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The one-percent solution: four biases every change manager should have

by Anne Curley

Imagine this scenario:

The senior leadership team has spent months developing ***(select one)***:
- A strategic plan
- An employer brand
- A massive software conversion plan.

They now turn to the communication specialist and say, "We need to roll this out to the troops. Would you please ***(select two)***:
- Come up with a theme that will resonate with people and reinforce our core priorities."
- Develop a logo we can run on all our HR material to communicate the new brand."
- Draft a communication plan that will get people to buy into this."

Several months later, the communicator has complied, the new initiative has been launched, and the early results are in. They include ***(select three)***:
- Misunderstanding, cynicism and passive resistance from employees.
- Frustrated leaders.
- Execution that falls short of expectations.

Sound familiar? Been there, done that? If so, join the crowd. For every highly successful execution of a major change initiative, there are probably 99 disappointments. Two leading causes: lack of strategic clarity and lack of a broad sense of ownership. To understand how the other one percent avoid these pitfalls, let's look at four biases they seem to share.

Bias One: Overspending on communication is cheaper than underspending.
Change masters obsess about communication. While others see it as an important support function, these folks view it as their single most powerful lever for moving the organization from Point A to Point B. So they make sure the budget includes enough for the "soft stuff" – primarily communication and training – that ultimately makes or breaks the project.

How much is enough? Obviously, the answer varies. But for a complex change initiative, think in terms of 17% or more of the total project budget, says the Gartner Group, a leading I.S. research firm that has documented a strong correlation between the level of investment in communication and overall project success.

The Gartner recommendation echoes the finding of a leading consumer product marketer that did its own homework on the subject. Before asking his board to approve a $100 million-plus budget for an ERP (enterprise resource planning) software installation, the CEO assigned a team to conduct on-site interviews at 20 companies that had completed ERP projects. The mission: Find out why some projects were completed on time and on budget while others missed the mark. The finding: Without exception, companies that ran into trouble had grossly underestimated the investment they needed to make in communication and training. As a result, the budget that went to the board for approval earmarked more than 20% of the total investment (including internal as well as out-of-pocket costs) for communication and training.

Bias Two: Clear thinking drives good communication, which fosters clear thinking. A good business communicator's most valuable role on a planning team is not to serve as scribe or mouthpiece, but as the canary in the coal mine. If the communicator is troubled or confused by what's being discussed, the general employee population probably will be, too. If the communicator is empowered to probe for clarity and point out apparent inconsistencies *throughout the planning process*, management can gain not just better communication, but a better plan.

A small example: During a strategic planning process for the executive committee of a bank holding company, the CEO and the chief operating officer identified the company's top priorities as "soundness, profitability and growth—in that order." Meanwhile, the head of mergers and acquisitions and several others repeatedly described the overarching goal as "sound, profitable growth." Interestingly, none of the dozen or so executives on the team pointed out that these were two similar-sounding but distinctly different ideas, with different strategic implications. As the team member responsible for communication, I had to ask for clarification: "Are we saying that growth is the third priority -- or the main objective, so long as it's sound and profitable?" The question sparked a lively exchange that exposed some philosophical differences.

Eventually these differences probably would have come to light and been resolved without a communicator's probing. On the other hand, we've all seen cases where it's only months *after* an initiative has been rolled out – when execution is faltering – that key players belatedly realize they weren't quite on the same page during the planning process. Spotting and resolving such disconnects as they occur makes for crisper thinking along the way and better outcomes down the road.

Of course, the communicator can only play this role if he or she understands the business well enough to speak up with a certain degree of confidence. Equally important, management must appreciate the value a "layman's perspective" can add, and encourage this ongoing clarification process.

Bias Three: Pictures trump words.
Peter Senge, author of *The Fifth Discipline*, says the key to creating understanding is to create a shared mental model – in other words, a substantially identical picture inside the heads of everyone who needs to understand a given subject. Let's say the subject is a new business model. If I explain it to you verbally, there's a good chance you'll walk away with less than perfect understanding. On the sending end, I've "encoded" my idea in words that may mean something different to me than they do to you. On the receiving end, you are decoding my message in a mind that has a different frame of reference than mine. Assuming we have a relatively similar experience base, your interpretation of what I said may be 90% on target. But it's that 10% margin of misinterpretation, compounded as information is relayed from one person to the next, that makes messages grow fuzzier as they are shared.

