its members. This will enable you to leverage these relationships strategically—and politically—throughout the change process. You may also want to identify any relationships within the community that need improvement because you will be counting on these relationships to function effectively to support the overall transformation. Use this information as input to Task I.A.3, *Create Optional Working Relationships*.

You can work with your project community in many ways—in person, by e-mail, or as an electronic discussion community. Your primary intention for the community is to create the conditions among all of the members to support the transformation actively as it unfolds. We are not advocating that you make this group into a formal structure. You will likely have greater impact by allowing it to operate organically, working with parts of it as your change process requires. Your strategies for this group may include the following:

- Keeping these people informed of the status of the change effort; as references to help shape your change communication plans
- Assigning them key roles in major change activities or events
- Establishing shared expectations for how they can add value to the effort; working with them to create a critical mass of support for the vision and desired state
- Shaping your engagement strategy over the course of the change process; interviewing appropriate members to gather pertinent input or using them as sounding board advisors on various strategic, operational, or cultural choice points during the transformation
- Identifying resistance and political dynamics in advance
- Training them in the unique requirements of your desired culture, mindset, and ways of relating
- Positioning them as change advocates, models of new behavior, information generators, and so on

Exhibit 1.1 presents a worksheet to assist with identifying your project community.

Now that you are clear about who is doing what and what the current status of the change effort is, you can proceed with the important work of creating your official case for change.

Exhibit 1.1. Identifying Your Project Community

WORKSHEET

Identify the members of your project community for your project. Name the key players from the following groups:

Change Leadership:

- Sponsor:
- Change process leader:
- Executive team:
- Change leadership team:
- Change initiative lead:
- Change project team:
- Change consultants (internal and external):

Stakeholder Groups or Individuals:

- Board of directors:
- Executives:
- Upper management:

- Mid-management:
- Employee groups:
- Stakeholders:
- Unions:

CUSTOMERS:

- Internal:
- External:

SUPPLIERS/VENDORS:

AREAS OF THE ORGANIZATION (FUNCTIONS/PROCESSES):

LOCATIONS WITHIN THE ORGANIZATION:

OTHER IMPORTANT CHANGE OR IMPROVEMENT INITIATIVES:

RELATED CHANGE PROCESS LEADERS OR PROJECT MANAGERS:

OTHERS:

Task I.A.5: Determine Phase I Roadmap

Phase I of your change effort is extremely important to a successful start-up and requires a plan of its own. This task creates your roadmap for this work. At the end of Phase I, you will create a roadmap for Phases II through V. In Phase V, you will develop your Implementation Master Plan, which will be your roadmap for the remaining execution of your change effort.

In planning your Phase I roadmap, only select the tasks that you deem essential from each of the activities in this phase. Consider having your change leadership team review the Phase I tasks in their entirety, or from the CLR Critical Path offered in Chapter Fourteen, for general understanding, and then decide which they need to invest time and resources to complete. The next three chapters discuss the remaining work of Phase I.

ACTIVITY I.B: CREATE CASE FOR CHANGE AND DETERMINE INITIAL DESIRED OUTCOMES

No one, leader or employee, will give heart and soul to such a complex and challenging effort as transformation unless he or she understands why the change is necessary and what benefit it promises—personally and organizationally. This activity answers the basic questions: "Why transform?" "What needs to transform?" and "What outcomes do we want from this transformation?" "What is 'in game' or 'out of game'?" Frequently, people have many different views of why change is needed, what is driving it, and how big it is. Until your desired outcomes are clear, people will not know why they should invest the effort it will take; until they do, they will not support it. Creating your case for change and determining the results you want from it creates a common view for the change leaders and gives their stakeholders meaning, direction, and energy for aligned action. Without a clear case for change, the transformation will lack relevance for employees, causing resistance, confusion, and insecurity. The case for change includes the following:

- Why the transformation is needed
- What is driving this change
- Type of change
- Leverage points for change

- Initial impacts on the organization and its people
- Target groups
- Scope of change
- Urgency for the change

In addition, this task clarifies your initial desired outcomes for the change.

Although we have positioned this work as a part of leader preparation for the transformation, many other people may be involved in shaping the case for change and its outcomes. The marketplace, as the primary driver of the transformation, dictates the content focus of the case for change. Marketplace requirements for success can be sought by anyone who has a perspective on what your customers need and your competitors are doing. When front-line employees and middle managers participate in creating the case for change, they add credibility to the assessment of need, leverage points for transformation, and impacts. Their participation is an enormous catalyst for their understanding and commitment. No matter who generates the data for the case, we believe the leaders are responsible for putting all of this information into a clear picture that they agree with and will communicate to the organization during Phase II.

