



Leading and transforming organizations

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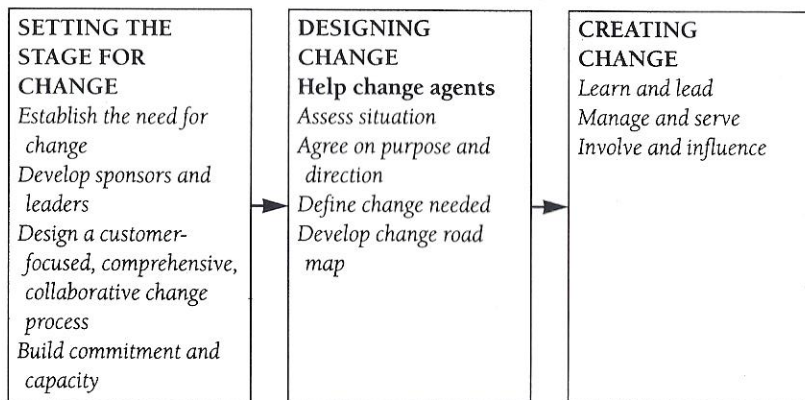
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A NUMBER OF ELEMENTS HELP transform an organization—a clear vision, motivated employees, attention to its customer focus, and an effective change process. One element, however, is of critical importance—the organization's leadership. Leaders are the critical players in transforming an organization. They are the linchpins of change.

Nowhere is leadership more critical than in healthcare organizations. Pressures to cut costs and maintain quality and the dual and frequently competing roles of physicians and administrators make decision making highly complicated.

Change always involves a substantial investment of time and resources. Leaders need to devote 20 to 50 percent of their time, or 8 to 20 hours per week, to a change effort if it is to be successful.¹ This chapter details what leaders need to do, say, and think to lead an effective change process, highlighting the basic phases of successful change efforts and the primary leadership tasks. Eliminating or poorly handling any of these tasks can undermine or negate the effort.

FIGURE 1
Phases of change



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Phases of change

There are three phases of change: setting the stage for change, designing change, and creating change.

PHASE ONE: SETTING THE STAGE FOR CHANGE

In this first phase, leaders create the foundational cornerstones for change, which include

- Establishing the need for change
- Developing sponsors and leaders to lead the change process
- Designing a customer-focused, comprehensive, collaborative change process
- Building the organization's commitment and capacity to change

In this phase, leaders gather in a series of meetings to review relevant data from customers, competitors, and the marketplace. They then develop the case for change with other leaders and members, gathering information from key customers and major suppliers as they proceed. In addition to developing the case for change, leaders forge agreements with one another about the process they will use to change the organization and build their own and others' commitment to this process. As they do this, a collaborative relationship forms—a prerequisite to effectively leading change efforts.

First cornerstone: Make the case for change

The “case for change” includes five important elements: current and anticipated customer needs, market challenges and opportunities, the core purpose of the organization, the future direction of the organization, and the specific outcomes of the change initiative.

An organization performs through a series of explicit and implicit agreements among leaders and members. The most foundational of these agreements are those regarding the organization’s purpose and direction (mission and vision). The mission describes why the organization exists, what unique products or services it provides to whom, and what unique value the organization adds to society. Its vision statement describes the desired future state of the organization. Such agreements should only be developed after an analysis of the organization’s present and anticipated external environment and its internal strengths and weaknesses is conducted. The major challenges and opportunities in the environment and the organization’s purpose and direction provide a common target for efforts to improve the organization.

Without a clearly articulated mission and vision for the organization, initiatives easily disintegrate into a series of competing and confusing projects that are not meaningfully connected and that divert time, resources, and attention from the critical job of improving the organization’s performance and preparing it for new opportunities.

To effectively focus change, the vision statement should include the organization’s primary goals, its strategy to achieve those goals, its values, its desired characteristics (i.e., business processes, structure, and systems), the desired characteristics of its members and leaders, and its ultimate culture.

