Preparing for Uncertain Times: Adaptive Leadership and Organizational Change Management Trends
Introduction

• Organizational Change Management Practice Director at Alta Via Consulting.

• Twenty years experience in SAP FI/CO and Organizational Change Management.

• Specialize in Organizational Change Management efforts which involve 10,000-30,000 users.

• Clients include: AT&T, BJC Healthcare, Eli Lilly, Nokia Mobile Phone, General Dynamics, NASA, The U.S. Navy (PEO Aircraft Carriers), and The U.S. Army.
Topics

- Challenges facing companies today
- Trends in Organizational Change Management as organizations prepare for uncertain times
Companies today are facing extremely uncertain times...
The global economy is weakening...

ANALYSIS

Risk Grows of Markets Sparking Recession

WSJ Survey: Economists Lower Growth Estimates Amid Rising Recession Risk

Oil credit crunch may be worse than housing crisis
Profitability is becoming harder to obtain

BANKRUPT
Big Companies are getting bigger through M&A

- Dell
- EMC²
- Sherwin-Williams
- Microsoft
- LinkedIn
- Marriott
- Starwood Hotels and Resorts
Innovation is disrupting traditional markets
Use of connected devices are exploding giving rise to “Big Data”
The largest generation shift in history is occurring


In millions

Note: Annual averages plotted 1995-2014. For 2015 the first quarter average of 2015 is shown. Due to data limitations, Silent generation is overestimated from 2008-2015.

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Poll

Is your organization impacted by any of these issues?

A) Greatly
B) A lot
C) To some degree
D) A little
E) Not at all
As organizations prepare for uncertain times there are a number of organizational change management trends that are forming...
Command Centers

Centralized “Command Centers” are becoming more popular

- Allows the organization to sense issues quicker
  - Social Media Command Centers
  - Project Management Offices

- Creates an executive governance structure for faster decision making.

- Allows complicated projects to be managed centrally and aligns projects to corporate goals.

- Increased use of technology allows executives to track company/project progress by using executive dashboards
Big Data is changing how executives manage...

Impact of “Big Data” on executive decision making...

• In the past executives did not have access to real time data forcing them to make decisions using “intuition”

• “Big decisions” required the “collective intuition” of committees and boards

• Organizational change was difficult because leaders could not give solid reasons for change… “The board met yesterday and decided to move forward with this project…”
Big Data is changing how executives manage

“People Side” to “Big Data”

• Now with real time data available, executives can make data driven decisions on the spot.

• Data driven if-then scenarios now allow executives to gain conscience beforehand to make sure the organization is aligned and ready to act when the time comes.

• At world-class organizations, corporate goals are determined, established, and tracked using real-time data.

• Data driven decision making is completely changing the culture of organizations around the world
Organizations realize they are not alone…

In order to prepare for uncertain times, world class organizations realize that they cannot weather the storm alone

- Strategic suppliers are actively engaged
  - Joint Ventures
  - Strategic Alliances
  - Distribution Agreements
  - Supply Contracts
  - Outsourcing Agreements

- Satisfying key customers takes top priority
  - Truly understanding customer needs and issues
  - Increasing wallet share
  - Pricing agreements
  - Flexible payment options
  - Special support/service agreements
The companies that think of their customers first prosper

How one woman made $11,000 off Delta flight delays
The companies that don’t will fail…

United Airlines CEO Oscar Munoz won't be promoted to chairman

by Jackie Wattles and Jon Ostrower  @CNNMoney

April 22, 2017 9:55 AM ET
Focus!

Most successful organizations change faster by changing less

• Focus on the few strategic goals that really matter and prioritize their change efforts.

• Allows the organization to change faster because competing change initiatives that overwhelm employees are eliminated.

• Employees understand the driving reason for the change.

• Enables corporate executives to coordinate and sponsor all of the change initiatives required to pivot the organization.
Focus!

Amazon’s Mission Statement

“We strive to offer our customers the lowest possible prices, the best available selection, and the utmost convenience.”
Do you feel your organization is overwhelmed with change?

A) Greatly
B) A lot
C) To some degree
D) A little
E) Not at all
Continuous improvement efforts such as Lean Six Sigma are taking on a new focus:

- LSS efforts are now being aligned to corporate goals.

- Efforts are no longer focused on the shop floor, companies are looking to address cross-functional issues where the biggest opportunities for improvement can be found.

- Project activities progress are increasingly being monitored at the executive level.

- Organizational change management principles are now being incorporated into LSS efforts to ensure gains are maintained.
Continuous improvements efforts are not stopping at the company, they also include strategic suppliers and customers.
Agile is being taken up a notch...

Agile is no longer just an IT focused approach

- Functional Agile efforts now being aligned to corporate goals
- Many organizations are creating cross-functional Agile “Tiger Teams” to address their biggest issues.
- The Agile approach is being used in HR, Marketing and other functional areas.
Communication is Key

World class organizations realize that communication is key

• Senior executives are communicating with their employees more using “Town Hall” forums, webinars and internal blogs

• Challenges and successes are frankly communicated to employees

• Senior Executives are opening up two-way communication channels where employees can communicate directly to CXOs

• Multiple channels of communication are being employed to reach employees who work at home or are geographically dispersed
It takes a leader....

World class organizations realize that true leaders are required to guide an organization through uncertain times.

- In 2012 companies spent $14 billion in leadership training\(^1\)

- In 2015 companies spent over \$31 billion in leadership training\(^2\)

- High-performing companies outspend their competitors on leadership training by almost four times\(^2\)
As Baby Boomers are retiring, training needs have gone up dramatically but most organizations are still struggling to figure it out.

In a recent study conducted by Deloitte\textsuperscript{2}:

- Only 7 percent of companies believe they are “excellent” at building Millennial leaders.

- Only 13 percent of companies report they are “excellent” at building global leaders.

- Only 14 percent of companies surveyed described themselves as “strong” at succession planning throughout the business.
Taking Control of Training

Many organizations are preparing for uncertain times by taking control of their training needs and establishing their own centers of training and education.
New technology is allowing managers to better track progress of change initiatives

- Agile-Continuous Improvement flash reports provide finger on the pulse of success KPIs
- Track status of organizational change initiatives
- Track process KPIs to ensure change is having the desired effect and “sticking”
As organizations prepare for uncertain times several Organizational Change Management trends are emerging:

- Executive and employee training is increasing dramatically with many organizations establishing their own Training and Education Centers.
- Organizations are establishing “Command Centers” to centralize control and decision making.
- Data driven decision management is changing corporate cultures.
- Continuous Improvement efforts are focusing on cross-functional integration.
- Strategic suppliers and key customers are being actively engaged.
- Multiple channels of communication are being employed to reach employees who work at home or are geographically dispersed.
- Executives are using new technology to track progress.
Alta Via Consulting Adaptive Leadership

- Identify Risk or Eminent Change
- Assess Customer/Partner Impact
- Reset Achievable Targets
- Align Executive Ownership
- Adapt Organization Response
- Provide Agile Outcome Leadership
Resources

1. “Leadership Development Factbook 2014”

2. “Leadership Awakened”

3. “Big Data the Management Revolution”
• Learn more from Jeff at Controlling 2017 September 18-21, 2017 in San Diego


• Contact Mark Downs at mdowns@erp corp.com for a discount code to save $100 off registration
Questions

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