The information for your case for change may already have been generated through the organization's business strategy efforts. If so, take your exploration of the business strategy to the next level of specificity: How does the strategy require the organization to change? Use the business strategy as input to the tasks of this activity to ensure that you have a complete picture and that your case for change and your business strategy are aligned. If they exist, your case for change can also identify boundary conditions—what is okay to change, and what must stay the same. Boundary conditions may be shaped by a number of factors, such as (1) the leaders' expectations for the vision or desired outcome of the change, (2) pre-existing conditions such as strategic business imperatives or political dynamics, (3) risk mitigation needs, (4) the organization's current state of performance or financial condition, or (5) any other driving force affecting the situation. Your case for change will be strengthened by clarifying your desired outcomes for this effort—what you need to produce going forward and/or what breakthrough results you are striving to create. The statement of your outcomes should also include the benefits your organization will reap and a picture or definition of success. In simple terms, this activity describes the cause and effect of the change—what is causing it to happen and what will be achieved when it has occurred successfully!

Task I.B.1: Design Process for Creating Case for Change and Initial Desired Outcomes

Who builds the case for change, and how is it best produced? Who should be involved in defining your desired outcomes, the vision, and boundary conditions for the change? Your decision criteria for these questions should include: (1) people who have a big-picture understanding of the systemic and environmental dynamics driving the need for change; (2) people who understand the need for a new culture and mindset; (3) the level of urgency you face; (4) the degree to which your case and vision have already been formulated by your business strategy; and (5) people's content expertise in the areas within the predicted scope of your transformation.

Design your process for creating the case and your desired outcomes by reviewing all of the tasks of this activity and then determining how to accomplish them and the timeframe for doing so.

Task I.B.2: Assess Drivers of Change

As a change leader or consultant, you must determine the catalysts driving the changes in your organization to design an effective case for change and change strategy. *Beyond Change Management* introduces seven drivers of change which, taken together, expand leaders' typical view of the scope of change. All seven drivers must be addressed to accurately scope your change effort and plan its rollout strategy—especially if it is transformational. The Drivers of Change Model is shown in Figure I.1 in the Introduction to this book, and the following sidebar briefly defines each driver. Each provides essential data for the determination of what must change in the organization and why. They might also inform what must not change. Remember, explore all seven drivers; do not stop at organizational imperatives. A full scope for transformation must include culture, behavior, and mindset.

Keep in mind that all seven drivers of change must be clarified to understand the full scope of your change. Your responses to them can tell a story, making your full case and scope easy to understand. Your story should include what will be required of leaders and managers to model and mobilize change in themselves and the organization.

Exhibit 1.2 provides a worksheet to assess what is driving your change. Use your responses as input to the scope of your change and case for change story.

THE DRIVERS OF CHANGE

- **Environmental Forces:** The dynamics of the larger context within which organizations and people operate. These forces include social and demographic trends, business or economic pressures, political dynamics, government regulations, technological advances, demographic patterns, legal issues, and the natural environment.
- **Marketplace Requirements for Success:** The aggregate set of customer requirements that determine what it takes for a business to succeed in its marketplace. This includes not only their actual product or service needs but also requirements such as speed of delivery, access to information, customization capability, cost limits, level of quality, need for innovation, level of customer service, and so forth. Changes in marketplace requirements are the result of changes in environmental forces.
- **Business Imperatives:** Business imperatives outline what the company must do *strategically* to be successful, given its customers' changing requirements. This can demand systematic rethinking and change to the company's mission, strategy, goals, products and services, e-commerce position, pricing, the need for merger or acquisition, or branding. Business imperatives are usually identified through the organization's strategic planning process.
- **Organizational Imperatives:** Organizational imperatives specify what must change in the organization's structure, systems, processes, technology, resources, skill base, or staffing to realize its strategic business imperatives. Examples include reengineering, new technology, restructuring, new knowledge management practices, new engagement vehicles, or new sales approaches.
- **Cultural Imperatives:** Cultural imperatives denote how the values, norms, or collective way of being, working, and relating in the company must change to support and drive the organization's new design, strategy, and operations. Some change efforts are driven by a need to change the culture, such as the need for a new leadership style, teamwork, or cross-boundary work practices. If so, this driver is given more detailed attention, and ideally is still positioned as being in support of the organization's imperatives to change and its business imperatives.
- **Leader and Employee Behavior:** Collective behavior creates and expresses an organization's culture and performance. Behavior is more than just

(*continued*)

overt actions; it describes the style, tone, or character that permeates what people do and how their way of being must change to create the new culture. Leaders and employees, both individually and collectively, must choose to behave differently to transform the organization's culture.