Leaders must have a strong relationship or connection to the vision, and it should be manifested in their language, decisions, and actions. Leaders must also share their vision with all key stakeholders and incorporate the various stakeholders’ views into the vision.

The desired outcomes for the change initiative are most effective when it is clear how the initiative will

- Support the mission’s achievement and organization’s vision
- Help the organization meet customers’ needs
- Enable the organization to respond to current and anticipated demands of the marketplace

The desired outcomes are most effective when they are results oriented and inspiring to those who are expected to change. Concrete outcomes focus the initiative. For example, four of the desired outcomes from a recent organization redesign effort in a medical center of a health maintenance organization are

- Deliver healthcare services in a manner so overwhelmingly convenient that competitors will be eclipsed
- Increase the satisfaction and sense of self-worth of the providers and support staff
- Significantly increase member satisfaction; members (of the health maintenance organization) and staff remain with and feel pride in the program
- Become the "benchmark" for other medical centers in the HMO

Defining the mission, vision, and the specific desired outcomes of change initiatives in healthcare organizations can be challenging because the marketplace forces the organization to cut costs dramatically while maintaining and improving quality, customer service, and value. Often pressure to cut costs can be so intense it can overshadow other concerns. Change initiatives that focus primarily on cost cutting can achieve greater profits in the short run. However, organizations that take a longer-range view and focus on growth as well as efficiencies achieve higher revenue growth and market value.²

Thus, leaders must make agreements about the following:

- Major challenges and opportunities in the current and anticipated business environment
- Major strengths (including core competencies) and weakness of the organization
- Core purpose and organizational direction
- Important gaps between where the organization is and where it wants to be
- Purpose and outcomes of a change initiative

For example, managed care brought extraordinary challenges to one academic medical center with 700 beds and 450,000 annual ambulatory

visits that primarily focused on fee-for-service and tertiary care. This organization's leadership team conducted a preliminary analysis of the current and future trends in healthcare, demographics, and financing in the region for which they provided tertiary care. Their higher-cost structure, required to maintain teaching programs, put pressure on them to reduce costs significantly as more managed care companies emerged and the pressure to use primary care physicians to maintain and limit access to more costly specialists increased. Fee for service was a thing of the past and managed care companies were contracting with them for discounted, predetermined, or capitated rates. It was a new world. The feedback from patients, families, and referring primary care physicians also alerted them to problems with customer service. The leaders concluded that profound change would be required in all aspects of the organization. The leaders needed to rethink the organization's current mission and outline the desired direction and future of the organization. The gaps between the organization's current state and its five-year vision created a compelling case for transforming the organization.

Second cornerstone: Develop sponsors and leaders

Sponsoring and leading change are two very different, yet important roles. Sponsors are the visionaries. They carry the big picture and pay the bills. They provide support and protection when the initiative treads into politically sensitive areas. The more senior the sponsors, the better the chances for success.

Leading change means daily leadership, including convening meetings, participating at key decision-making points (e.g., establishing the project budget and selecting consultants), and either acting as, or working closely with, a change agent. The chances for success also increase when the initiative is headed by the leaders of the organization and their direct reports. Although some leaders play both of these roles, in larger organizations these responsibilities are divided among two or more players.

For example, in the change effort at an academic medical center, the vice chancellor of the university and the CEO of the hospital and clinic sponsored the initiative. The CEO and his direct reports led the initiative, participated at key decision-making points, and championed the effort. A 10-person design team of physicians, senior nursing staff, and administrative leaders analyzed (along with hundreds of other stakeholders) the current organization and developed recommendations for

organizational change. A physician, who was the head of a major department in the hospital and in the school of medicine, led the team.

As many senior executives know, the management layer just below them usually must be convinced that change is necessary and that working together more effectively is a critical aspect to create that change. Frequently accountable only for their individual function or department, these managers often find it challenging to take responsibility for leading an organizationwide initiative collectively. How they go about building the aforementioned agreements and put these cornerstones in place is important practice in collaboratively leading change.

