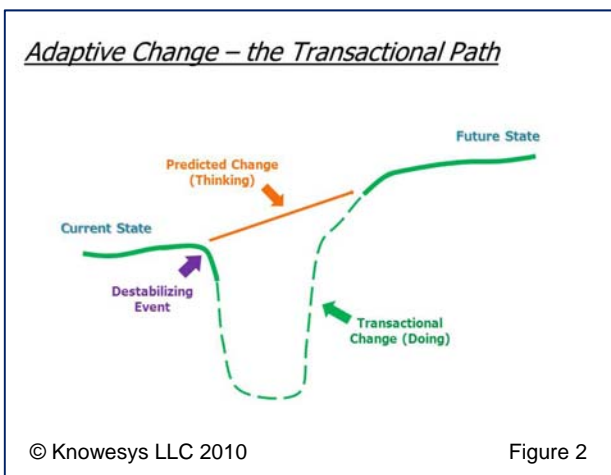
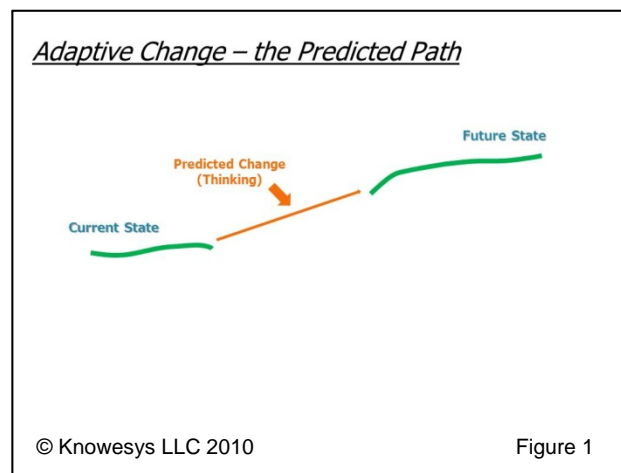


Preparing for Successful Change

70% of change initiatives fail.¹ This document will significantly improve the likelihood that your implementation is one of the 30% that succeed.

Implementing a change initiative is more than a simple technical fix for your problems. Instead, it's a significant shift in the way things happen in your business. How well the implementation is managed is a strong indicator future success and how many of the potential benefits your organization will actually experience.

Let's begin by taking a look at what really happens in the change process. The green lines in Figure 1 represent the typical beginning (Current State) and end (Future State) of a change initiative. We begin in the Current State – how things are right now. We look forward to and plan for the Future State – how we want things to be on the other side of the change. The orange line represents how we think we will get to the Future State. It is based on the prediction that we will be able to follow the orange line and go directly from Current State to Future State, but that almost never happens. If it does, consider it a wonderful surprise, but don't count on it.



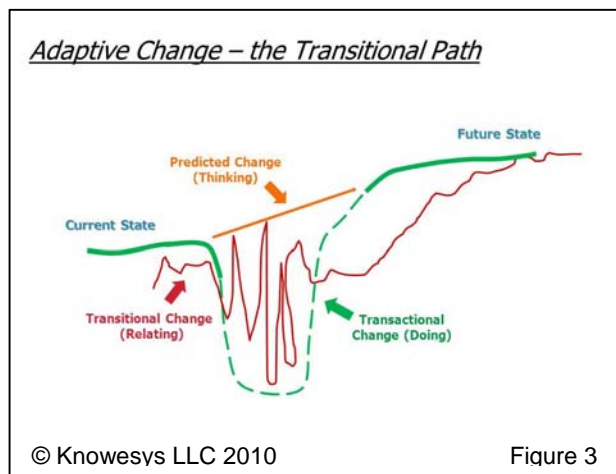
Instead of following the Predicted Path, at some point there will be one or more Destabilizing Events. A Destabilizing Event is anything that deviates from what we thought (predicted) would happen. This can be the decision to make a change, or the first step in installing new technology, or the first bump in the installation process. It really doesn't matter – at some point something won't proceed as planned, and that Destabilizing

¹ "Cracking the Code of Change" by Nitin Nohria and Michael Beer, HBR, 5/1/01

Event will cause the organization to “fall” into what we call the cauldron of change. This is represented by the broken green line in Figure 2.