- **Leader and Employee Mindset:** Mindset encompasses people's worldview, assumptions, beliefs, and mental models. Mindset causes people to behave as they do; it underlies behavior. Becoming aware that each of us has a mindset and that it directly impacts our feelings, decisions, actions, and results is often the critical first step in building individual and organizational awareness and willingness to change. For instance, leaders and employees must shift their thinking from "What we do has always worked for us, so let's keep doing it" to "We need to look for how to fulfill our customers' needs in different ways."

  Mindset change is often required to catalyze and sustain new behaviors in both leaders and employees. A shift of mindset is usually required for organizational leaders to recognize changes in environmental forces and marketplace or customer requirements, thereby being able to determine the best new strategic business direction, structure, operation, or culture. Mindset change in employees is often required to understand why the changes being asked of them are necessary, and certainly for what they must do to carry it out. Mindset is always included in culture change efforts.

Task I.B.3: Clarify Type of Change

The drivers of your change reveal the primary type of change you are leading—*developmental, transitional*, or *transformational*. The more culture, behavior, and mindset change required, the more it is transformational. In our writing, we frequently refer to your change effort as transformational. That is because the CLR is designed to serve the unique needs of transformation, as well as the other types of change. Because your change effort may not actually be transformational, you will still need to determine the right type of change you are leading.

The type of change has direct implications for the change strategy and leadership your effort requires. The consequences of not defining the type of change accurately can create costly havoc, or failure, for the effort. Too often, when leaders learn of the three types, they choose developmental or transitional change because these

Exhibit 1.2. Determining What Is Driving the Change

WORKSHEET

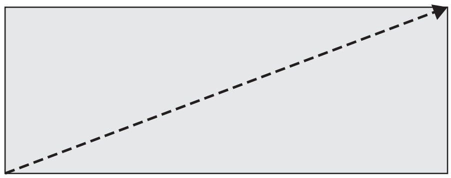
- Environmental Forces:
- Marketplace Requirements for Success:
- Business Imperatives:
- Organizational Imperatives:
- Cultural Imperatives:
- Leader/Employee Behavior:
- Leader/Employee Mindset:

types appear to be easier to manage. If your change is actually transformational, however, you cannot change that fact by calling it something else. If it is transformation, it is transformation; you will still need to build a change strategy and plan that fits transformation. As a conscious change leader, your challenge is to determine the *actual* type of change occurring and plan from there. Figure 1.2 graphically portrays the three types, discussed in depth in *Beyond Change Management*.

Although you may have multiple types of change present within your overall effort or your composite initiatives, one type is always primary. That is the one

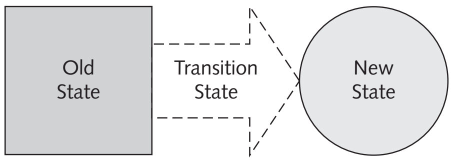
Figure 1.2. Three Types of Change

Developmental Change



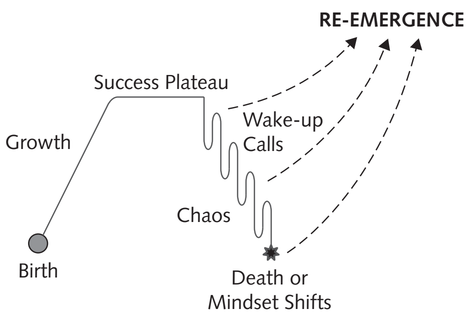
Improvement of what is; new state is a prescribed enhancement of the old state.

Transitional Change



Design and implementation of a desired new state that solves an old state problem; requires management of the transition process to dismantle the old state while putting in place the new state; managed timetable.

Transformational Change



Market requirements force fundamental changes in strategy, operations, and worldview:
(1) New state is unknown—it emerges from visioning, trial and error discovery, and learnings;
(2) New state requires fundamental shift in mindset, organizing principles, behavior, and/or culture, as well as organizational changes, all designed to support new business directions. Critical mass of organization must operate from new mindset and behavior for transformation to succeed and new business model or direction to be sustained.

that will most influence the design of your change strategy. For instance, you may need to develop better marketing skills and systems (developmental change), and you may need to consolidate several functions to improve efficiencies (transitional change), but the primary change is a radical transformation of your business model to e-commerce. Such a change is transformational because it calls for a significant shift in direction *and* requires major culture, behavior, and mindset change in your leaders and people.