Thus leaders must

- Agree on what they need to do to lead the change process
- Provide resources (e.g., budget, staff support, time)
- Develop their ability and that of other leaders to change and to lead change
- Put all the cornerstones into place
- Build understanding and support for the initiative among leaders at all levels

For example, in one change initiative in a primary care center that is part of a much larger HMO, the leaders negotiated support for the initiative with the key regional manager. The commitment to support the local initiative with money, staff, and verbal encouragement were critical to this initiative's success.

Third cornerstone: Design customer-focused, comprehensive, and collaborative change process

Although internal or external consultants can provide organizational change models, leaders must design change processes to work for their organization. If leaders do not understand or agree on the process, consultants or staff members can lead the initiative. This, however, may result in disaster. Consultants and staff lack a vested interest in seeing the organization succeed and change ceases to be a priority.

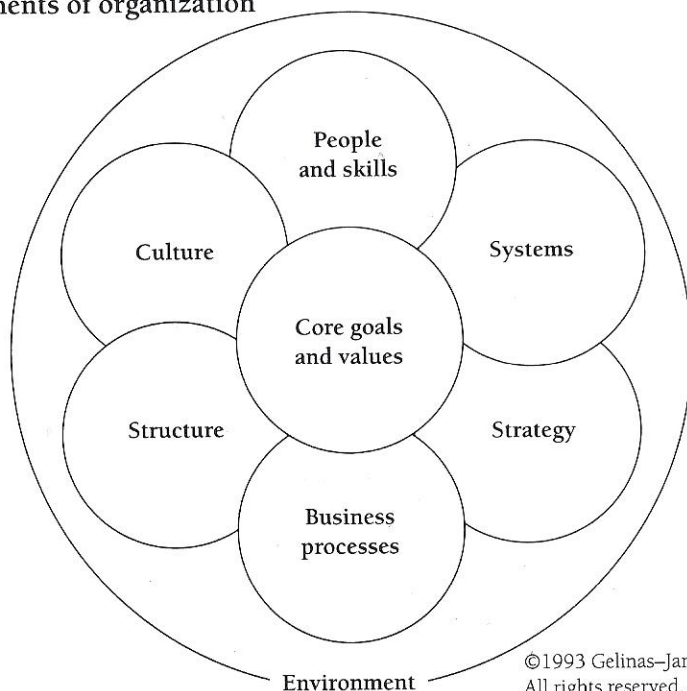
Agreeing on a change process includes making decisions about the depth and breadth of the initiative, the desired degree of participation by key stakeholders in the process, the process itself, and who will have

primary responsibility for assessing the situation, developing recommendations for organizational change, and implementing those changes.

Change initiatives must focus on the customer and the business environment. "The more everyone in the company is imbued with knowledge of customers, the more likely that the organization can agree to change to serve them better."³ Being customer-focused means understanding the needs and requirements of customers and the issues and challenges that face them. It also involves examining both the current and anticipated environment within which the organization and its customers are operating. This includes changes in technology, demographics, regulations, and market trends.

Change processes are also more effective when they are comprehensive. A comprehensive approach includes analyzing the breadth and depth of an organization to determine what is affecting the organization's performance. Breadth includes the following elements of organization. Figure 2 illustrates the interdependence of these elements and the importance of their alignment.

FIGURE 2
Elements of organization



- Core goals and values—what the organization stands for and wants to achieve
- Strategy or basic approach to achieving its mission or purpose
- Business processes and relationships with customers and suppliers
- Structure—how people are organized in relation to one another (e.g., the definition of departments, units, and levels of supervision), as well as the physical layout
- Systems or the procedures that make the organization run, including information, planning, human resources, communication, evaluation, and renewal
- People and skills—the types of professions, knowledge, and skills
- Culture—the collective pattern of behaviors, values, and unwritten rules developed over time in an organization
- Environment—the customers, including their needs and requirements, as well as market trends, technological advances, regulations, and demographic shifts

