Beyond Strategy
Managing the Transition

If *only* the business environment were stable. It's not and that is the reality of being in business today. The reasons change with every downturn in the business cycle, but the consequences stay the same: a business must adjust and adapt to survive.

Business leaders are told they need to change; they need to understand and be responsive to changes in the marketplace. And this requires leadership, a strategic plan and good information about the marketplace. While leadership, strategic planning and good market based information are important, they are only a component of business success. I have known companies with charismatic leaders who had a detailed strategic plan supported by very good market information – yet they failed. They effectively identified the need to change, they had a plan to change, they had a leader who was evangelical in speeches about change, yet they failed.

The reason they failed is because they did not recognize the need for nor did they manage the transition. Change is not about having a plan; change is not about saying you are going to change; change is not about collecting information. Change isn't even about one leader. Real change is about doing something about it. It's not the failure to identify change that hurts organizations; it's the failure to implement change that hurts organizations. And implementing change is a transition.

The difference between change and transition is like the difference between reducing inventory and having a well managed supply chain process. Reducing inventory will free cash and improve the balance sheet (inventory reduction represents a change); keeping the inventory low through an effective supply chain process (the transition) will result in sustained benefits to the organization. It is much more difficult to transition that it is to change.

A hospital executive team in the southeast was struggling with implementing its strategic vision. They did an excellent job identifying the vision, communicating it to the hospital staff and getting Board support. The executive team was committed to the vision. A year after the vision was rolled-out, little progress had been made and the Board expressed serious concern.

All too often, good executive teams believe that having a plan, having a leader that champions the plan and making pronouncements about the need to change and the benefits of change will create results. It will not. The hospital in the southeast had a good executive team who went back to their daily activities shortly after the plan was announced.

There is a saying that goes like this – when you get tired of talking to your staff about what needs to be done in the organization, saying the same thing over and over again until you can't stand saying it anymore, then the staff begins to hear you and take you seriously. This is a classic example of a transition. I had one client who said to me that he did not do what his boss asked him to do until he was asked at least three times. Then he knew the boss was probably serious. Silly? – not really. An isolated example? – hardly. We don't resist change as much as we are uncertain about what's going to happen during the transition. Every employee, and I truly mean every employee, wants to know "what's in it for me" if we change. Plans don't answer that question. Most employees don't care about shareholder value, most don't even understand it. They care about themselves and what's going to happen to them.

A midsize publicly traded information technology consulting company was adversely affected by the downturn in the technology market in early 2000. The new President assembled the senior management team and after a three day planning session rolled out a new strategic direction for the company. The plan was to migrate away from a reliance on information technology consulting and move to re-engineering, supply chain process improvement and financial services such as accounts receivable reduction. Everyone left the room agreeing with the new direction for the company. Yet little happened after the meeting. The senior managers went back to their offices and continued to manage the technology business. There was no transition plan.

Strategy points you in a direction; managing the transition gets you there.

It's important to look beyond strategy when you are dealing with a business downturn or a new opportunity. Strategy will help you identify the direction you should move in, but moving an organization in that direction, dealing with employee concerns and uncertainties, and adjusting as you move along the process involve managing the transition.

Successful companies know how to manage transitions. They know that employees who are the front line for implementing new initiatives don't have the same information about the need to change as senior managers, nor are the employees certain about what it means to them, nor are they sure what they have to do and why they have to do it. These are critically important issues.

These are turbulent times for businesses. Successful companies are managed by individuals who clearly understand that it takes more than a good plan to succeed. It takes good execution and good execution involves managing the transition.

Tony Kubica & Sara LaForest are co-founders of **Kubica & LaForest Consulting** and the **Growth without Sabotage**™ model for performance and organizational improvement.

The information presented is based on the ideas and concepts presented in their forthcoming book on **the damaging effects of self-sabotage in business.**

We can be reached at:

KUBICA & LAFOREST CONSULTING
132 Governors Drive
Warwick, RI 02018
(401)595 7485; (907)229-7948
tony@growthwithoutsabotage.com
sara@growthwithoutsabotage.com
www.growthwithoutsabotage.com