Task I.B.4: Identify Leverage Points for Change

Most change efforts have one or two critical things that must change; this work will prompt or catalyze shifts in other aspects of the organization. These few things are called leverage points for change. Frequently, they are the content focus of the change. For instance, your leverage point may be to employ a human resources information system to gather and integrate all data about every employee, for every HR need. That is a leverage point to process large amounts of HR data for policy and performance purposes, and to streamline and standardize all HR transactions across a complex or dispersed organization. Or, a different leverage point is to consolidate supply chain and purchasing across an entire system so that costs and efficiencies can be more vigorously managed. A third example is to change the culture of the organization to be more entrepreneurial, more team-based, or co-creative. These types of cultures are essential to innovation, efficiencies, and the level of cross-boundary work required to serve diverse customer or patient needs. For each of your leverage points, make sure that all change leaders agree on its primary importance and the benefits it will produce toward your desired outcomes.

These examples name the primary work that will catalyze needed changes. They do not, however, define the total scope of your change. That comes from several of the tasks in this activity, culminating in a full scope of change in Task I.B.6. Your case for change, however, will feature your leverage points to help clarify the purpose and focus of the transformation.

Task I.B.5: Perform Initial Impact Analysis

As you become clearer about what your change effort's scope entails, it is important to identify the types of impacts that making this change will create throughout the organization. The earlier in your change you clarify those impacts, the better your planning will be. At this point in the process, an assessment of impacts can only be done at a generalized level. When you have designed the actual future state, you will be able to do a more thorough analysis. That is the purpose of Phase V. For now, this general assessment focuses the leaders' attention on both the business/organizational elements and the personal/cultural impacts. A general impact analysis at this stage may also reveal impacts that challenge the leaders' expectations for what needs to stay the same.

A helpful tool to perform this assessment, the Initial Impact Analysis Audit, is provided in Exhibit 1.3. This tool lists many typical impact areas affected by change in the organization. The Initial Impact Analysis Audit is a powerful way to expand the change leaders' view of the amount of attention, planning, time, and resources the change will require. It is designed to create a systems view of the organization and the transformation. These topics will tell you, at a high level, how broad and how deep the impact of making the transformation will go. This information, in addition to your determination of the drivers of change and your leverage points, is critical to understanding what your change strategy needs to address for the transformation to succeed. This information will be used as input to determining the scope of the change and may also inform your decision about needed capacity for change.

To fill in the Initial Impact Analysis Audit, consider the change effort as you currently understand it. Review each item in the tool, checking it if it will be affected by your change effort during design or rollout. Each item checked requires more detailed planning and attention as a part of Phases V and VI in your change process plan. For now, noting the areas requiring more focus will help you clarify your scope of change.

Task I.B.6: Clarify Target Groups and Scope

Your case for change must accurately identify the target groups of the transformation as well as the scope of change required in the organization. Targets are the groups and people who will be directly impacted by the change or who are essential in carrying it out. If you created a Project Community map in Task I.A.4, you have likely identified your target groups. It is essential that you consider the various needs of your target groups as you plan your change, your communications, and your engagement strategies.

Scope is the breadth and depth of the change effort, including your target groups and initiatives. It determines what you will pay attention to and plan for. One of the most common mistakes leaders make in leading change is to misdiagnose its scope, typically making it too narrow. If it is too limited, repercussions will be occurring outside of your view of things, creating all kinds of unpleasant surprises. If your scope is not accurate, you may be missing key leverage points for

Exhibit 1.3. Initial Impact Analysis Audit

WORKSHEET

What aspects of your organization will be impacted by making this change? Check any of the following areas that will be affected by your effort.

Business/Organizational Impacts

_____ Purpose/Vision/Mission

_____ Business Strategy

_____ Market Posture

_____ Organizational Structure

_____ Management Systems and Processes

_____ Technology/Equipment

_____ Tasks/Job Definition/Job Levels

_____ Products and Services

_____ People: Numbers/Skills/Systems

_____ Policies/Procedures

_____ Resources Needed/Resources Available

_____ Space Requirements/Layout/Moves

_____ Image/Brand (How we are perceived by others)

_____ Identity (Who we are; how we see ourselves)

_____ Customer Service

_____ Vendor Relationships

_____ Union Activity

_____ Response to Government Regulations

_____ Merger or Acquisition

_____ Splits/Divestitures

_____ Downsizing, Consolidation

_____ Standardization

_____ Growth/Expansion/Start-Ups

_____ Talent Management/Management Succession

_____ Work Flow

(*continued*)