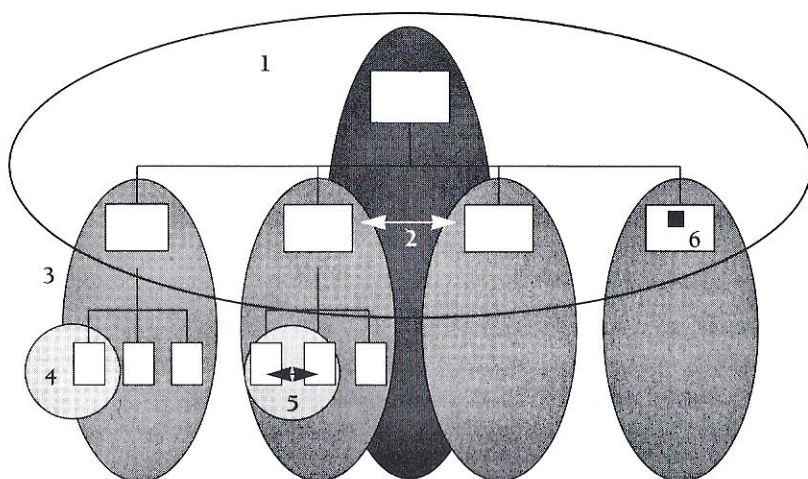
Depth includes the organization's various components and levels.

Change processes are most effective when they are collaborative—they involve those who will be most affected by the change. The greater the degree of involvement in the first two phases of change, the less “selling” time needed prior to implementation. The proverbial wall that an organization can hit at the start of implementation becomes a smaller hurdle.

In addition to determining the appropriate depth and breadth of the initiative, leaders must define the extent and level of involvement of key stakeholders in the process. This involves leaders balancing a number of variables including time, potential impact, and the level of buy-in needed. Figure 4 can help leaders make conscious, informed choices about whom to involve and to what degree. Defining which decisions are open for participation is critical. Leaders do not want to involve others in a decision-making process if the decisions are already made.

Involving others in the process may include use of a variety of strategies, such as paper or electronic vehicles (e.g., memos, reports, posters, surveys, bulletin boards, e-mail, computer polling, newsletters, and videos); videotape presentations; teleconferencing via video or tele-

FIGURE 3
Components and levels of organizations—depth



- | | |
|--|---|
| 1. Organization | Can be one organization; an umbrella organization (a holding company for a number of organizations), or a major unit of an umbrella organization (i.e., a subsidiary, an operating company, a group, a division). |
| 2. Interdepartmental or cross-functional | The interface between two or more departments or units. |
| 3. Departmental | A portion or subset of a major unit (e.g., a department). |
| 4. Unit | A subset of a department (e.g., a unit or team). |
| 5. Between units or teams | The interface between two or more units or teams. |
| 6. Individual contributors | A manager of a unit or team. |

Depth can also be interorganizational; the interface between two or more organizations, as in network organizations.

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phone; one-on-one, small group (maximum of 15 participants), or large group meetings (15 to 100-plus participants).

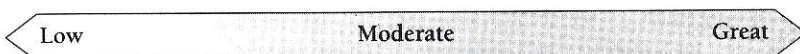
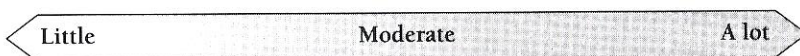
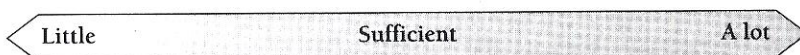
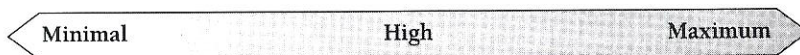
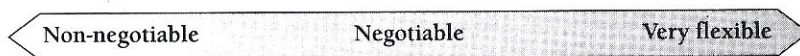
For example, one medical center had attempted to improve quality and cut costs in various areas of the organization. It had, however, never taken a look at the entire organization—all elements, components, and levels. The leaders agreed that the changes in the business environment required a complete and comprehensive organizational change effort. Based on their experiences in implementing incremental changes, they also agreed the process needed to be collaborative and involve as many stakeholders (e.g., employees, physicians, insurers, and patients) in the

