BlinkLane Consulting

Managing Successful Transformations

Realizing change in a programmatic way

In a fast-changing world, the ability to transform is fundamental to a company's survival. But this is easier said than done. The act of transformational change is a complex endeavor and needs a clear approach in order to be successful. BlinkLane has combined the successes and learnings of many large-scale transformations with well-known change management tools in a proven approach. We apply this approach, referred to as Managing Successful Transformations (MST), in various forms in change programs at our clients. This paper highlights the practices and some examples of the MST approach.

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Introduction

In the digital age, emerging technologies have increased the opportunities and need for organizations to enhance the speed and efficiency of delivering new or enhanced digital products and services. Well-established companies can no longer take advantage of the economies of scale in a service-dominated and digital marketplace. Almost every (large) organization is thus embarking on a digital transformation to capitalize on digital opportunities. Some organizations are just at the starting point; others are for several years trying to make this transformation successful.

These organizations are in for quite a challenge. Digital transformations are even more difficult than many other change efforts, due to the increased organizational impact. To grasp the benefits of digital technologies, a reshape of the technical capabilities as well as the organizational capabilities of the organization is required[1]. Organizational capabilities such as the ability to learn, change and innovate, as well as the ability to be flexible, adaptive and being customer centric. Therefore, digital transformations are automatically a large-scale change effort.

Developing new organizational capabilities as part of a digital transformation is often referred to as an agile transformation. Being agile as a company entails a completely different mindset about the product and service development within the organization. It involves trust, autonomy, willingness to make mistakes, and constantly challenging the status quo. But these things are the sworn enemies of the plan-and-control paradigm that still dominates the corporate world. Despite the best intentions, many of these large-scale transformations fall short of reaching the intended benefits and organizational capabilities as these programs only apply a bottom-up approach. To make this kind of transformation successful, it requires a balance between bottom-up adoption and top-down transformation strategy. Finding the right balance requires a change program that thrives on this mindset, without losing the ability to govern, monitor and steer the change.

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Digital capabilities refer to the extent in which an organization has a sound digital vision and employs digital technologies to deliver and improve their products and services.
Organizational capabilities refer to the extent in which processes, structures and culture of an organization are able to effectively sense and respond to customer needs in a fast and cost-effective way.

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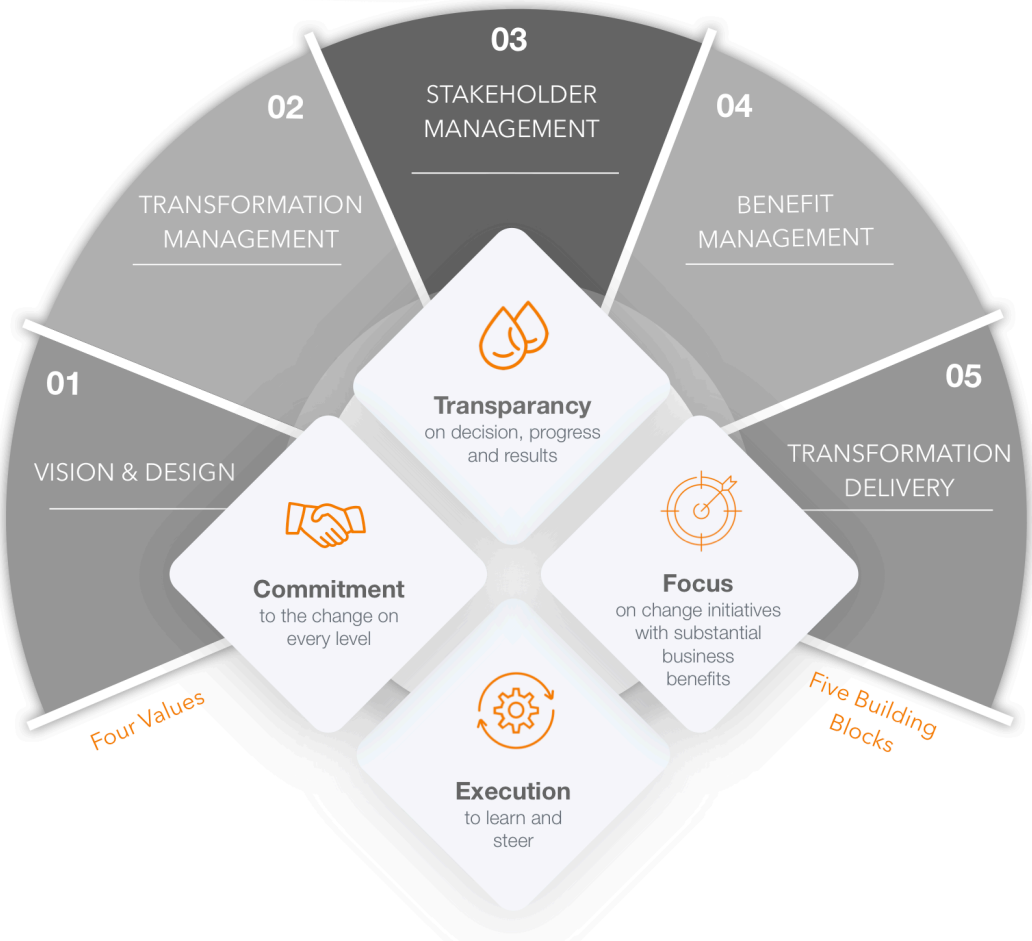
Managing Successful Transformation (MST)

BlinkLane combined the learnings of many large-scale transformations with proven methods (e.g. Lean Change, MSP) into an approach to successfully manage a transformation program which both addresses the bottom-up adoption and the top-down transformation strategy. The so-called MST approach consists of four values and five building blocks. These values and building blocks are universal, while the practical implementation is unique in every transformation.