Exhibit 1.3. Initial Impact Analysis Audit

WORKSHEET (continued)

_____ Governance and Decision Making

_____ Team Structures

_____ Technical/Professional Skills

_____ Current Skills Training

_____ Communication and Engagement Systems and Methods

_____ Other:

Personal/Cultural Impacts

_____ Resistance and Anxiety

_____ Sadness at Letting Go of Old Ways

_____ Motivation and Commitment

_____ What People Are Recognized for

_____ Loss of Control

_____ Inclusion/Exclusion Issues

_____ Political Dynamics and a Change in the Balance of Power

_____ Perceptions of Fairness

_____ Values

_____ Norms

_____ Leadership Style/Executive Behavior

_____ Leader Mindset, Attitude

_____ Employee Behavior

_____ Employee Mindset, Attitude

_____ Expectations/Psychological Contract

_____ Need for Learning and Course Correction

_____ People or Relationship Skills

_____ Changes in Relationships (e.g., cross-boundary)

_____ Team Effectiveness

_____ Management Development/People Effectiveness Skills Training

Other:

getting the change to happen or expending energy on the wrong things. The classic misperception is to define scope in exclusively organizational, technical, or business terms, neglecting the cultural and people changes required for success. For transformation to work, scope must attend to all of the change required. Both the Drivers of Change Model and the Initial Impact Analysis Audit outline both types of initiatives required in scope. Use them as input to your scope.

Task I.B.7: Determine Degree of Urgency

Another output from your drivers of change is the conscious determination of the degree of urgency for making the transformation. The degree of urgency you assign at this point in your change effort will set the stage for success or failure, so being aware of what is accurate is essential. Being overly urgent will create panic and unfocused action. Low urgency will create complacency. What is really true about the urgency of your change?

A common error in leading transformation is the automatic assumption that the change needs to occur faster than is humanly possible. Our society assumes urgency; we live in the face of the tidal wave of speed. Urgency, in and of itself, is not a bad thing. It is an important motivator for focused action. However, when leading transformation, a *realistic* sense of urgency is essential. It is one of the key determinants of how well the organization will respond to the change.

Keep in mind that urgency is not the same thing as your timetable. *Wanting* speed is not the same as the marketplace absolutely dictating a deadline. Employees will understand a true need for speed but will disregard fabricated urgency and label it one more reason executives cannot be trusted to tell the truth. Don't make this mistake. Executives who unconsciously push transformation into unrealistic timetables without thinking through their internal motivations or the state of their people usually cost the organization in damaged morale, lost productivity, or impaired quality, all of which inevitably take more time to repair.

This task helps you consider the factors influencing your level of urgency, which is the first step in determining the timing and pace of your change.

The sense of urgency you establish here will become input to Task I.E.12. In that task, you will identify your critical milestones and general timeline as part of developing your change strategy.

Then, in Phase VI, *Plan and Organize for Implementation*, you will be able to develop a more informed timeline. At that point in the change process, your work will be based on a detailed impact analysis of external factors (environment, marketplace, and organization), internal factors (culture, time for skill development, personal change, and people's capacity), and the actions required to resolve all impact issues. Then the real work of the change, compiled into your Implementation Master Plan, can better indicate how long the effort will take if done well. However, at this early Phase I stage, the change leaders can only guess at the timetable, using their initial assessment of the scope of change and their impression of people's capacity to do what is required. Therefore, in communicating time pressures at this early stage, it is smarter to focus on urgency and present your desired timetable only as an initial estimate.

Task I.B.8: Determine Desired Outcomes and Compile Case for Change

The results of the first seven tasks of this activity produce your initial stance on why you need to make this change and what you want it to accomplish—your outcomes. You may have identified desired outcomes for any of the drivers of change as you worked on them. In addition, you will need to clarify any boundary conditions that must be respected as the change proceeds as well as your overarching outcome for the whole transformation.

Desired outcomes can take many forms. We typically see high-level aspirations that comprise a vision or set of compelling expectations. We see goals, objectives, and metrics, all of which are more concrete than aspirations. At this point, your intention is to shape a motivational vision for this transformation. If you have enough data to get more specific, you can also do that. If your change effort is primarily cultural, make sure to develop your outcomes in terms that speak to the *positive effect* of the new culture—what it is intended to enable in the organization. Use this information to provide the workforce with the motivation, rationale, and inspiration for taking on this effort, or provide the information as input to the stakeholders you want to engage in a larger visioning process. In Task I.F.3, you will design your visioning strategy and establish whether it will be primarily leader-driven or participatory.