FIGURE 4

Desired degree of participation and level of involvement

Percentage of the organization (or customers-suppliers) you want to

Be kept informed	Provide feedback	Provide input	Participate in developing recommendations	Participate in decision making
_____	_____	_____	_____	_____
percent	percent	percent	percent	percent
_____	_____	_____	_____	_____
number	number	number	number	number

TIME AVAILABLE**POTENTIAL IMPACT OF DECISION****BUY-IN NEEDED****INFORMATION AND EXPERTISE OF STAKEHOLDERS****DEVELOPMENTAL OPPORTUNITY****LEADER FLEXIBILITY**

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process as possible. By involving stakeholders in the process early, they hoped to minimize the strenuous and time-consuming task of selling changes needed prior to implementation. Their first step in collaboration was to solicit nominees from the top 40 managers in the organization for the team of change agents who would take the lead in determining what changes would be needed.

To execute this phase leaders must

- Agree on a change process to help the organization move from the current state to the desired future state
- Make sure that the process is focused on customers, is comprehensive enough to bring about the level of change needed, and includes appropriate involvement of all major stakeholders
- Agree on values and principles to guide the change process
- Identify change agents
- Agree on their role in the process

At the academic medical center noted earlier, the purview of the design team included the entire hospital and clinic. The team considered all elements (breadth), all components, and all levels (depth) of the organization. Although the hospital and clinic had implemented previous change initiatives, their approach had been piecemeal. The result was a level of transformation that was below what was needed for the organization to prosper.

In the medical center of the HMO noted earlier, the leaders agreed that a critical guiding principle was that the change process had to mirror the type of organization they wanted to create. They believed the future organization would need to provide a greater and more seamless continuum of services to patients and families using cross-functional teams to work collaboratively. Thus, this change initiative was led by a series of cross-functional teams representing medicine, nursing, diagnostics, and therapeutics. It examined the core processes of the healthcare system—from prevention through long-term care—and worked across the teams to develop organizational change recommendations.

Fourth cornerstone: Build commitment and capacity

Developing support throughout an organization is critical to the success of any change effort; without support from an organization's most influential leaders, a change initiative will fail. Although many transformation efforts start with only a handful of supporters, in the most successful ones the coalition of leaders supporting the initiative expands over time.⁴

The case for change, including the desired organization direction, is the instrumental component to create this commitment. The leaders of an organization must see themselves as the leaders of change, not as its victims. By taking this role, they are increasing the likelihood that the initiative will succeed. Equally important, they are preparing themselves for the roles they must continue to play in the future—anticipators, creators, and leaders of change.

Leading single- or multiple-change initiatives can present major challenges for teams at the top of organizations. If they have not seen themselves or functioned as an interdependent group with joint accountability for the organization's success, then they may have difficulties with these new responsibilities. They may not know how to manage current operations cooperatively while helping the organization transform itself. They will need to develop this know-how.

This is especially true in healthcare. Most administrators have managed change, but it rarely has been in partnership with physicians. Physicians, on the other hand, usually have little or no experience in leading organizational change or solving operational issues collaboratively. In recent years, physicians have seen themselves as the victims of change. Thus, administrators and physicians must take time to learn how to work together to lead change initiatives. The process through which physicians and administrators set the stage for change can serve as a laboratory in which to improve working relationships.

Physicians often face additional problems when leading change initiatives. Often for the first time, they must consider the effectiveness and future of the entire institution, not just the success of one practice or specialty area. Thinking in such balanced terms may be challenging for physicians who have traditionally practiced in environments where their priorities have been exclusively focused on the needs of their patients and their practice.

Thus, leaders must

- Build understanding and support within the organization about what the leaders believe is needed, why, how they plan to get there, and everyone's role in the process
- Build their and others' capacity to create change

At the academic medical center noted earlier, the CEO, his direct reports, and the design team held interactive sessions with midlevel

managers, clinical chiefs, other physician-governing bodies, and several hundred employees. In these sessions, the leaders and change agents focused on building understanding and agreement on the case for change and the approach to change and on soliciting the hopes, concerns, and advice of all participants. Such meetings thereafter continued on a regular basis. Managers held themselves accountable for leading the change effort from inception through implementation.