The four values Commitment, Transparency, Focus and Execution represent the beliefs that are key to the MST approach. Despite of the apparent logic, many transformations are lacking in making these values explicit. To make change happen and long-lasting, these values need to be embraced in every step of the transformation. The five building blocks represent the essentials of the MST approach. The need and application are depending on the state and scale of your transformation and should be revised on regular intervals.

01 Vision and Design. An inspiring vision needs to be created and supported by the highest level of the organization. This vison describes the sense of urgency, clarifies how the future will be different from the current situation and how to make this a reality through actions linked directly to

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the vision. A strong vision inspires action, guides decision-making and objective setting and frames results. A design provides essential characteristics of the future organization and indicates possible new capabilities. The scope of the transformation is also addressed to provide clarity on organizational structures and processes impacted.

Creating a Definition of Awesome (DoA) is a great example of a tool to define the transformation vision and to start the central communication with regard to the transformation to all employees. It defines criteria for success and helps to accomplish change and results. It ensures alignment on a future organization by defining the target end state for a certain time frame.

02 Transformation Management. When the transformation concerns (almost) the entire organization, we need to apply systems thinking to optimize as a whole instead of by individual units. Leading a successful transformation therefore requires clear governance with roles, responsibilities and way of working within the program. Additionally, to make change stick, involvement is needed from all levels of the organization. Especially time and mandate must be provided to the people involved in the transformation to ensure dedication and local decision-making within the program.

Depending on the size of the transformation the governance structure can vary. However, a sponsor group consisting of top management is always required. This group is needed to provide their support and commitment. In the sponsor group there is one person who owns the transformation and is called the *Transformation Owner*. He/she is ultimately responsible. The Transformation Owner appoints a Transformation Manager who is responsible for the daily operations and is supported by a Transformation Team. Together they work on the implementation, monitor progress and act on those factors needed to have a successful delivery. Local Change Managers are responsible for executing the change throughout the company and are supported by a Local Change Team. It is very essential to identify these people as soon as possible, provide clear role description and unlock time for them to spend on the transformation.

03 Stakeholder Management. Ensuring stakeholder engagement is crucial in making your transformation succeed. Manage stakeholders by involving them, to enhance ownership and outcomes. As there are different stakeholder groups, you need to understand each of their individual needs. With the help of a stakeholder map you identify the interest and power of each stakeholder group which provides input for a strategy. Stakeholders with a lot of power and interest should be managed closely, and stakeholders with a lot of enthusiasm about the transformation but

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with low power should be kept engaged. This information provides insight into the tools to be used to manage and collaborate. Additionally, it is very important to focus on collaboration efforts with your stakeholders by bringing people together on set moments rather than one-way communication by the transformation team. This will enhance the conversations and thus results, where an individual approach is not feasible in a large-scale transformation effort.

04 Benefit Management. "Where are we? Are we there yet?" Frequently asked question on any journey. Make sure these questions can be answered by tracking progress. This will also help to adjust plans to make the right improvements. It is very important to identify the right metrics to measure the objectives, because different types of metrics exist. Impact metrics such as returned value on investments, delivery speed and customer satisfaction relate to the overall benefits of the transformation. Execution metrics represent i.e. the quality of the delivery and the predictability. Some organizations also use mobilization metrics such as the number of agile teams and certifications of a training.

One way to perform benefit management is to build a transformation dashboard. With this dashboard the transformation team is able to track progress towards achieving the vision, design and transformation objectives as well as to perform frequent benefit reviews to identify improvements or adjustments when the desired outcome falls behind.

05 Transformation Delivery. Managing the implementation of a new way of working requires organization in itself. Practice what you preach and make roll-out transformation goals clear. Work in a PDCA cycle in which you prepare a transformation roadmap, introduce change initiatives to achieve the objectives, review the outputs and act upon it. Manage the initiatives as an experiment (to validate your first hypotheses) or as a scale-up (when the hypothesis turns out true) and work in an iterative way to learn, adapt and grow. For a successful roll-out, ownership and commitment is key, and some standards and guidelines are recommended.

Summary

Organizational transformations will not coincidentally succeed; they need a thorough programmatic approach to have chance of yielding the intended benefits. There is no one way to embark on a transformation applicable to all organizations. That is why BlinkLane has combined theory, successes and learnings and has defined key building blocks for successful change. Each building block is described in more detail. If you are interested in more examples on how to apply MST and knowing more about how to make change stick please contact us.

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ABOUT BLINKLANE CONSULTING

BlinkLane Consulting is an advisory firm founded in 2007. In our 12-year lifespan, we have evolved together with our clients. We continuously innovate our services to keep delivering the value our clients need in order to deal with today's challenges. We help our clients increasing business value from IT investments, achieve higher enterprise agility and innovative and transform their organizations for the future. We currently focus on the following themes:

- Strategic Flow
- Scaling Agile
- Continuous Innovation
- Reinventing HR

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