

CASE STUDY

CHANGE CONSULTING IN A GROWTH SCENARIO



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PREFACE

This case study shows an exemplary support of the fictitious [BJ] GmbH by Dr. Kraus & Partner [K&P].

All named persons and companies as well as described activities are completely fictitious, a similarity or even confusion with the real world should therefore only be possible by chance, if at all and is not intended by us in any way.

THE INITIAL SITUATION

The CEO of BJ GmbH, should actually be satisfied...

The business strategy in the various business units seems to be in full swing and the success of recent years is impressive:

Sales development and the number of employees have almost doubled in the last three financial years.

The growth in diversity naturally strengthened the autarchic structure of the individual divisions, which also boosted the self-esteem of senior managers.

HOT TOPICS

As pleased as the CEO is about his current success, as a strategist he also sees the need to create the conditions for future growth.

Looking closely at his areas, he regularly wonders how much creative chaos plays a part. He experiences cumbersome workflows, redundancies due to multiple and duplicate work and little coordination between the areas. The corporate culture, which is becoming more and more lost due to the permanent hiring of new employees and the integration of new colleagues from company transfers, can only be perceived diffusely - *in fact, everyone is doing their own thing.*

WHAT THE CEO WAS DEALING WITH IN THIS SITUATION

The many growth cultures of BJ do not live in the need to be efficient. This is logical, since the return on investment [ROI] for market cultivation activities in our case is considerably higher than, for example, for process optimization.

In this scenario, people are hired and resources are purchased wherever new tasks arise. This, in turn reduces the already low level of dependency on others even further, the actual need for cooperation and communication between the sectors is also diminishing. Managers even indirectly expand their position of power through uneconomic behavior!

If one has many parallel growth cultures, this effect will probably multiply until BJ is so fragmented that a coordinated joint market cultivation becomes more and more unlikely due to particular incidents and the "Me first culture" that has developed.

As a result, the company's purpose and thus the earnings development of BJ would probably be directly endangered.

THE CHALLENGE

The logic of the organization and its cooperation should therefore be questioned, so that the success of the past does not endanger the success of the future.

It was therefore necessary to organize the current and future growth structurally, to raise the efficiencies that exist in the integrated value creation of the current organization and to develop a common culture of leadership and cooperation.

Generally speaking, the CEO is not keen on management consultants, since in his opinion the ability to change within the organization itself must be present. However, this desired change was very extensive and the success, so much was clear, would depend on the "buy-in" of the managers. It was to be assumed that this change would be met with skepticism and, in some cases, even resistance.

Therefore, the CEO entrusted his assistant with pre-selecting and running a "beauty contest" with suitable consultants to get a feel for the "right external partner" in this matter.

The CEO found it particularly important that the consultants ...

- Work **together** with the executives on the future of the organization.
 - Therefore, are not "know-it-alls", but experts in organizational strategy, who incorporate the know-how and personalities of the organization into the concept phase in a co-creative process.
- Do not allow findings to become "paper tigers", but are able to ensure the prerequisites for **successful implementation** and to keep an eye on the **cultural background**.
 - Therefore, not only deliver smart ideas, but also accompany the change as a change managers. In addition to the strict implementation of measures and initiatives, they should also have the necessary psychological tools to ensure the necessary acceptance and mobilization of the participants.

No sooner said than done, the invitation to tender was issued and various consulting firms were asked for the task, together with a request for a meaningful concept.

SPOILT FOR CHOICE

After a first look at the submitted concepts, one thing was confirmed once again:

Many experts = Many opinions.

Although the tender documents were extremely well structured, the ability of the participating consultants to interpret them obviously knew no limits - there were clear differences in content and format.

How to evaluate quality? At the beginning, a small catalogue of criteria was developed in order to enable a first selection by means of crosses or point scoring:

- What did the consultant understand?
- Is this a plausible proposal?
- Does the visual presentation cater to our taste?
- Was it well structured?
- Does the described offer fit to the corporate culture?
(Management Summary Style vs. Word Textgrab)?