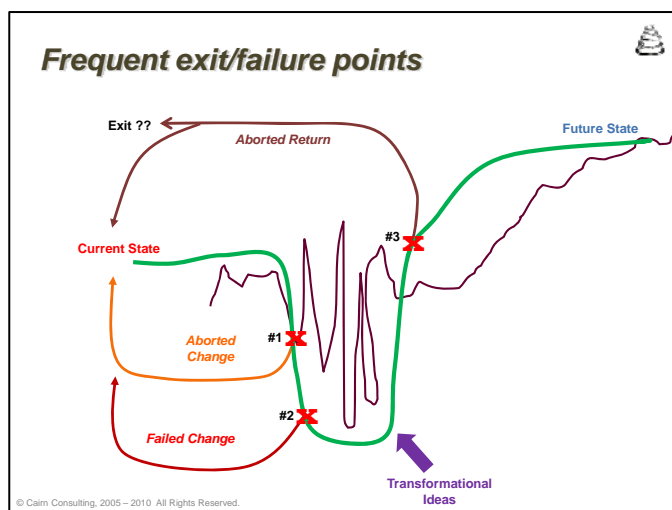
The dip that is triggered by the Destabilizing Event creates a discrepancy between how the change is happening and how we thought it would happen (the Predicted Path). The broken green line represents the new actions that need to be taken – the Transactional Path of change. In a technological installation, this means getting the new system up and running. If we can make successful adjustments to the plan, both now and as things continue to evolve along the way, then we will be able to climb back out of the cauldron and successfully move on to the desired Future State. We will have successfully navigated the Transactional part of the change.

However, at the same time as we are navigating this unpredictable green line, there is another dynamic at play. As shown in Figure 3, the Destabilizing Event also triggers something else - people’s experience of and reaction to the change, represented by the red line. William Bridges makes a distinction between the “change” – the transactions we undertake in moving from one situation to another (the broken green line) – and the “transition” – how we react to the change itself (the red line). We call this red line Transitional Change. In our experience, failure to plan for and address the red line is a significant contributor to the 70% of change initiatives that fail.



Clearly, people’s experience of a change (the red line) is more unpredictable and changeable than what is happening at the transactional level (the broken green line). There aren’t any easy answers. Instead, these are ongoing dynamics that must be managed. It’s how well (or how poorly) you manage the red line that determines how deeply your organization will fall into the cauldron and how long it will be there. The deeper and longer, the more painful it is for the organization – its people, its productivity, its finances, and its future. We know it is easier to deal with only the green line and ignore the red line, but you do so at your peril! It is only when you successfully navigate both the broken green line and the red line that can achieve the Transformational part of the change. Only then can the Future State that was needed or wanted from the change be fully in place.

Let's go back to the 70% failure rate for change initiatives. There are three different places along the change paths where people or organizations will be tempted to exit the change process, and all three of them mean failure. Success is not only completing the logistical change itself (the Transactional part), but also being in a position for the people involved to fully make use of the benefits of that change far into the future (the Transitional part). We call this two-fold success Transformational Change.



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Figure 4

Figure 4 shows these three exit points. Exit #1 is the aborted change, when you start and then stop the implementation because things have become so chaotic it is unmanageable or intolerable. Exit #2 is the failed change, where you just can't seem to move forward out of the cauldron, so you abandon the effort and try go back to where you started. Exit #3 is the aborted return, where you succeed in making a change (transactional success) but are not getting the results you needed/desired (transitional failure). This is what causes people to say

“everything's changed but nothing is different.” Understanding where these exit points are, and what is likely to trigger them, will allow you to recognize early that they may be gathering energy and be able to create a plan for dealing with them before they derail the whole change process.

If you make the effort to address these issues, you will reap two immediate benefits in the change initiative you have planned. You will spend less time in the cauldron, and it will be less painful while you are there. You'll also reap long-term benefits. Your organization will be much better prepared for the next change (and it will come!) even if it's brought on by some completely unexpected external destabilizing event.