

The new firm, **Change Strategists, Incorporated** has been specially developed to provide highly-trained organizational change specialists for our corporate clients. **CSI** is a subsidiary of the **management consulting firm** Leading and Learning, Inc.® based in Los Angeles with clients across the U.S., Canada, Europe and Asia. We support leaders during change processes with focus on organizational change management, leadership development, and personal, professional effectiveness. Our client roster includes CEOs and other leaders in corporations and organizations spanning **banking, utilities, manufacturing, hospitality/entertainment, hospitals/health care systems, technology/ aerospace, service industries, government services, and nationally-based nonprofits.**

**EACH ISSUE, LEAD-ZINE®**, the on-line electronic leadership newsletter of Leading and Learning, Inc., focuses on a specific leadership/management topic.

Articles are contributed by Dr. Billie Blair, President of Change Strategists, Inc., and the CSI team of organizational professionals. Other professionals with specific expertise join the **Lead-Zine®** staff each month to offer additional perspectives. These combined views provide informative and balanced perspectives on the **Lead-Zine®** topic-of-the-month to our readers – approximately 250,000 CEOs, executives, and other managers.

Leaders and managers are continually planning, executing, or controlling **change**. Each **Lead-Zine®** issue looks at aspects of change that are of current interest.

**In this ISSUE of Lead-Zine® - Success Strategies for 2009. The topic this month is: “Organizational Change: Success Strategies, 2009.”**

♦ For those wishing to contribute to a **Lead-Zine®** issue contact the **Lead-Zine®** editor, **Eli Isaacs:**  
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*“When things change,  
you have to change things!”*

### February 2009 Issue

#### “Organizational Change: Success Strategies, 2009” Billie G. Blair, PhD

In **ALL THE MOVING PARTS: ORGANIZATIONAL CHANGE MANAGEMENT**, I describe the strong interdependence of organizational change and organizational performance. A synopsis of the comments are these: “Organizations that are focusing on change will benefit by gaining added performance and vitality . . . The reverse is true, of course – an organization that does not continually search for better ways of operating, for concentrated efforts at coordinating employee resources, and for systems that efficiently integrate services and product production will find that the result is a drop in overall performance rankings – both those of productive performance and of organizational performance.”

Lead-Zine® this month looks at the timely topic of organizational change and requirements in terms of the 2009 economic realities.

► **Organizational Change.** Only a few years ago, the frequent corporate reaction to a suggestion for initiating change processes *in essence* was: “We don’t need no stinkin’ changes” (to paraphrase lines from a famous movie). In the past year, the orientation toward change has . . . well, **changed**. Most companies now realize that change must be both planned and executed with a certain amount of precision and expediency. The time has arrived for planning as well as arming our institutions for the future – there will never be a more relevant time for these actions.

#### Three points about change management:

- Change planning processes must be *designed* to serve both the purpose as well as the specific needs of the company.
- Changes must be *planned for and executed* by the management personnel of the company working in conjunction and collaboration with the line employees of the organization.
- The *management of change* processes should be central to all operational functions of the company.
- **Design Change** in real time and for the organization, not according to preconceived notions of change.
- **Plan Change** processes that work for *all* company stakeholders – managers, employees and customers.
- **Manage Change** as if the organization’s life depended on it – *it actually does*.

\* See: Dr. Blair’s latest book

#### ALL THE MOVING PARTS:

#### ORGANIZATIONAL CHANGE MANAGEMENT

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**EXPERTISE IN THREE MANAGEMENT  
AREAS WILL BE ABSOLUTELY VITAL IN  
2009 – PERFORMANCE, STRATEGY, AND  
EXECUTING PRECISE CHANGES TO THE  
ORGANIZATION.**

**THE TOPIC FOR THIS ISSUE:**

**ORGANIZATIONAL CHANGE: SUCCESS  
STRATEGIES FOR 2009**

**WE ARE JOINED THIS MONTH BY  
CONTRIBUTING AUTHORS**

**▲ Steve McKee**

**BusinessWeek.com Columnist, Author**

**▲ Rodger Roeser, APR**

**President, Eisen Marketing Group**

**▲ Mark Stevens**

**CEO, MSCO**

**▲ Jonathan Gilbert, PMP**

**Director, Client Solutions, ESI International**

**▲ Erik Samdahl**

**Director of Marketing, Institute for  
Corporate Productivity**



### **When Growth Stalls: It's What's Inside That Counts**

**Steve McKee, Columnist, BusinessWeek.com**

In any normal year, 15 percent of companies will stall - 2009 is not a normal year and some estimates suggest that over half of all companies are experiencing flat or negative revenue growth.