PHASE TWO: DESIGNING CHANGE

In phase two, leaders and members of an organization determine how the organization needs to be transformed. Leaders have in place a team or teams of change agents (identified in phase one) who, with the guidance and active participation of the leaders, perform the following activities:

- Create a more in-depth understanding of the existing situation, including the strengths and weakness of the organization; opportunities and challenges (present and anticipated) in the environment; and customers' current, anticipated, and future needs. (This phase builds on and expands the preliminary assessment done by the leaders to define the purpose, desired outcomes, depth, breadth, and approach to a change initiative.)
- Refine or redefine the purpose, strategy, and direction of the organization
- Define and forge agreements on major changes the organization needs to make. Depending on the scope of the initiative, this could include business processes (including relationships with customers and suppliers), structure, systems, people and skills, and culture
- Develop a plan to implement the desired changes

During this phase, leaders have three primary responsibilities: communicating with key customers and stakeholders (e.g., major clients, key board members, and community leaders); participating at crucial decision-making points in the change process (e.g., agreeing on the critical strengths and weaknesses of the organization); and building understanding and agreement throughout the organization on the current situation, the desired direction, and the changes needed.

For example, at an academic medical center, the design team worked with the CEO and his top team to define and analyze the organization's

core business processes and to conduct an in-depth assessment of customer needs and requirements. This top team helped conduct interviews with major employers, insurance companies, physician groups, and university leaders. The top team worked with the design team to redefine the organization's mission and vision in light of all the analytical findings. They participated with the design team in three major conferences where nearly 100 representatives of all key stakeholder groups participated. The purpose of these conferences was to build understanding and agreement on the findings, mission, and vision and redesign recommendations. These conferences provided invaluable feedback to the design and leadership teams and visibly demonstrated the commitment of these leaders to change.

Specifically, to design change leaders must see that understanding and agreements are built on the following:

- Current and anticipated situation—opportunities and challenges in the existing and projected environment, current and anticipated needs of customers, and strengths and weaknesses of the organization
- Purpose and direction—the mission and vision; vision includes core goals and values, strategy, and desired characteristics of business processes, structure, systems, people and skills, and culture
- What change is needed—changes needed in the business processes, structure, systems, people and skills, and culture
- Change road map—an implementation plan that describes who is responsible to do what when to implement the desired changes

Once these agreements are made, leaders play a critical role in building understanding and support for these agreements throughout the organization. Ideally, these agreements link directly to the case for change developed and communicated in phase one. If the agreements were originally built through highly participatory processes, this role will be less critical and time-consuming.

For example, in a comprehensive change process in a rural medical center, the leaders and members of the design team spent several months reviewing their findings, revising their mission and vision, and developing recommendations with hundreds of people in the organization. After a series of participatory meetings, they asked for volunteers to

help develop implementation plans and serve on implementation teams. Several hundred people volunteered.

PHASE THREE: CREATING CHANGE

The purpose of this phase is to plan and implement the major organizational changes identified in phase two. This is the most challenging and fragile time in change initiatives. It is during this phase that initiatives get derailed, postponed, stalled, or eliminated for a new trend (e.g., "management by best seller"). Also, during this phase many people are uncomfortable and frightened. They may have to cope with a sense of loss as they let go of old work habits and roles and take on new responsibilities and challenges.

In this phase, leadership is most critical. In many cases, the leaders and their roles will have changed. During this phase leaders must continue to learn and lead, manage and serve, and influence and involve.

Learn and lead

Learning occurs by looking outside and inside the organization and listening to customers, studying competitors, and observing the patterns of the marketplace. This learning is pivotal to the effectiveness of each of the phases. By continuing to pay attention to the external environment during implementation, leaders ensure that changes being implemented will meet the ever-changing needs of customers and enable the organization to respond to marketplace challenges.

