Introduction: Leading a change initiative (LingHe Simulation)

Change Initiatives: Unpleasant facts and figures...

- 50% - 70% of re-engineering initiatives FAIL.

- <20% of IT projects completed on time and within budget.

- ~30% of IT projects cancelled before completion.

- Sophisticated Management Systems are SELDOM USED or are MI-USED and generate a lot of FRUSTRATION.

Key factors cited as causes of disappointing results

- *Organisational resistance*............................*82%*

- *Insufficient executive sponsoring/support. 72%*

- *Unrealistic expectations. 65%*

- *Inadequate programme management...............54%*

- *Unclear business case 46%*

- *Lack of qualified resources..........................44%*

- *Ineffective leadership...............................43%*

Leadership's role in the strategic transformation process

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 more change

8. **INSTITUTIONALIZE** new structures, processes, behaviors and culture

How to improve the process and outcomes of change initiatives?

Change as a process with 4 basic stages:

Adoption — **People become regular <u>users.</u>**

Trial — **People want to <u>try</u> it, test it, evaluate it.**
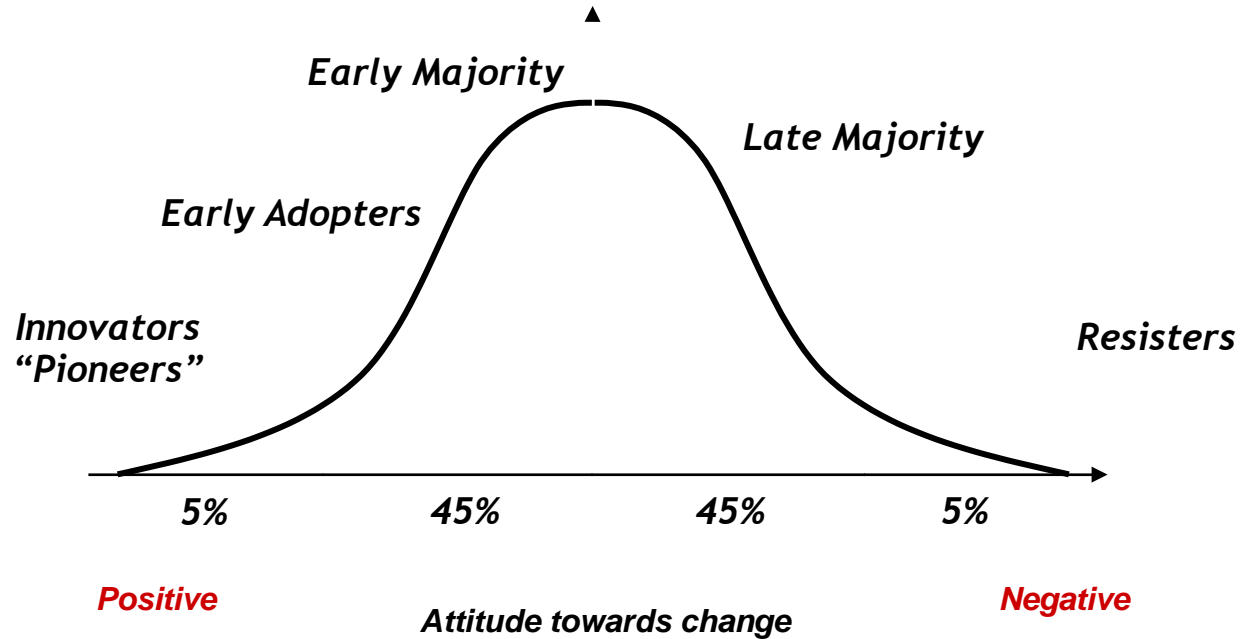
Interest — **People show an <u>interest</u> ,
they are curious to know more about it.**

Awareness — **People become aware of the <u>need and potential.</u>**

Dynamics: Personalities/reactions and adoption behaviors vary

Early Majority

Late Majority

Early Adopters

Innovators
"Pioneers"

Resisters

5%   45%   45%   5%

Positive

Attitude towards change

Negative

→→ *Some are easier to convince, others are harder…*