Beyond Change Management discusses five different levels of success, which are also ways of defining your desired outcomes: (1) New State Design Determined, (2) New State Design Implemented, (3) Business Outcomes Achieved, (4) Culture Transformed, and (5) Organizational Change Capability Increased. This task

Exhibit 1.4. Sample Case for Change

PROJECT: CREATING AN INTEGRATED MEDICAL GROUP WITHIN A HEALTH SYSTEM

Vision

ABC Medical Group will be the practice of choice for patients and providers in every community we serve. We will consistently deliver safe, evidence-based, high-value care. Our physicians and nurses choose us as their optimal work environment and are loyal to us and the patients we treat.

The first step in achieving this vision is to unify all medical groups from across our ten hospitals. We will create a medical group division that will be a single operating unit (one medical group) serving every hospital. As a unified group, we will have the infrastructure needed to achieve our vision, including standard, reliable, evidence-based care; effective IT support for patients and providers, and a comforting patient experience. Our single division will give us an aligned payment model for all physicians. We will also obtain significant operational efficiencies from standard practices. In addition, we will have an active forum for sharing clinical and business data, and create an environment of community and shared responsibility to our patients and each other.

Drivers of Change

Environmental Imperatives:

- "Baby boomers" are aging and needing more care, putting greater pressure on the healthcare system.
- There is an industry shift from acute healthcare needs to chronic disease and population management.
- The explosion of scientific knowledge and capability creates more expensive technologies and medicines, and an industry expectation to use them when they make a difference.
- There is a shift from in-patient services to out-patient services due to improved technologies such as minimally invasive procedures and remote care.
- There is a shortage of caregivers—especially primary care physicians and nurses—just when the demand for care is rising.
- Malpractice insurance rates make cost containment very difficult.
- The current model of healthcare delivery and its costs are not sustainable.

Marketplace Requirements for Success:

- Patients need more care and have less insurance to pay for it.
- In the current reimbursement climate, we need exceptional financial performance.
- Healthcare resources are finite, and payers expect value for the dollars they spend.

(*continued*)

Exhibit 1.4. Sample Case for Change (continued)

- Patients expect more from doctors and hospitals—they want better service, access to care that fits their lifestyles, support for preventive care, more access to their medical records, more information, and more opportunity to make their own decisions. They also expect a positive experience across the continuum of care.
- There is an expectation of transparency related to the quality of our performance.

Business Imperatives:

- The leadership strategy and structure for the medical group must support our overall system strategy, which is to create an integrated health system across all of our hospitals.
- The systems put in place must demonstrate cost savings and consistency of care.
- This integrated medical group must deliver reliable and quality care across all hospitals, no matter where physicians reside or practice.
- We must realize a return on our investment.
- Efficiencies in accounting, pay, and administrative practices must be tangible and measurable, as well as in our supply chain process.

Organizational Imperatives:

The unified medical group must do the following:

- Use the enterprise's EHR system to capture all information on patient treatment and plans.
- Use the enterprise's integrated HR systems, policies, and procedures.
- Use the enterprise's integrated IT systems and procedures.
- Use the enterprise's integrated financial systems and procedures.
- Use the enterprise's integrated supply chain process.
- Align the medical group's operations to match the operating requirements of the enterprise.
- Be structured to use 100 percent of our existing hospital physicians and 90 percent of our contracted physicians.
- Enable us to maintain and service our medical specialties and acute care facilities.
- Enable us to optimize our ambulatory care services and locations.

Cultural Imperatives:

- Physicians must work together effectively to fulfill the medical demands of our ten hospitals. There needs to be willingness and flexibility in scheduling to handle the demands of providing quality and safe care. Physicians need to operate within the construct of being a part of one integrated medical group.

(*continued*)

- Our nursing staff must be more flexible in supporting physician needs on behalf of achieving required efficiencies. Physicians must be more open to nursing input because nurses will remain on location.
- Patient safety, reliability, and quality of care must come before efficiency, and efficiency is also essential to our success.
- We encourage physician-driven innovation, yet must reduce variation of care. Care should be planned and evidence-based wherever possible. However, continuous improvement must be in our culture.
- We stand for more aware, compassionate healing partnerships between patients and their caregivers.