Leaders learn by listening to the observations, aspirations, and ideas of all in the organization and by listening to their own inner guidance and aspirations. A leader's commitment, values, and core purpose are an important part of the mix to successfully create change.

Leading implementation entails several tasks, including communicating, planning, tracking and evaluating, and championing.

Communicating is being willing to advocate the case for change over and over again with various constituencies; taking every available opportunity to talk about the organization's vision, including the change initiative in conversations and meeting agendas; and keeping the organization abreast of the changes as they occur and the impact of those changes. It also means rewarding people in the organization who are making significant improvements and treating with fairness those who are being negatively affected.

Planning necessitates developing a road map to guide the organization from its current state to its new one. This road map includes what needs to be done to implement the changes determined in phase two. It also describes processes through which critical stakeholders are involved in implementation.

For leaders, tracking and evaluating involves monitoring the progress and assessing the impact of the change initiative. Leaders must ensure that the original purpose and desired outcomes of the initiative are translated into more specific measures of success. Such an evaluation system should, as much as possible, use information-gathering systems already in place. Leaders must also pay as much attention to learning as they do to making progress and attaining success. What is learned along the way is at least as valuable as what is accomplished.

A leader's commitment gets fundamentally tested in this phase. Leading is being clear on what the leader stands for and making sure that his or her behavior and words are consistent.

In the tertiary care medical center, as the organization began to implement a series of major recommendations, it also began to explore a partnership with a primary care institution. This potential alliance seemed to make sense, but it diverted attention from the immediate changes needed. The CEO communicated in as many ways as he could the importance of pursuing both efforts. He described the implementation of the redesign recommendations as instrumental in the development of an effective partnership with the other organization.

Manage and serve

Managing requires keeping the organization functioning effectively as it reinvents itself. Many organizations call this "keeping the lights on while redesigning the organization." In redesign efforts of several power plants, this expression took on new meaning. The company literally had to keep the lights on for millions of customers while they transformed their plants.

Keeping the organization functioning while changing it remains an extremely challenging task in healthcare. Patients' need for care cannot stop while healthcare providers and administrators reinvent their institutions.

The primary challenge in organization improvement efforts is to ensure that everyone carries out their daily jobs effectively while preparing for new ways of work. However, if organizations only focus on day-

to-day operations, they may be heading toward danger. Leaders must help the organization balance its focus between operating the day-to-day business and changing the organization. In one initiative, the COO had to clearly delineate to many department heads that they were required to sustain their current work as the organization changed.

Serving an organization and a change effort means removing obstacles, allowing people to create, and providing resources, time, and support for those who are transforming the organization. In healthcare this usually means freeing up providers for large blocks of time and providing backup to the physicians, nurses, clinical staff, and administrators so they can participate in improving the organization. Although this is expensive and challenging, it must be done. For example, in one hospital change initiative, administration provided backup services to replace those assigned full time for one year to the design team.

Influence and involve

Influencing is using both personal and positional power to get everyone in the organization to work toward common goals, be willing to take a stand in favor of a vision, and be willing to let it go as others build on it and make it theirs.

Leaders exert significant influence in an organization simply by focusing their attention on a given goal, area, or project. They influence the organization by what they say, what questions they ask, what items are on their meeting agendas, and where they spend their time. Each act is a message to the organization about what is important. Other leaders and members gauge the significance of a change initiative based on how much attention the leaders pay it.

People are committed to and support what they have participated in creating. To build support for change, leaders need to involve as many members of the organization as possible in the process of creating that change. Leaders have to make conscious choices about the degree of participation and level of involvement desired during implementation. The greater the possible impact and the higher the level of support needed for implementation, the more the process needs to engage the key players.

Participatory processes test leaders' beliefs and assumptions about people and what is possible. When leaders create processes through which they and the organization's members become navigators of their own future, organizational performance exceeds what leaders or members can create individually.