The obvious reason is the unprecedented economic environment brought about by the mortgage meltdown and subsequent credit crunch. But be careful about throwing up your hands and blaming uncontrollable external events for the challenges you face; our research suggests that when growth stalls *the real challenges come from within*.

We identified four internal, psychological factors that do damage by stealth, catching corporate leaders unprepared.

**A lack of consensus.** When things start to sour, strategies, tactics and tenets that once were unquestioned are now fair game. The buzz starts in the hallways and the spirit of "one for all and all for one" can dissipate quickly. This can cause distracting (and sometimes bitter) internal division.

**A loss of focus.** Companies sometimes stall because they try to do too many things, or they try to pull out of a stall by doing too many things. Either way many struggling companies lose focus on what they do best. When growth stalls, one of the worst things you can do is spread your resources thin.

**A loss of nerve.** There are fewer resources to go around when the top line starts to shrink. Cutting growth drivers like marketing and R&D are common temptations to which many companies succumb. If you think your growth engine is sputtering now, wait and see what happens when you cut off its fuel.

**Inconsistency.** When you don't know what to do in the face of challenges, it's easy to do too much. If something doesn't appear to be working, the easiest solution appears to be to change it. But, not so fast – change should not be entered into lightly or without proper planning.

These four internal dynamics tend to play off one another in a vicious internal cycle to make matters worse. Look within and address your issues.

### **Marketing Activities: Success or Failure Exactly the Same** **Rodger Roeser, APR, President, Eisen Marketing Group**

Regardless of the economy, marketing activities are not quick-fix options, but rather long-term programs that actually yield positive results.

Experts will tell you that the reason most resolutions fail is because they involve sustained commitment and effort. Also, they are often unrealistic in nature – so folks give up altogether. Similarly, good public relations and marketing activities take time and are not a quick fix to your business ills.

Finding good publicity angles, creating image and article opportunities, reaching out and sharing that company story all take time and patience.

It also takes time and effort to achieve realistic results. One push-up will not make you thin or build your biceps. All too often, I see business executives simply increasing sales numbers because Excel allows them to plug in a 25% increase in widget sales – for no apparent reason. Solid research and market realities have given way to plugging in numbers and storming the gates. This bad practice leads to frustration and to the lack of business focus and clarity among employees.

Four simple rules for success in marketing for 2009 are:

1 – Get a Plan! If you don't have a marketing plan, get one. The plan should have realistic goals with realistic costs affixed and lay out strategies, tactics, timelines, goals that are easy to follow.

2 – Stop with the Magic Bullet. Corporations are jumping on the social media bandwagon to put information on facebook, twitter, plaxo, myspace – waiting for sales to roll in. Social media is *part* of marketing; but not THE answer.

3 – Keep at it. Regardless of the size of your marketing program, continue doing marketing. Now is a great time to purchase paid media, billboards, public relations, and direct mail – all ways of staying in touch.

4 – Change up the Routine. Changing things a bit can add some quick and dramatic results. Now may be an excellent time to do something different – an event, new sponsorship, cause marketing or a podcast. New programs can attract entirely new segments of consumers.

**Lead-Zine® Continued, Page 3 →**

## The Management Manifesto: It's Time to Declare War on Yourself

Mark Stevens, CEO, MSCO

It's time to stop believing the pabulum served up to you about "good management" and start breaking through to the true drivers of growth. Growth in your career. Growth in your company. Growth in your life.

Act now on this Management Manifesto:

- 1 – Wash your brain of consensus building. It is for elementary school teachers. Every time someone tells you they want to engage in consensus building, walk out the door – tell them you have real work to do.
- 2 – Reject everything that comes to you packaged as "conventional wisdom." The fact is that conventional wisdom is an oxymoron – once it is conventional, it is yesterday's fish.
- 3- Unless you are recruited by the NFL, forget about team building to generate business ideas. The really successful business people – Steve Jobs, Phil Knight, Bill Gates – developed the Big Bang ideas and passed them off to a team to do the work.
- 4 – Never accept No for an answer – 100% of the time when people tell you something can't be done, it is because they are uninterested or unskilled. Prove them wrong. Imagine what the naysayers said when they heard that Walt Disney was going to build the most popular resort in the world on swampland in Florida.
- 5 – Never fool yourself into thinking that hard work alone brings success. Maybe for donkeys, but not for humans. To race past your peers, you will need: Combat Eyes; Serial Skepticism; Cartoon Imagination; and Monster Ambition.
- 6 – Ignore motives - if you think about someone else's motives too much, you are in their heads to such a great extent that they should charge you rent.
- 7 – You need a Killer App, if your interests are personal-professional . It was Teddy Roosevelt's "big stick" and Ronald Reagan's skill as "the Great Communicator." It is why they win and it is how you win.
- 8 – The bigger the company or business unit, the longer it can postpone the inevitable – size masks difficulties and disguises the company's complacency, deception, fear, and failure to act. To prevent this and to achieve perpetual growth – you have to declare war.
- 9 - Strong leaders establish a compass for their people to pursue in the course of their work and provide the motivation to exceed established goals.