In the end, 3 consultations were invited to the "Beauty Contest", where it became obvious that all participants clearly understand their respective craft.

At the end of the day, one consultation was particularly interesting. It scored points with the right mix of strategy, structure and culture and convinced with the humane approach of the consultants and their professional adaptability in the content they presented. (**Complex** content in diagrams; **detailed** content as text; **emotional** content via cartoons).

↓ THE ORDER CLARIFICATION

In a first discussion with the consultants of K&P, the CEO once again explained his expectations for the change project and introduced the internal project manager as well as a few other executives. Together, the project structure organization had already been outlined and members had been nominated for the steering committee.

INTERESSTING

It was particularly good that some key players were already present at this date. The consultants had shaken a few hands at once, which was much better than anonymous strangers that nobody knows yet "scurrying" through the corridors.

PARTICIPANTS

Internal: CEO, assistant, project manager, 3 managers

K&P: Architect, Change manager

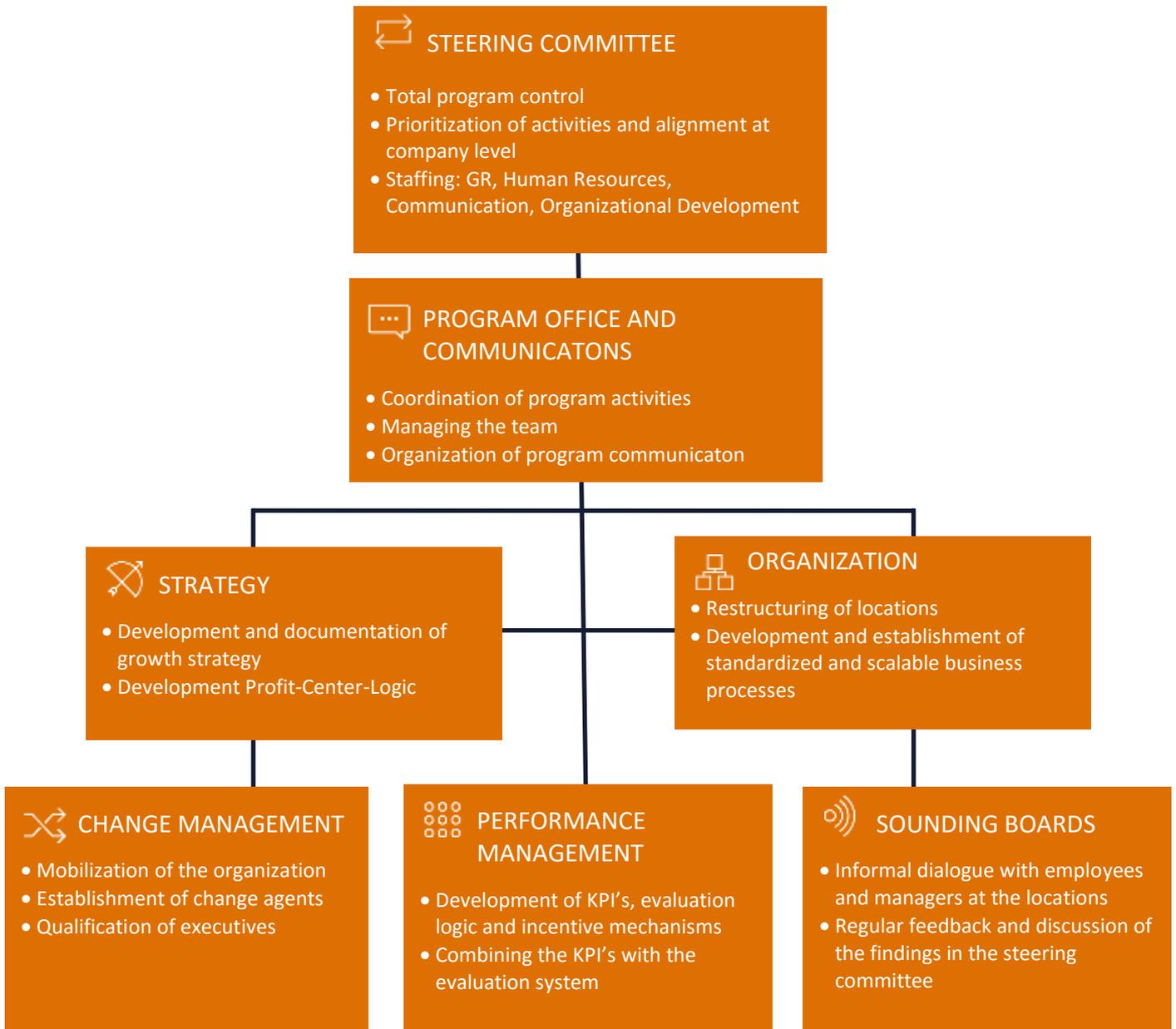