Leaders in healthcare have the challenge of engaging physicians in creating change. Since the role of physicians is unique—they are simultaneously customers and providers—their commitment is key to the success of any initiative. For example, at one academic medical center, all implementation teams are led by a physician and an administrator. Physicians make up one-third of the membership on all the teams. And, in a change initiative in an HMO, the steering committee is co-led by a physician and each of the four design teams (who are also responsible for implementation) is led by a physician.

Many of the physicians in the HMO were accustomed to a major share of the capitated market. For years, they had provided high-quality care for the lowest prices in their areas. Many of the physicians continued to ignore the flight of their members to the newly created HMO providing equal or better service for less. This lack of interest in the change initiative continued until the physician leader of the steering committee had a series of meetings with a number of influential practice leaders.

To create change leaders must

- See that a realistic and effective implementation plan is developed
- Define specifically how they will measure the success of the initiative
- Identify change agents who will have primary responsibility for implementing change
- Continue to educate organization members about why the organization needs to change
- Role model the new expectations regarding behaviors, attitudes, and values
- Describe personal challenges in the transition
- Absorb risks that accompany innovation and improvement
- Provide resources (i.e., time, staff, and budget) to those responsible for implementing change
- Lead and encourage

Summary

Leaders are the critical players in transforming organizations. Successfully balancing their attention between managing daily operations and leading a change initiative is no small feat. This task can be more complicated in healthcare because of the dual and sometimes competing roles of physicians and administrators. Leaders have roles in all three phases of a change initiative.

Table 1 summarizes the specific tasks for leaders in each phase of change in relation to the other critical players.

TABLE 1
Leading performance improvement initiatives

Players	Phases		
	<i>Set the stage for change</i>	<i>Design change</i>	<i>Create change</i>
With self (Leader)	Clarify personal hopes and dreams	Remember your intention and what you anticipated it would take	Focus attention and action on making it happen
	Assess what it will take personally and professionally to create dreams	Get support from family, friends, colleagues, consultants	Remember your intention and what you anticipated it would take
	Clarify intention		
	Develop plan to build understanding and commitment of other leaders and key stakeholders	Remember that the difficult news is only part of the picture	Allocate resources to keep the organization going while transitioning into the new one
	Clarify decision-making process	Anticipate what resources will be needed for implementation	
		Identify what changes you will need to make in your skills and behavior	
With top team	Conduct preliminary situation assessment	Keep team's attention focused on change initiative	Strategize how to manage current operations while leading organization transformation
	Define mission and "sketch" vision	Build agreement on team's role in change	
	Build capacity of leaders to lead change individually and collectively	Continue to develop top team's ability to lead change individually and collectively	Identify changes they need to make individually and collectively; personally and professionally
	Build agreements regarding purpose, scope, and process of change initiative(s)	Agree on performance measures	

TABLE 1 (CONTINUED)
Leading performance improvement initiatives

Players	Phases		
	<i>Set the stage for change</i>	<i>Design change</i>	<i>Create change</i>
With change agents	Identify team of change agents to play primary role in initiative	Provide resources, protection	Identify team(s) of implementors
	Build understanding of and agreement on their charter	Cheerlead and encourage Participate at key decision-making points	Build understanding of and agreement on their charter
With customers and other leaders	Enlist support and participation of leaders "above," "below," and "next door"	Stay in close contact with customers and key leaders	Stay in close contact with customers and key leaders
	Inform customers and major suppliers of pending initiative(s) and what support will be needed	Clarify customer needs Clarify whether new markets, products, market penetration, or diversification is desired	Track impact of organization changes on customers and other relevant organizations
		Check with them at key decision-making points	
With the organization and key stakeholders	Communicate the "case for change"	Lead process to build agreement on organization mission and vision	Communicate "case for change"
	Communicate purpose, scope, and approach to change	Educate organization about business context (customer needs and requirements; shifts in market, technology, regulation, and demographics)	Champion the changes
	Define how "stake holders" will be involved		Communicate new expectations to leaders and employees Educate organization about the current and anticipated business context

NOTES

1. G. Hall, J. Rosenthal, and J. Wade, "How to Make Reengineering Really Work," *Harvard Business Review* 71, no. 6 (1993): 119.
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