

Opinion

Ch-Ch-Ch-Changes (turn and face the strain)

By Andrew Hedley, director, Hedley Consulting



The trepidation with which David Bowie's lyrics approach the topic of change is mirrored by the behaviours of management teams in professional firms everywhere.

Never before have they been faced with such a dynamic business environment, with increased competition emanating from both within and outside their traditional professional boundaries. The cosy barriers that served so well to protect them from the rigours of the commercial world are now in tatters. Rather than simply survive, firms need to adapt quickly to a new business paradigm. In short they need to be able to change.

Indeed, I would argue that the single most important competency for any professional firm is the ability to effect far-ranging change programmes. Wherever you may be today, if you can make change happen, you are in a position to forge your own future. If you cannot, you are beholden to the environment, the market and the competition for your survival; a dangerous ledge on which to sit.

Not surprisingly, change has been an area of extensive academic study over the past 20 years. John Kotter is widely acknowledged as the world's leading thinker on the subject. Other models are almost always either semantic adaptations of Kotter's work, or simply not as insightful or effective.

Kotter highlights eight stages of an effective major change programme in his seminal work *Leading Change*.

1. Establishing a sense of urgency;
2. Creating a guiding coalition;
3. Developing a vision and strategy;
4. Communicating the change vision;
5. Empowering broad-based action;
6. Generating short-term wins;
7. Consolidating gains and producing more change;
8. Anchoring new approaches in the culture.

The most common problem I encounter is an almost irresistible desire to short-circuit the process and jump straight to stage three. However, a failure to do the groundwork will have far-reaching consequences for any change programme.

Typically, the team goes into a room, locks the door behind it and crafts an academically-robust, intellectually-unrealistic and pragmatically-flawed strategy. They then announce their plans to the rest of the partners, followed by the firm as a whole.

By this time, management will be acutely aware of the need for change, have high urgency and be united in their beliefs. But getting management onboard is the easy part of the equation.

Unsurprisingly, there is nearly always then a kick-back at two levels. First, the rest of the firm doesn't understand why change is necessary. Second, even if they could be convinced, they have been emasculated by the process and will resist any vision.

Getting the wider partnership and the firm as a whole engaged in making change happen right from the start is a huge determinant of success.

The first task is to establish a sense of urgency across the whole firm, which poses considerable challenges for partnerships riddled with complacency. In *The Age of Unreason*, Charles Handy uses the metaphor of a frog slowly being boiled in a pan of water to illustrate the dangers of incremental change. Each degree is not significant in itself, but the cumulative effect is catastrophic!

Objective trend analysis is therefore vital. Looking retrospectively over a five-year period is often revealing. Collating such data will uncover fundamental competitive shifts, the opening of clear blue-water between firms that were previously head-to-head rivals, and the creation of new competitor groupings.

It is often said that dinosaurs ruled the earth for millions of years only to become extinct in the relative blink of an eye because they were unable to adapt to a changing environment. Don't be a dinosaur! Act like a small furry rodent. Be flexible, responsive, and adapt your behaviours to make change happen. ■

Andrew Hedley, director of Hedley Consulting, is on the Managing Partner editorial board. He can be contacted at andrew.bedley@hedleyconsulting.com