EXTERNAL EXPENSES

0,5 days architect

0,5 days Change manager

RESULT

The chemistry was right, which was a good start. Key points of the discussion were documented and finalized with the CEO. Essential framework conditions and some priorities for the project were clear from the very beginning.



THE ANALYSIS PHASE*

At the beginning, it was essential to develop a solid understanding of the organization and its mechanisms. Therefore, information needs were defined along the lines of strategy, structure and culture and collected along a specially developed road map.

A. IMPLEMENTATION OF PARTIALLY STRUCTURED INTERVIEWS INCL. "CARD SORTING EXERCISE"

2 hours each to record personal "points of view".
of the persons to be involved

- Phase 1: Top Management [35 persons]
15 via phone
- Phase 2: Key players of the change process [25 persons]
10 via phone
- Phase 3: Consolidation of interviews
Creation of working hypotheses

The survey was carried out by 2 K&P consultants
[Total effort 240 hours]

B. REVIEW OF RELEVANT DOCUMENTS/DOSSIERS FOR REGISTRATION OF THE "RECORDS"

- Phase 1: Collation
[1 person 4 hours]
- Phase 2: Content analysis
[1 person 40 hours]

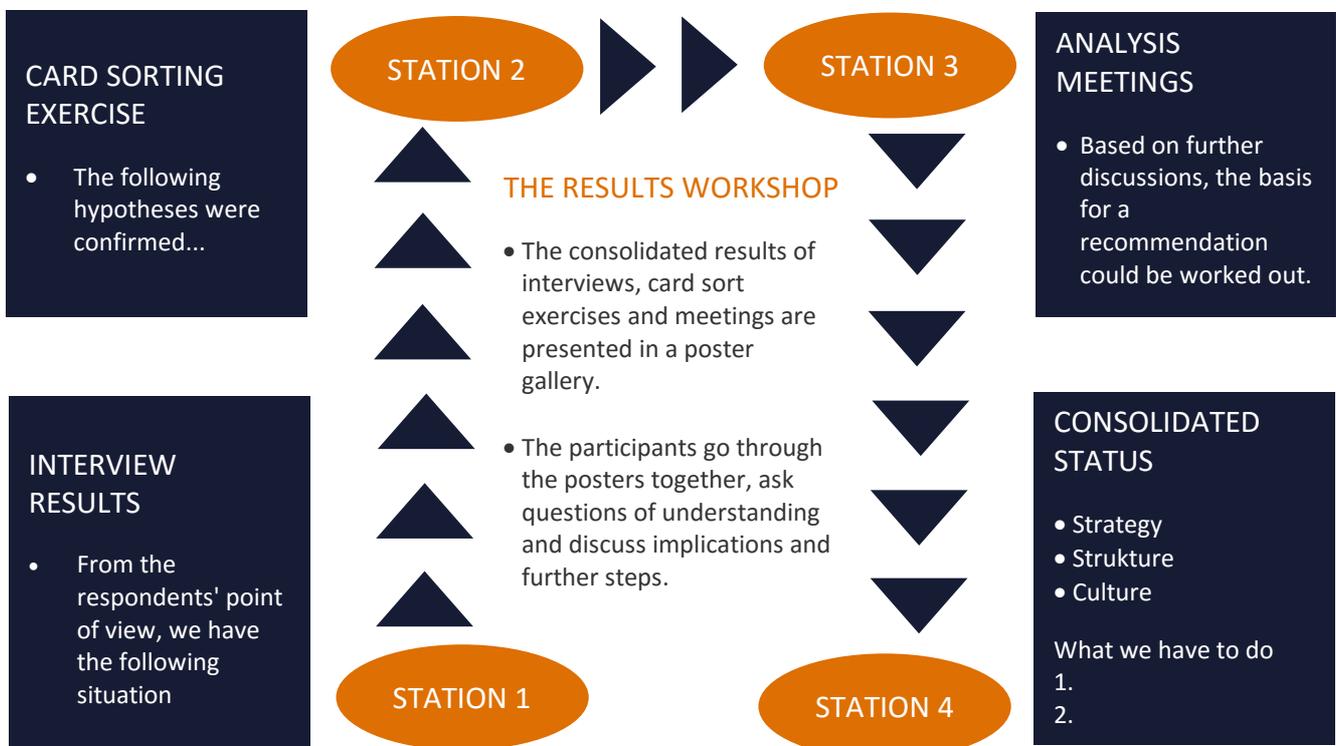
The survey was carried out by 1 K&P consultant
[Total effort 44 hours]