Behavioral Imperatives:

- Physicians and nurses must input their treatment notes and plans into the EHR in a timely way for all other caregivers to access.
- Physicians must share information across specialties on behalf of an integrated plan of care for patients.
- Physicians must work in teams with other specialists and nursing staff to ensure efficient, integrated, and safe care.
- Nurses, physicians, and administrators must learn and master the relevant integrated systems and procedures, and use only those systems and procedures.
- Nurses and physicians must speak about others in only positive ways, or by offering constructive input to improve care and deepen relationships.
- Collaboration, decisiveness, and personal accountability are essential.
- Physicians must travel to other hospitals to accommodate variations in workload and emergencies.
- Recommendations for improvements in how the medical group operates must be taken directly to the administration, not the water cooler.

Mindset Imperatives:

- Think efficiency.
- Think about what is best for the patient and the whole health system.
- Put patient safety first in the context of timely and compassionate care. Everyone is empowered to do what is best for the patient.
- Physicians and nurses must respect each other and hold each other in a positive light when planning for and delivering care.
- Understand that this will be a learning process for everyone. Every incident is an opportunity to make things better and move forward.
- Stop the use of "against" thinking; we are all in this together.

(*continued*)

Exhibit 1.4. Sample Case for Change (continued)

TYPE OF CHANGE

Transformational

There will be some components of the change that are transitional, and some developmental.

Leverage Points for Change

- Ten autonomous medical groups cannot function efficiently and provide consistent quality of care. One medical group is required.
- Integrating HR, IT, supply chain, finance, and EHR technology is essential to the unified medical group working.
- A trusting and supportive relationship between the unified medical group's administration and its practitioners is essential to this working.
- Physician input to the design of the group's operational practices is required.

Target Groups

- Physicians within the ten hospitals
- All independent physician service providers
- Nursing staff within the ten hospitals
- Headquarters office administrative and support service providers (e.g., HR, IT, finance, supply chain)
- Patients now served by different medical groups and locations

Scope

- All medical services, administrative, and operational functions, systems, and procedures
- All IT platforms being standardized and integrated
- The entire organization's culture, especially the culture among the physicians and nurses
- All working relationships
- The compensation and reward system
- All HR systems and policies

Desired Outcomes: Benefits of One Medical Group

- Having a unified medical group will increase our ability to react nimbly to the public health environment and to patient and provider needs, without increasing bureaucracy. We will be better positioned to respond to competitive pressures in the marketplace.

(*continued*)

- We anticipate a 7 percent improvement in operating performance of our medical group within three years. We will achieve this by improving our cost structure and by our improved ability to negotiate contracts with payers.
- We'll be better positioned to counter competitive threats and changes in the marketplace.
- Patients will be able to go to any one of our hospitals and receive consistently high-quality, personalized care. This promise will contribute to our becoming the definitive practice of choice in every community we serve.
- Individual providers will benefit from a highly desirable work environment that provides the tools, infrastructure, and resources to deliver high-quality care.
- Recruitment and retention of providers will be enhanced.
- We'll be able to offer a team approach to care within and across settings. This will occur through the redesign of our processes so that physicians spend most of their time providing services they uniquely can provide, and the team is trained and empowered to do the rest, including population management, protocol-driven care of acute and chronic conditions, patient education, and support. This will move us significantly in the direction of successful planned care.

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benefits from leaders considering what level of success they are after, because most leaders think of outcomes as only Level Three, Business Outcomes Achieved. The other levels are also outcomes, if you consciously choose them and build them into your change strategy. Each level increases the return on investment from your change.

All of the information generated in this activity forms the basis of your case for change. The earlier introduction to Activity I.B lists all of the elements of your case for change. Review them, refine the results of all of the tasks of this activity, and write your case for change. Exhibit 1.4 provides a sample case for change.

The case for change is critical input for your change strategy, which is compiled in Activity I.E. At the beginning of Phase II, you will communicate the case for change, your change strategy, and any input to your vision for the change to the organization. With this in mind, tailor your case for ease of communication, making it concise, informative, accessible, and inspirational.

SUMMARY

You have now formed a realistic picture of the current status of the change effort and staffed its leadership. You have identified all of the stakeholders of the change and have begun to align all of the key players to support the transformation. In addition, you have clarified your initial assumptions about your case for change, desired outcomes and vision, scope, and pace of the transformation. The next chapter continues with more Phase I work, addressing the organization's level of readiness, capacity, and capability to proceed with what you are currently planning.

CONSULTING QUESTIONS FOR ACTIVITY I.A: START UP AND STAFF YOUR CHANGE EFFORT

Task I.A.1: Obtain Project Briefing

- Who has to be briefed about the status of the transformation (leaders, key stakeholders, consultants)?
- What information will you gather about the history, current reality, and future plans of the effort?
- What methods will you use to gather briefing information, and who will you interview?
- What will you do if you surface conflicting data about what has been happening and how it is perceived? How will you secure leadership alignment with your current reality?

