

Making Change Stick with The Change Formula

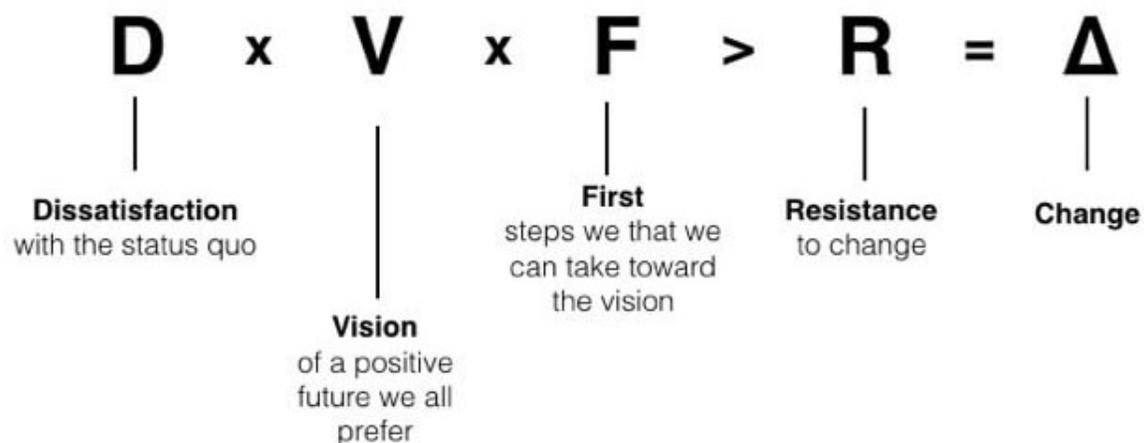
By George Ambler, January 24, 2016

The key to surviving the fast paced world of today is that ability to accept and manage change. But making change stick is a difficult task. And when it comes to managing change in businesses the failure rate is high.

- An IBM study “Making Change Work” of more than 1,500 practitioners worldwide found that only 59% of corporate projects miss at least one objective or fail entirely.
- In 2008, a McKinsey survey of 3,199 executives around the world found that only one transformation in three succeeds.
- An Economist Intelligence Unit study, sponsored by the Project Management Institute (PMI) found that less than half (46%) of executives their businesses are “excellent” or even “good” at executing initiatives and projects to deliver strategic results.
- A 2013 Towers Watson Change and Communication ROI Survey found that only one out of four respondents (25%) say they are able to sustain gains from their change management initiatives over the long-term.

As you can see from these research results that making change stick is not easy. What can be done to improve on these results?

One way is to use a framework to guide your thinking and help you stay on track. One such framework is the change formula. An approach to change created by Richard Beckhard and David Gleicher, refined by Kathie Dannemiller. This formula provides a way to thinking about improving the success rate of organisational change programs.



The change formula consists of the following factors which need to be present to make change stick.

- D – Dissatisfaction with the status quo
- V – Vision of a positive future we all prefer
- F – First concrete steps that we can take toward the vision

And if the multiplication of these three factors is greater than R – the resistance to change – then change becomes possible.

The insight gained from this change formula is that successful change is only possible when dissatisfaction, vision and the first steps is greater than the resistance to change. Given that the formula is a multiplication of these three variables. If any factor is missing, that is zero, or too low then the end result will zero or low. The implications are that falling short on any of the three variables makes resistance to change difficult to overcome increasing the chance of failure.

Successful change demands that leaders work to increase all three of these variables to ensure effective change.

Dissatisfaction with the Status Quo

The first factor to consider when seeking to initiate change is the level of dissatisfaction with the status quo. Without dissatisfaction there is no motivation to change. When you find yourself in a comfortable situation there is no motivation to move outside your comfort zone.

Thus your first task is to explain why the current situation and why the way things are being done today is undesirable. To many this involves creating what many call a “burning platform” or what John Kotter calls creating a “sense of urgency”. A great example of a burning platform is the Nokia CEO Stephen Elop’s ‘Burning Platform’ Memo where he wrote the following.

“There is a pertinent story about a man who was working on an oil platform in the North Sea. He woke up one night from a loud explosion, which suddenly set his entire oil platform on fire. In mere moments, he was surrounded by flames. Through the smoke and heat, he barely made his way out of the chaos to the platform’s edge. When he looked down over the edge, all he could see were the dark, cold, foreboding Atlantic waters.

As the fire approached him, the man had mere seconds to react. He could stand on the platform, and inevitably be consumed by the burning flames. Or, he could plunge 30 meters in to the freezing waters. The man was standing upon a “burning platform,” and he needed to make a choice.

He decided to jump. It was unexpected. In ordinary circumstances, the man would never consider plunging into icy waters. But these were not ordinary times – his platform was on fire. The man survived the fall and the waters. After he was rescued, he noted that a “burning platform” caused a radical change in his behaviour.”

When you are happy with the status quo you have no motivation to leave your comfort zone. However when there is high level of dissatisfaction with the status quo change is welcomed.

There are a number of factors that tend to increase dissatisfaction with the status quo:

- Competitive pressures (market share, revenue, costs, etc.)
- Changing customer preferences (customer satisfaction, quality, etc.)
- Poor organisational performance (unreliable processes, employee morale, etc.)

Dissatisfaction means being clear why things need to change. However, whilst dissatisfaction is an important part of motivating change, it is limited as it does not provide any direction. When the platform is burning you need to know which direction to jump. This is the job of vision.

Compelling Vision of Future Possibilities

The second factor in the change formula is a vision of future possibilities. People need a compelling vision of the future before we will accept and implement change.

Compelling vision is one that has the following 10 characteristics:

- Future Focused
- Directional
- Clear
- Relevant
- Purpose-Driven
- Values Based
- Challenging
- Unique
- Vivid
- Inspiring

These characteristics make for a compelling vision. A compelling vision ensures that everyone is clear as to what is in it for them and how the organisation will benefit. The more compelling the vision the more motivated people will be to put effort into achieving the vision. If your vision is not compelling people will not be willing to work to make it happen.

A compelling vision pulls people towards a better future and provides direction for the change.

First Steps Towards Change

Being dissatisfied with the status quo and having a compelling vision is not sufficient on their own to motivate people to change. People need to have a planned roadmap that provides a way for them to achieve the vision. Unless there is an understanding of how to achieve the vision people will not be open to change.

Successful change requires a clear strategy as to how you will achieve the vision. Whilst you may not know all the steps needed to achieve the vision it is important that you know the first steps. A plan that makes clear the first steps, activities and benefits of change helps to increase the motivation for change. As the change is implemented many of the additional steps required will be figured out along the way.

Resistance to Change

Lastly, the dissatisfaction, vision and first steps combined need to be greater than the resistance to change. Whilst working to improve dissatisfaction, vision and the first steps you also need to be working to reduce the resistance to change. This is done by involving people in designing change, communicating effectively and ensuring sufficient buy-in and ownership of the change by executive leadership.

I trust you found that this change formula a useful tool. One that you will use it to guide your change initiatives going forward. In this way you will increase the chances of making change stick and avoid becoming a statistic.

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