The solution? Whenever possible, turn complex concepts into pictures. Show how the pieces of the new business model relate to one another – Is this model best depicted as a circular cycle? A house with four pillars and a foundation? A road with three avenues? Which avenues lead to which markets? Does A drive B, which drives C? Or does A support both B and C? Is B more dominant than C or are they equally important? In other words, visually map out relationships and proportions.

This exercise can be challenging – and very worthwhile – for you to do on your own to clarify your thoughts. It is much more difficult – and immensely more valuable – to do as a group. Here again, the professional communicator can facilitate the clarification process.

If a pretext is needed, the obvious value of developing this kind of visual aid for use as a communication tool should suffice. It's a given that a graphic image – a flow chart or a map, for example -- conveys understanding at blinding speed compared with a narrative description.

But the greater value often lies in what the picture-making process does for the planning team. I usually begin the exercise by asking each person to draw his or her own picture of the subject at hand, showing the relationships and proportions of all the key elements. For a business model, for example, team members might be asked to depict each market served, the main ways of serving these markets, distribution channels, support systems, suppliers, strategic alliances, etc. and how they all interrelate. It's always a shock for people who have been working together closely to see how different their pictures are.

The next step is to develop a composite picture that builds on the best of the individual pictures. Done right, this is usually an arduous process, laced with frustration and debate, as participants experience the pain of shifting paradigms. But in the end, it's intensely satisfying. Like a jeweler bringing out the beauty in a gem, the team has worked together to file and buff away that 10% margin of misinterpretation. What remains is a crystal clear, 100%-shared mental model. Now the team is ready to go forth and communicate the same "end in mind".

Bias Four: Involvement beats everything for driving change.
If the planning team didn't need employees to do anything different for a change initiative to succeed, they wouldn't need to obsess about communication. They could treat employees as an audience and simply keep them apprised. But when success depends on a group of people making something happen, we're not talking about an audience. We're talking about business partners – folks with whom you want to engage in dialog…people who probably know a lot more than the planning team when it comes to their piece of the business. To the extent an initiative won't succeed without a group's active involvement, the planning team had better give that group a proportional opportunity to influence the process. Experienced change managers have learned that if they don't seek this input on the front end – and at every key juncture through the process – they'll meet lots of resistance on the back end. Equally important, they'll make mistakes that could have been avoided if they'd consulted the right people at the right time.

To figure out the extent to which different groups need to be involved, think in terms of concentric circles. At the center is the core team that will drive the project from beginning to end. Chances are, communication and motivation to change are good within this circle. Next come make-or-break players outside the core team – perhaps the folks who hold the purse strings or the leaders who will oversee implementation. This critical circle probably needs its own high-touch communication plan that keeps them in the loop, with a proper chance to influence key decisions. Moving outward, there may be two or more other circles requiring customized communication and involvement strategies. On the periphery are employees who won't be directly affected by the change and don't care to know much about it, much less have influence over it. *Them*, you can treat as an audience.

The beauty of mapping out these circles at the start of the project is that you can weave involvement opportunities through every stage, expanding the planning circle to include the right group at the right time. By the time you've reached the end of the process, the people you will depend on for implementation are up to speed on what's happening and why. More important, they feel they've had a genuine opportunity to have their voices heard before the project was "baked." At the same time, the plan has benefited – often greatly – from the insights and ideas these business partners have brought to the table. To the extent it is believed that a broad set of perspectives has influenced the plan, the sense of ownership in it will grow proportionally.

A typical involvement strategy for a large-scale change initiative would engage a broad group of employees in some sort of situation analysis or visioning exercise at the very beginning, involve more targeted groups as their perspectives become germane, and reconvene the larger group at key milestones along the way. By the time the planning phase is done, there is no need for internal marketing. The sale has already been made.

One final point on this: managers sometimes see an involvement strategy as a series of time-consuming digressions – a tradeoff that sacrifices speed for the sake of democracy. In fact, involving the right people at the right time in the right way – through efficient process design – can accelerate the implementation phase dramatically without significantly extending the planning phase.

Conclusion

A recent BusinessWeek cover story titled, "Mergers: Why most big deals don't pay off," reported that more than 60% of acquisitions in recent years have been outright failures. Rather than adding value through promised synergies, these marriages have actually destroyed shareholder value – leaving the acquiring company's market value 25% lower than if it had stayed single. Commenting on these debacles, Jack Levy, co-chairman of the Mergers and Acquisitions group at Goldman Sachs & Co., observed: "Some companies fail to recognize that integrating acquisitions well is both an art and a science."

All major change initiatives are at least as much art as science, as we well know, because they hinge on changing minds as well as matter. The great change artists among us know how to use strategic clarity and employee involvement to help create masterpieces.