C. CONDUCTING A 1-DAY RESULTS WORKSHOP (A&B)

[FOR TOP DECISION-MAKERS]

- Poster presentation of the analysis results in "Gallery Walk" format
- Joint reflection of the results in a plenary session
- Group work for the planning of logical consequences, incl.

Execution was carried out by 2 K&P consultants
[Total time 16 hours].



D. CONDUCTING ANALYSES WORKSHOPS

8 hours each for recording the process organization (high level) on the basis of the file situation in relevant areas [9 areas].

- Representation of the workflow, information and financial flow as well as interfaces
- Generation of first improvement hypotheses
- Identification of possible Quick-Wins

The project was carried out by two K&P consultants
[Total time 144 hours].

* In this example, the **analysis phase** explicitly does not include the considerations necessary for project management, such as e. g. Stakeholder analysis, risk analysis etc.

INTERESTING

The poster presentation in the results workshop provided a well-founded topic of discussion and enabled an objective examination of different expectations. It was very surprising to discover that there are different strategic schools of thought: planning school, learning school, entrepreneurship school. This is linked to implicit expectations that can lead to massive frustration in management if "non-compliance" occurs. On this basis, we can now develop a common perspective for our day-to-day management.

PARTICIPANTS

Internal: CEO plus management team

K&P: Architect and 1-2 Change managers

EXTERNAL COSTS

17 days Architect

45 days Change manager

5,5 days PMO

RESULT

The initial situation was clearly documented and the basis for the conceptual work was established.

Through the cross-functional reflection in the results workshop, a real group dynamics arose early on. It quickly became clear who feels more like a winner or a loser in the new world.

However, the participation also led to the fact that critics were able to take the wind out of the sails on the basis of the solid analysis and made it transparent which topics are worth working on together.

