CHANGE MANAGEMENT

PRESENTED BY

C. G. MISTRY

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ASQ 701 ORANGE EMPIRE

CHANGE MANAGEMENT

- What is Change?
- There are minor changes and major changes
- Change is a metamorphosis of changing environment and conditions around us
- Nobody can resist or stop changes
- It is in the best interest for all to change with time
- There is always resistance to change

CHANGE MANAGEMENT

- It Is Not Possible To Stop Minor Changes. It Is Nature Of Business.

- Major Changes Are Dictated By Circumstances Sometimes Beyond Business Control.

CHANGE MANAGEMENT

- EXAMPLES OF MAJOR CHANGES
- Motorola Phones and Nokia.
- Automotive Industry GM and Ford etc.
- Coca-Cola formulation
- Caterpillar
- Oil and Gas Industry

CHANGE MANAGEMENT

- Who likes change? Why not status quo?

- Change is most frequently dictated by external forces.

- We will speak about changes that are brought upon by various factors surrounding a business.
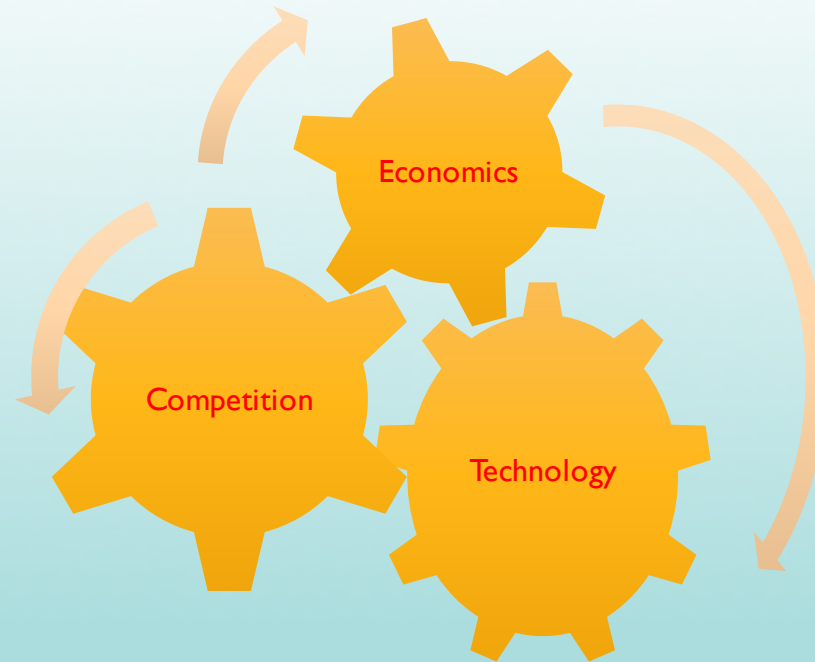
CHANGE MANAGEMENT

AGENDA:

- **REASONS FOR CHANGE**
- **WHEN IS THE TIME TO CHANGE**
- **INITIATE CHANGE**
- **MAKING CHANGE**
- **MANAGE AND MAINTAIN THE CHANGE**

CHANGE MANAGEMENT

REASON FOR CHANGE

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REASONS FOR CHANGE

- ECONOMICS

- COMPETITION

- TRANSFORMING ORGANIZATIONS - TECHNOLOGY

CHANGE MANAGEMENT

REASONS FOR CHANGE

- ECONOMICS

- SLIDING PROFITS

  - **INCREASING COST OF PRODUCTION**

  - **LABOR BURDEN**

  - **OLD PROCESSES AND TOOLS**

  - **AGING WORKFORCE**

  - **REDUCED MARGINS**

  - **RAW MATERIAL OBSOLESCENCE**

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REASONS FOR CHANGE

- COMPETITION
  - Global Manufacturing
    - Speed To Market
    - Design Changes
  - Global Communications
    - Web and Internet Services

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REASONS FOR CHANGE

TRANSFORMING ORGANIZATIONS – TECHNOLOGY

- Software developments
  - Alternate solutions
  - Social Media
- Application of new technologies from other industries
- New product development
- Alternate products

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WHEN IS THE TIME TO CHANGE

- KEY PROCESS INDICATORS
    - Declining revenues- sales
    - Declining Profits
    - Significant increase in customer complaints
    - Dip in Employee satisfaction- Increased turnover
    - Shareholder flight.