Task I.A.2: Clarify and Staff Initial Change Leadership Roles

- Who is currently in charge of the change effort?
- What roles are needed for this effort to be led effectively?
- How will you select the best people to staff each of the change leadership roles you need?
- How will these people be informed and introduced to the expectations and deliverables of their roles? How will you ensure that they will give their change role the attention it needs?

- How will you address the conflict or time pressures for individuals who are asked to wear both a functional leadership hat and a change leadership hat?
- What will you do if someone currently in a change leadership role is not the best person for the job?
- What is your role in this change? Is it what you think it needs to be to make your greatest contribution? If not, what will you do to reposition your responsibilities?
- What consultants (internal and external) are being used in the transformation and for what purposes? How will you interface with the consultants involved, integrate their activities, and bring them up to speed regarding current plans?

Task I.A.3: Create Optimal Working Relationships

- What is the current condition of the relationships among all of the people filling change leadership roles? Between those in change leadership roles and those in operational leadership roles? Do any of these relationships need to improve? How can you help?
- How can the relationship between the executive team and the change leadership team be clarified and strengthened? Between the sponsor and the change process leader?

Task I.A.4: Identify Project Community

- Who are all of the stakeholders and target groups of this change effort? Is everybody who must have a voice in this transformation identified and able to have input as the change is being planned?
- How will this change effort interface with other groups or projects underway in the organization?
- How will you inform the stakeholders that they are an important part of this effort's project community?
- What will you ask the various members of the project community to do over the course of the change process?

- How will you use your project community to inform your change communications and engagement strategies? To support the overall good of the transformation?

Task I.A.5: Determine Phase I Roadmap

- How will you determine your Phase I roadmap? Who will participate in this exercise?
- What tasks will you engage in to fulfill the requirements of Phase I?
- How will you ensure that the senior change leaders commit to this work?

CONSULTING QUESTIONS FOR ACTIVITY I.B: CREATE CASE FOR CHANGE AND DETERMINE INITIAL DESIRED OUTCOMES

Task I.B.1: Design Process for Creating Case for Change and Initial Desired Outcomes

- Who are the best people to determine the transformation's desired outcomes and create its case for change? Should the people who created the organization's business strategy be included? How?
- What process will be used to accomplish this work? How will you use your business strategy to inform your case for change?
- How will you capture the leaders' input to the vision for this change?

Task I.B.2: Assess Drivers of Change

- What process will you use to assess the drivers of this transformation?
- What is driving this change? (Consider environmental forces, marketplace and customer requirements for success, strategic business imperatives, organizational imperatives, cultural imperatives, leader and employee behavior changes needed, and leader and employee mindset changes needed.)

- How can you use these drivers to shape your full scope of change?
- What boundary conditions are known for what needs to stay the same or not be impacted by the change?

Task I.B.3: Clarify Type of Change

- What is the primary type of change happening in this effort?
- What other types of change are also involved in it?

Task I.B.4: Identify Leverage Points for Change

- What leverage points for change will you focus attention on to catalyze your transformation?
- Why are these the most important things you can do to prompt the greatest amount of needed change?

Task I.B.5: Perform Initial Impact Analysis

- What is the change leaders' initial assessment of the business and organizational impacts of this transformation?
- What is the change leaders' initial assessment of the personal and cultural impacts of this transformation?
- How can you use this exercise to broaden the leaders' understanding of the scope of this transformation?

Task I.B.6: Clarify Target Groups and Scope

- How will you integrate the drivers of change, leverage points for change, and your initial impact analysis data to determine an accurate scope for this transformation?
- What is the scope of the effort?
- Who are the target groups of this transformation?

Task I.B.7: Determine Degree of Urgency

- What is the realistic degree of urgency for this transformation?
- What are the operational and people implications of this degree of urgency? What implications do you see for the organization's readiness, morale, and stamina?

- Have you made a clear distinction in the minds of the leaders between the degree of urgency and the timetable for making this change?

Task I.B.8: Determine Desired Outcomes and Compile Case for Change

- What are your initial desired outcomes for this transformation? Have you considered the levels of success in determining your desired outcomes? If so, what level are you after achieving?
- How can you use this information to shape your vision for what this change might produce?
- If your change effort is primarily cultural, how can you frame your desired outcomes so that the value of the new culture is clear and compelling?
- How would you summarize the case for change in a way that can be effectively communicated to the organization?