Do you do this? Are you confident your people can get the job done in ways that elevates your business to new levels? *Or just the opposite?* It's possible that you've just looked in the virtual mirror and come to some conclusions about your leadership.

## Three Strategies for Successful Change Leadership

Jonathan Gilbert, PMP, Director of Client Solutions, ESI International

Managing change without employee engagement is like building a roof without the walls underneath. You have a strong top, but the rest of the structure collapses under the strain. In today's climate, change is inevitable. Many companies have to realign their organizations to meet their business goals. At the same time, change instills a sense of fear in people, an automatic, neurological response to transition that virtually everyone experiences. If left to its own devices, the human brain is capable of all kinds of mischief.

There are three powerful success strategies for leaders to offset the wave of uncertainty that change brings to any organization.

**1 - The Rules of Engagement** – Change management is best handled in a simple, three-step process:

- Identify the change;
- Engage the employees;
- Implement the change.

It is imperative for business leaders to give all three steps equal weight. Implementation is relatively straightforward, and many times leaders dive directly into step three without giving the other two much thought. Instead of only giving lip service to the first two steps, make certain that you identify the specific change and garner full engagement from employees at all levels of the organization. The benefit of engagement is twofold: people are not blindsided by change; and involving people will often lead to a better response to the change you ultimately implement.

**2 - A Culture of Trust** – In order to follow the three-step process of change management, an organization must have a culture of trust. Since change is always happening, you must maintain a high level of trust at all times. Do not assume that once you are through this process, change won't happen again. Most likely, it will happen on a continuous basis. Undertake trust-building measures to ensure the highest possibility of success as you navigate your organization through uncertain times.

**3 - Leadership with Vision and Empathy** – Leaders can only develop the necessary level of trust to maintain long-term organizational health if they understand their employees' situation. As companies restructure, a well-regarded leader who has a capacity for empathy will create an environment that is conducive to effecting the desired change. Mark Twain once said: "Some of the worst things in my life never happened." We all have the potential to inhabit an imaginary world of our own making, driven by the thought and emotions evoked by fear created in response to an uncertain future. A true leader understands his followers' concerns and helps them see the bigger picture. Indeed, nothing lasts forever. Organizations, and the times they find themselves in, change. The good news is that a constant state of flux leaves room for things to get better. Leading with a steady hand and an open mind can increase your chances of organizational success. With a solid roof and an equally strong structure, your organization can flourish regardless of the storms swirling around you.

**How to Implement Organizational Change in 2009**  
**Erik Samdahl, Director of Marketing**  
**Institute for Corporate Productivity**

"Predictable" is not a word that is being used these days, unless it's in the context of just how predictably unpredictable the economy is. So it's no wonder that about three-quarters of large companies surveyed in January, 2009 said that "managing change" would be a major challenge for them during 2009. Among the 523 organizations responding to the study, those with 10,000 or more workers were most likely to view change as a serious problem.

Making a large company more adaptable to change is like turning an oil tanker around: it can be difficult but it isn't possible. Through a deeper focus on customers and employees – and effective internal communication – the ship can be steered to safer, smoother waters, or at least be made to weather a storm.

Companies that can change in harmony with customer demand are more likely to survive this economy. Beyond meeting the ever-changing needs of customers, the ability to adjust to deflated budgets and other economic restrictions is essential. *While this may mean eliminating or modifying some products or services, the result could be:*

- **more efficient work processes,**
- **lower internal costs,**
- **a reenergized focus on core competencies, and**
- **Improved productivity.**

But meeting customer demands can't be done without the help of engaged workers. For companies to shift course and commit to change, a willing and capable workforce is essential. Companies that lack a culture that responds well to sudden pressure will find themselves struggling, while high-performing firms that know how to motivate their high-performing employees – the best of the best that have both the leadership and tactical skills necessary – will see such challenges as a business opportunity.

To equip employees with the tools and passion to commit to change, companies must be open and honest in their communication. Leaders need to be clear about how the economy is affecting business and what needs to be done to maintain or return to profitability. Of course, communication isn't just a one-way process. Leaders must have an open dialogue to gain a better understanding of the impediments to change.

There's little time to waste. Companies need to adopt to change faster, better and with expectations of more surprises in the future. Focusing on customers and employees, while communicating what needs to be done, will result in an organization that is better able to navigate treacherous waters in today's turbulent times.



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