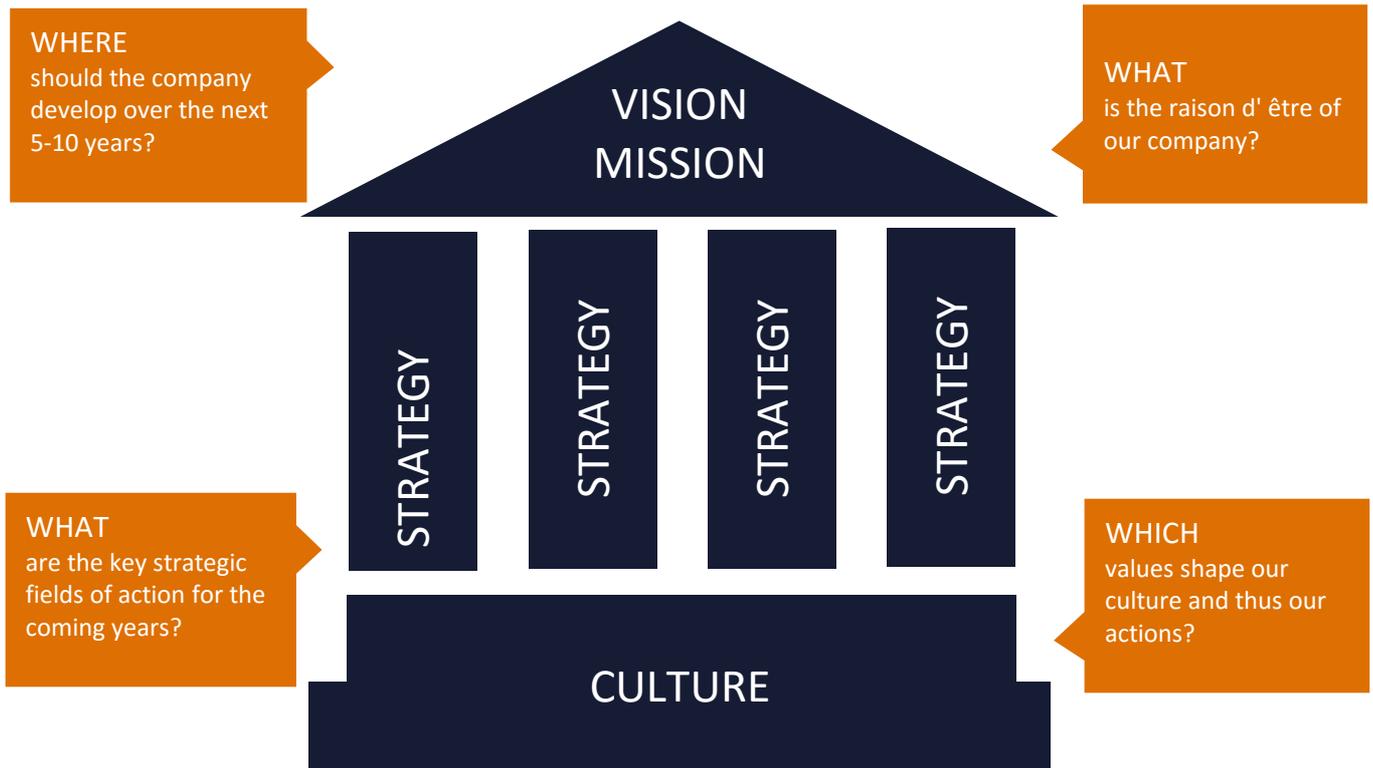
The moderators took up the emerging concerns in a structured manner and made them treatable. Activity planning was also well executed, with clear goals and responsibilities at the end of the event.

✦ THE STRATEGY CONCEPT PHASE

After a successful analysis, we were able to concentrate on creating the basis for future growth - at least conceptually.

A. TEMPLE WORKSHOPS

Because the executives were to be involved, it was decided to work out the "BJ-Strategy Temple" in a top-down workshop series, so that a strategic dialogue becomes possible and a joint organizational development can occur in the future.



The "Strategic Temple" facilitates a targeted strategic dialogue, creates cultural awareness and forms the basis for a joint development of the organizational strategy.

In a workshop series of 3 x 2 days we went down to business:

WORKSHOP 1: VISION & MISSION

Following a keynote speech (Change Story) by the CEO, the selected participants reflected on the already formulated vision:

Market leadership in the German-speaking countries until 2015

During group work, they presented their personal contribution to the overall success from the viewpoint of the respective areas. In a subsequent plenary discussion, possibilities for cooperation were discussed.

