

Webeditor's Introductory Note

The following paper was provided to us by the author, and represents a good actual example of a company facing crisis and coming out of it, able to become a good company again. This kind of massive change is necessary from time to time. What do IE's do about these processes in their own employer? Wait for some one to decide if the function is abolished or can they make an active contribution to the change process? How would they do this ? Your suggestions and comments could be aired in our on-line forum on this site. If organizational change is our business IE's should be able to make some especially unique and important contributions



Ray Weekes is a Senior Advisor with Competitive Dynamics Pty Ltd and in that role advises on Change Management in organisations



- **Profile for Ray Weekes**
- **B Com (NSW), DBA (NSW), Dip Ed, FAICD**
- Ray Weekes has been involved in senior positions with major fast moving branded consumer products for over 20 years. In an eleven year period from 1986 to 1997 he was Chief Executive and Executive Director of the major multi-national company Rothmans Holdings Limited, Chief Executive of Rothmans New Zealand and Managing Director of the globally recognised Castlemaine Perkins Ltd (makers of XXXX).

As Chief Executive Officer of Rothmans Holdings Limited, he was responsible for the performance of Group Operations in Australia, New Zealand, Indonesia, Philippines, Papua New Guinea, Fiji, Western Samoa and various South Pacific territories. Group personnel exceeded 5,000. In his period as Managing Director of Castlemaine Perkins, Ray Weekes achieved solid profit growth, major strengthening of financial structure and significant advances in world class practices. Apart from these roles, Ray was head of Strategic Planning for the Australian subsidiary of the global pharmaceutical company, Ciba Geigy and held senior positions with the major Australian brewer Tooth & Co. Ltd.

Ray has a Bachelor of Commerce degree and a postgraduate Diploma in Business Administration from the University of New South Wales. He also has a postgraduate Diploma in Education from the University of Sydney and marketing qualification from the University of Technology in Sydney.

Ray Weekes is Chairman of the Brisbane Institute, a member of the Royal Children's Hospital Foundation Board, a Director of Pacific Film and Television Commission and a member of the Advisory Board of Century Yuasa Batteries Pty Ltd. Ray is an Executive Vice President of Vapotronics Limited, a health sciences group headquartered in San Diego. He is CEO-in-Residence/Adjunct Professor at the Queensland University of Technology. He is also a member of the Institute of Chartered Accountants in Australia and is a Fellow of the Australian Institute of Company Directors.

Change Management

RAY WEEKES

What makes a Successful CEO?

- Smart
- Animal energy
- Monumental impatience
- Distil a vision
- The big issues
- Disgust for bureaucracy
- Performance freaks
- Honest, straight-forward, straight shooters
- Rapidly decisive
- Future focused
- Rigorous execution
- Highly driven

Cultural Shift

From

To

- Us/Them → We
- No trust → Trust/honest
- Closed communication → Open two-way +360° Communication
- Hierarchical decision making → Flat/empowered decision making teams and individuals
- Skills/knowledge hoarding → Skills/knowledge sharing
- Low level involvement/ownership → High level involvement/ownership
- Over manning → 'Business needs' manning

Cultural Shift (cont'd)

From

To

- Conflict/bartering → Win/Win and problem solving
- Demarcations → Flexibility
- Low Skills → Diversity of skills
- Customer ignorance → Customer focus
- Little individuality/amorphous mass → Teams and individuals
- Cop/supervisor → Dynamic continuous movement
- Quality policy → Quality systems/processes

Key Learnings

- Continually involve and communicate with all employees
- Ensure staff and support teams are part of the process
- Lead the change process/boundary ride it
- Get the feedback loops right
- Listen and act – be proactive
- Education and skills
- Build on success
- Be patient and persistent
- Fix issues early
- Be consistent
- Get the Key stakeholders (and opinion makers) on board
- Confront the non-committed

Eight Steps to Transform Your Organisation

1. Establish a sense of urgency
2. Form a powerful guiding coalition
3. Create a vision
4. Communicate the vision
5. Empower others to act on the vision
6. Plan for and create short term wins
7. Consolidate improvements and produce still more change
8. Institutionalise new approaches

Kotter Maintains:

- Organisations must go through each of these stages to create successful change
- Skipping steps only creates an illusion of speed
- Serious mistakes in any of the phases can have a devastating effect.....

1. Establish a Sense of Urgency

- Transformations often begin with a new head who is a good leader and who sees the need for change
- “If it ain’t broke, break it”
- Create a sense of crisis, e.g.
 - flat earnings
 - Change in regulatory or competitive environment

2. Create a Powerful Guiding Coalition

- Change cannot be driven by just one or two people
- Commitment from a wide cadre of senior managers with power to lead the change effort
- Include people from outside the managerial hierarchy
 - Board members
 - Customers
 - Operational employees

3. Create a Vision

- A picture of the future which is easily communicated to employees, customers and shareholders
- A clear and compelling statement of where it is all leading – “elevator question”
- Strategies

4. Communicate the Vision

- Not once, or twice, but at every opportunity
- “Walk the talk”

5. Empower Others to Act on the Vision

- Get rid of obstacles to change
- Change systems or structures that undermine the vision
- Encourage risk taking and non traditional ideas and activities

6. Plan for and Create Short Term Wins

- Real transformation takes time
- Need some short-term milestones
 - customer service levels
 - productivity improvements
 - new product introduction, etc.

7. Consolidate Improvements and Produce Further Change

- Don't declare victory too soon
- Look for long-term change
- Reinforce changes – do not say the project is finished after the first one or two successes

8. Institutionalise New Approaches

- Articulate the connections between the new behaviour and firm success
- Can the change outlast the leader who introduced the process
- Is the next generation of management inbred with the changed culture
- Anchor the change in the corporate culture

What does a Leadership Environment look like?

The Culture should be:

- Focused
- Bias for action
- Continuous change
- High standards
- Risk Supportive

The Business Should have:

- Resources
- Market share
- Quality brands
- Decision making
- Growth & Pace

We have the right mix of environment to develop Leadership

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How Does Leadership Differ from Management?

Different attributes of Leadership & Management

MANAGEMENT

- Planning & Budgeting
- Organising & Staffing
- Controlling & Problem Solving
- Outcomes - *Predictability*

LEADERSHIP

- Establishing the Direction
- Aligning People
- Motivating & Inspiring
- Outcomes - *Change*

Comparing Leadership & Management

LEADERSHIP

MANAGEMENT

The 'Agenda'	<ul style="list-style-type: none"> ■ A Vision ■ Starts with What's Possible ■ Broad Strategies & End Goals 	<ul style="list-style-type: none"> ■ A Detailed Plan ■ Starts with desired results ■ Step-by-step
Focus	<ul style="list-style-type: none"> ■ Aligning Talent ■ Selling/Communicating Vision ■ Personal Commitment 	<ul style="list-style-type: none"> ■ Resourcing activities ■ Logical arrangements ■ Operating Systems
Driving For Action	<ul style="list-style-type: none"> ■ Tapping into values ■ Generating 'energy' 	<ul style="list-style-type: none"> ■ Predictability ■ Controlling variances
Energising	<ul style="list-style-type: none"> ■ Flexibility ■ Adapting to changes ■ Openess and Trust ■ Informality & Networks 	<ul style="list-style-type: none"> ■ Clarity ■ Authority – Responsibility ■ Careful Integration ■ Formality & Systems