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INITIATE CHANGE

TOP MANAGEMENT RESPONSIBILITY

- Use Management tools.
- Get outside help (Consultants if required)
- Provide clear direction for change
- Commit full support to change
- Communicate the urgency of change

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INITIATE CHANGE

TOP MANAGEMENT RESPONSIBILITY

- Identify Areas That Need Attention
- Form A Coalition Of Key Participants
- Delegate Authority And Assign Responsibilities.
- Provide Support
- Ensure Participation At All Levels
- Be Involved At All Levels

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INITIATE CHANGE

- Establish A Sense Of Urgency

- Elevate Crisis To High Level – Survive Or Perish

- Communicate: Spread The Urgency Throughout The Organization At All Levels –

- Increase Communication Of Oncoming Changes To Heighten The Sense Of Urgency

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HOW TO INITIATE CHANGE

TOP MANAGEMENT ACTIONS

– Build A Coalition Among Key Players

– Ensure The Top Management Is A Part Of The Coalition

– Establish A Top Level Cross Functional Team Team To Guide The Change

– Remove Nay Sayers And Break Barriers With Procrastinators.

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MAKING CHANGE

- Announce the crisis in clear terms

- Create A War Room

- Build A Coalition Among Key Players

- Create Cross Functional Teams With Representatives From All Departments.

- Ensure That There Is Agreement Between Department Managers To Provide Full Support To The Action Plan.

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MAKING CHANGE

- Use of Quality Management Tools
    - Affinity Diagrams
    - Interrelationship Diagraph
    - Tree Diagrams
    - Matrix Diagrams
    - Matrix Data Analysis
    - Process decision Program Chart
    - Arrow Diagrams

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MAKING CHANGE

- Change Must Be Led By A Key Management Personnel or a Consultant
- Use Quality Tools
  - Brainstorming
  - Pareto analysis
  - Identify Areas Of Improvements
  - Implement Solutions Using
    - Six sigma Methodology
    - Kaizen Events

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MAKING CHANGE

– Select Projects (Six Sigma or Kaizen)

– Assign Champions

– Project Team Formation

– Set up Key matrices

– Meeting Schedules

– Etc.

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MAKING CHANGE

ACCOUNTABILITY

- Top Management Must Own The Accountability For The Crisis.

- Set Up Metrics Related To The Crisis And Publish Reports On A Regular Basis.

- Remove Fear And Instill Confidence And Involvement At All Levels.

- Spread Positive Attitude

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MANAGE AND MAINTAIN THE CHANGE

- As Preached By Quality Gurus, The Change Has To Be Solidified And Maintained.

- Typically Control Measures Are Put In Place To Monitor The Change And Ensure That It Does Not Revert Back To Original Situation.

- A New Environment Is Created That Sparks Better Communications And Dialogue Among Key Players.

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MANAGE AND MAINTAIN THE CHANGE

- Measure Your Progress Through External Validation Of Improvement In Business Brought By The Change

- Measure Before, During And After The Change.

- Post Change Projects On A Database To Be Shared Across The Organization

- Use Visual Boards To Show The Change

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MANAGE AND MAINTAIN THE CHANGE

- Look at the Big Picture – compare your stock price or profit before and after change

- Track the total $ saved and revenue increases directly attributable to the change

- Measure Employee Satisfaction and Customer Satisfaction- increase/decrease in change related areas supposedly improved

- Ensure that the changes are aligned with product/service and customer deliverables

- All employees in this recessed business environment have a duty to ensure success of change.

CHANGE MANAGEMENT

REVIEW OF CHANGE MANAGEMENT

- **REASONS FOR CHANGE**

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QUESTIONS AND COMMENTS

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Contact Information

- Chhanubhai (C.G.) Mistry
- Phone: 909-234-6532
- Email: mistrycg@yahoo.com