Finally, a joint mission was worked out in a moderated group work and compiled in a collage.

WORKSHOP 2: STRATEGIC FIELDS OF ACTION AND GOALS

After a short wrap-up we went directly to the working groups. The participants had already received homework beforehand:

What could we achieve through our mission, or what should we do in a meaningful way?

In a moderated process, clusters were formed in a World Cafe and enriched with ideas by the participants. The results were resumed the next day and further developed in small groups.

In the end, the participants formulated the following three strategic fields of action:

- **New identity**
Enabling a new identity through
 - a jointly designed strategy process
 - Cross-functional cooperation initiative
 - Further development of corporate and management culture
 - Start of an open cultural discussion throughout the company
- **Growth and market**
Consistent forward movement in the entire company

- Creation of new services (bundling business)
- Systematic organic growth in own sector, opportunistic acquisitions

● **Fit for Performance**

Increased efficiency through

- Reorganization of locations and companies
- Business processes and lean philosophy
- Performance culture and performance management

Working groups were set up along the fields of activity, which formulated suitable goals and formulated recommendations for process organization in further meetings in cooperation with the K&P consultants.

WORKSHOP 3: VALUES AND CULTURE

In the last of the 3 Temple workshops the participants discussed the cultural component. The mix of the participants was a nice example of the diversity of BJ GmbH.

At the beginning there was a podium talk about cooperation. A well-known social psychologist explained: The egoist then cooperates with a small circle of business, church and sport to open up the discussion in which, of course, opportunities and risks also came into play.

In an open space format, the discussed topics and questions on cooperation were then transferred to the divisions or national companies, so that a map of possibilities was created. The ideas of the participants were then drawn into the map as a cultural building site.

In a final voluntary commitment, the managers of the divisions then declared individual construction sites on their map as "opened". In order to realize the cultural work, working groups were set up, which were supported and controlled by K&P at their construction sites and reported on their successes after 3 months. The sub-project cultural work was officially planned and budgeted 2 weeks later and thus became an integral part of the change project.

INTERETING

The temple workshops added the side effect of forming a real team. Through the group work, a network has developed which already revealed the first possibilities of cooperation.

As a direct consequence, two managers have already started to let employees

work on different topics in order to learn from each other (in this case the group leaders of the respective customer service).

PARTICIPANTS

Internal: CEO plus management team
K&P: Architect and 1 Change manager

EXTERNAL EXPENSES

6 days architect
6 days Change manager
6 days change moderator for group work support
Fee for Keynote Speaker

RESULT

The Strategic Temple is fully described - the involved leaders participate in the design of the new organization and have a common vision of the upcoming change. Each participant is able to reflect at least the content of vision, mission, strategic fields and corporate values.

INTERFERENCE

CEO and steering committee meanwhile increased the pressure because they wanted to make first steps in communication, so presentable results had to be produced.

In the Project Office, it was noticeably rumbling as the project manager passed the received pressure directly onto the team, albeit unfortunately not focused and purposefully, but diffusely.

Our change manager recognized early on that our priorities were reorganized in favor of urgent quick-wins, rather than working in parallel and running "expectation management" at the steering committee, so planned activities were to be postponed.... A clear case for supervision. After initial skepticism, our project manager was convinced to participate in a session with a K&P coach. Here, fears of failure could be taken up in a dialogue and the associated energy could be channeled into targeted activities.

PARTICIPANTS

Internal: Project manager, 2 staff communication [3 hours]
K&P: Change manager and Supervisor [4 hours]

EXTERNAL EXPENSES

2 hours Change manager [already existing cost]

2 hours supervisor [not billed]
Overnight translation service

RESULT

The results of the supervision led to the following activities:

Development of a format

The project team worked together with the HR/Communication department in a short meeting [2 hours] to develop a rapid format for short-term "messages from the project" called "snapshot", which can be emailed to the respective target group in real time. The layout was created by an internal MA and provided as a template for the project team.

