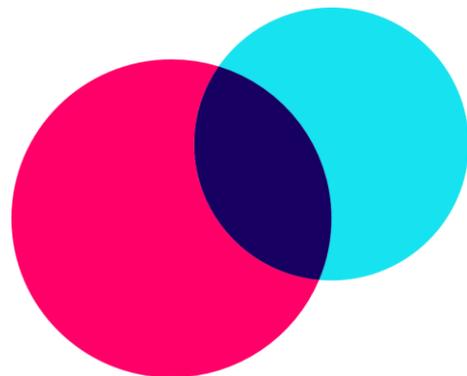


# Nuts to crack

Leader Led Change in Action

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## CHALLENGE #1 – MESSAGE IS UNCONVINCING

### THE NUT TO CRACK

#### How do you make a convincing case for change?

It is especially important to make **a strong convincing case for change** when an organisation is not on fire or in a state of crisis. Why the need for change? What is the end goal? And what happens if we do nothing?

Generally, the case for change is put in writing, but the message won't always convince the different stakeholders sufficiently. Consequently, **this will cause problems during the transformation process itself**. This can manifest in several different ways: lack of perceived priority, issues about freeing up manpower and means, or resistance towards the direction of the new chosen path. These are symptoms forcing you back to the change case and improving it. But how do you build a case for change which truly convinces the audience? What does and doesn't it contain?

### THE SOLUTION

#### Answer 2 key questions

The purpose of a case for change is to create commitment for the desired situation as well as to dismantle commitment for the way it was. A strong case for change answers 2 questions:

- Why should we change now?
- Why can't we continue the way we are?

The experts tend to use the term **“burning platform”** or **“burning desire”** as an answer to these questions.

With regards to the **first question**, this question is typically answered. Although slightly unsatisfactory. A link is made between the company strategy and the change initiative to explain why a certain initiative should take place. What tends to be missing, is a well-rounded stakeholder perspective. For example, it may include the financial perspective, but not the customer perspective.

I will illustrate this with a simple **example**. A construction company has been making unsatisfactory profits for a long time, caused by poor project planning. Initially, the argumentation to work on this project planning, as formulated by the CEO sounded quite straight forward: if we don't reorganise our construction project planning now, we will not make a profit. This is a somewhat narrow statement.

A more rounded argument, in which multiple stakeholder perspectives are taken into account, would be more powerful. It could sound like this: Although we have increased our turnover, we have hardly made any profit these last couple of years (**shareholder perspective**). Significant and expensive mistakes have been made in our planning, which has thankfully not yet led to a lower Net Promotor Score (**customer perspective**). These mistakes have led to a significant amount of repairs, leading to frustration amongst our staff (**employee perspective**). The extra costs of fixing these mistakes has caused our profitability to decrease to zero and in turn, led to a negative rating from our bank. This threatens the stability of our company (**shareholder perspective, perspective external financier**).

The **second question** 'why can't we continue the way we are', remains mostly unanswered. Providing an answer to this particular question, is essential for making a stronger case for change. The answer to this question requires data analysis outlining the implications of **changing versus not changing**. It also requires uncovering rather uncomfortable messages about the here and the now. Let me use the example of the construction company again to illustrate. An answer to the question 'why can't we continue the way we are' could be: because, if we don't fix our capacity planning now, we run the significant risk of losing two big clients, the exit of a number of our co-workers due to pure frustration, and being put under supervision by our bank, having them

make the uncomfortable choices to increase profitability for us. Making these implications explicit is worth the effort.

A real life example will illustrate this in more depth. This particular case deals with a transition many companies currently find themselves in, a further digitalisation of their commercial activities.

## REAL LIFE EXAMPLE

### A convincing case for change

*Peter, a commercial director of a FMCG company, wants to serve his customers 24/7 globally. In order to do so, he must expand and improve the e-commerce platform.*

*He has communicated this message to his sales and marketing directors several times, but they don't seem to see or understand the **need to accelerate**. They don't walk the talk, there has been no evidence of reallocating budgets, nor have they hired people with the much needed digital skillset.*

*Peter feels compelled to strengthen his case for change, to help them understand the need to change now. Together with the digital transformation manager, he reintroduces the data from a consumer, competitor, employee and shareholder perspective.*

*His rationale: We are working on the **digital commercial transformation** of our company, so our clients can purchase our products 24/7 at a time that is convenient for them. As a company, we spend less than 20% of our marketing budget on e-commerce; which is where our clients can be found 70 – 80% of their time. We advise and sell to our customers in our physical stores, but we don't answer the 25.000 queries we receive about our products online. We still spend our money on TV and radio commercials, without really knowing who sees them. Whereas, we*

*could be using data to target individual consumers, who are a perfect fit with our target audience.*

*We have already shown we are capable of doing just that in China, Brazil and Vietnam, which has resulted in **market leadership** in two of those markets and reduced our conversion costs by 40%. In these markets talented staff get headhunted because our competitors want to copy our success formula.*

***We can scale-up that approach** but it requires every one of us to adhere to the following:*

- *think of consumer experience instead of product*
- *move from "I think" to "I know"; only scale an activity when the data supports it*
- *every single person in our commercial team needs to possess the digital skills*

*I am convinced that we can still make it happen, if we **act now**. If we wait another six months, we can be sure that the companies that are "attacking" us online now, will take over our market share. And we will lose our desirability as individuals, because no-one will want to hire someone with a limited digital skill set any longer. I therefore ask you, to accelerate in your market now and use the support of the digital transformation team.*



Tip for the  
change leader

The company strategy can usually provide an excellent starting point and argumentation to stack the case for change. You might struggle however, if the company strategy, or the plan for your department, is unclear.

That does not mean you should quit building your case for change. Describe what you do know and put the crystallisation of the company or departmental strategy on the change agenda if you can. If not, flag the risk. It's not a problem to update the case for change along the way.



Tip for the  
change enabler

Don't be tempted to skip the interviews and data analysis required to build your case for change at the start of the change journey, because of time pressure.

This will typically haunt you for the rest of the journey. That doesn't mean you can't use a 'pressure cooker approach' as a means to finalise the data analysis step in a week or two.

## CONCLUSION

The success or failure of a transformation initiative is directly related to the **quality of the case for change**. The case for change, together with the change story, form the backbone of the change plan; every change activity you design is related to it and can be linked back to it. A strong case for change is a prerequisite, however, the way it is presented is equally important. Challenge number 2 will talk about the change story and how to communicate it.