Development of content

The project team prepared a snapshot communication in which a photo of one of the temple workshops was inserted and a snapshot of the kick-off for more collaboration was added.

Implementation of measures

Sending the snapshot could be carried out two days later.
2,200 employees received the snapshot in their native language by email on behalf of their manager. The translation work was carried out externally by a service provider and coordinated by the project team.

B. THE WORK GROUPS

From the temple workshops, working groups have emerged along the strategic fields of action, which subsequently met for further appointments.

These were moderated by K&P and supported with regard to content in the concept design. Documentation was secured by K&P. To present the results to the steering committee, a representative from each working group was appointed.

B1. WORK GROUP NEW IDENTITY

PARTICIPANTS

Team of 7 managers, 1 employee from HR / Communication

EXTERNAL EXPENSES

24h Change manager (3 x working sessions plus documentation)

RESULT

- Roadmap for a continuous strategic dialogue
- Recommendations for synergies through cooperation (10 activities)
- Rule communication roadmap on culture (developed in coordination with HR / Communication)

B2. WORK GROUP GROWTH AND MARKET

PARTICIPANTS

Team of CEOs (sporadic participation) and 2 x 2 managers, as well as individual employees from the respective areas

EXTERNAL EXPENSES

48h Change manager (6 x working sessions plus documentation)

RESULT

- Product proposal for joint market cultivation
- Proposed synergy: Country companies use sector concepts (cash-back)

B3. WORK GROUP FIT FOR PERFORMANCE

PARTICIPANTS

Team of CEOs (sporadic participation) varying participation of divisional managers plus selected employees

EXTERNAL EXPENSES

100 Architect (2.5 days per proposal (4))

60 hours Change Manager (1.5 days per proposal (4)) plus documentation)

RESULT

- Proposal for the possible redesign of the organization similar to the proposal for the new process organization
- Proposal for the introduction of business process optimization
- Proposal on suitable incentive mechanisms for leadership and cooperation
- Proposal for the introduction of an integrated management system based on a BJ compatible balanced score card

The collected concepts were presented to the steering committee for presentation and later released for implementation.

THE IMPLEMENTATION

The supreme discipline: Change managers should ensure that smart concepts turn into tangible results.

A. PROJECT ORGANIZATION

The following points were particularly important to the project manager for the further course of the project:

A1. MIRRORED TEAM STRUCTURE TO ENSURE KNOWLEDGE TRANSFER AND INCREASE ACCEPTANCE IN THE ORGANISATION FROM THE OUTSET [Mapping via a redundant project team internal/external]

Often, companies inadvertently make themselves permanently dependent on consultants, as the expert knowledge is built up on the "outside", i. e. with non-employees. If you want to leave this spiral of dependency, we recommend you organize an organic knowledge transfer. The easiest way to do this is to have an internal employee at the side of every permanently committed consultant and work together as a joint project team.

In this way, the consultant can easily diffuse know-how into the organization and the work of the external partners becomes comprehensible.

INTERESTING

It was a great irritation for the corporate culture of the BJ GmbH that consultants develop solutions together with their "own people". After initial role conflicts (who is the customer and who is the supplier?) it quickly became clear that the project team in the organization was perceived as a "one team". In retrospect, this was reflected to us as a very positive result, as no rejection reactions against an anonymous group of advisors came from the employees.

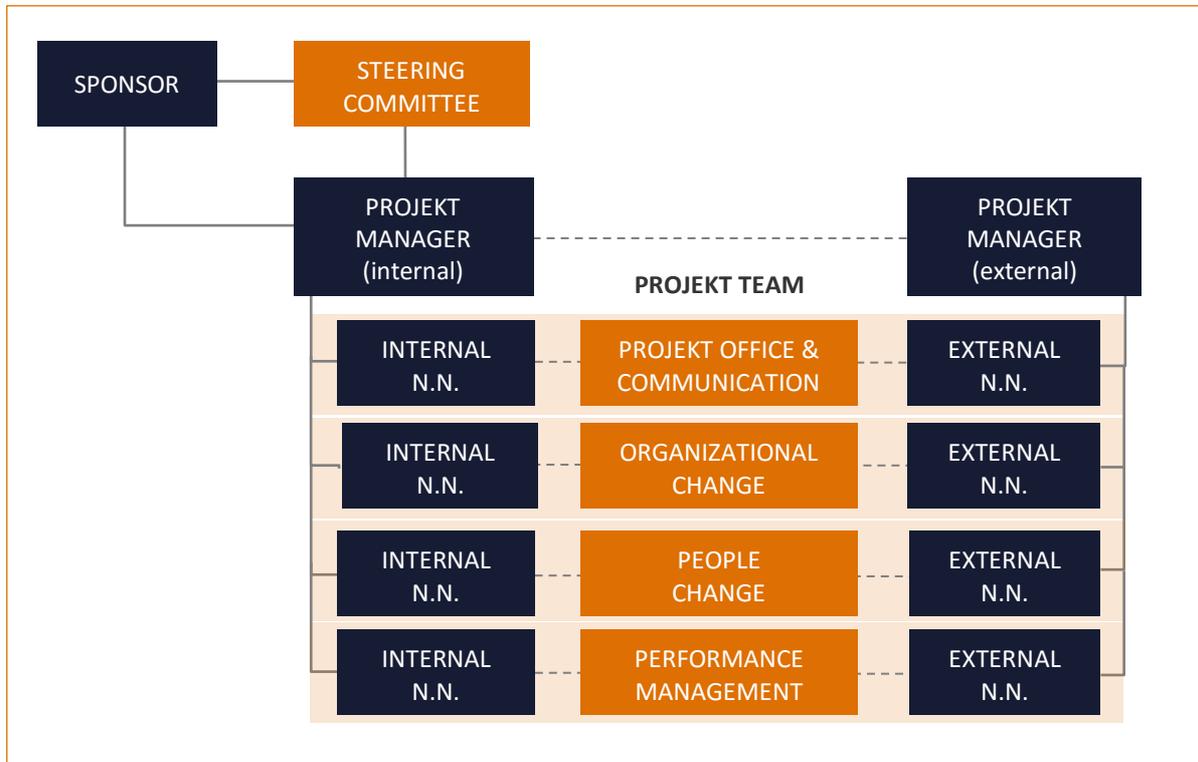
PARTICIPANTS

Internal: Project manager, team
K&P: 3 Change managers, 1 PMO Support

EXTERNAL EXPENSES

300 days Change manager as Co-Project manager
200 days Change manager Communication & Change
100 days Change manager Processes
400 days PMO support

RESULT



A2. FURTHER PARTICIPATION OF THE KEY PLAYERS OF BJ IN THE OVERALL PROCESS

[Mapping via a Workstream Project Office & Communication]

During the concept phase, it was not possible to involve all parties to the same extent, as the working groups were composed of different groups and came together at different times. In addition, all those who no longer played an active role had to observe a natural cooling effect.

In order to keep the key players at bay, it was decided to keep these particularly important people informed about the progress of the project on a regular basis. In addition to pure information exchange, dialogue formats should also be offered in order to permanently anchor the meaningfulness of our project.

The main medium was a **magazine** for all members of BJ which was published every 8 weeks and was scheduled according to the steering committee meetings in order to ensure the best possible topicality.

In addition, regular meetings (duration approx. 1.5 hours each) were held with selected employees at the sites in so-called "**sounding boards**". The participants were a representative cross-section of the workforce across functional areas and

hierarchical levels. In direct dialogue, one of our consultants was able to get a concrete picture of the "*general weather situation*" on site. These unfiltered messages were then summarized and reported directly to the steering committee. In this way, there was a direct exchange of information between the decision-makers and the base. This direct channel was very well accepted, reduced resistance and helped to make decision making easier.

Key players were integrated via our "*Change Agent Program*". In this format, selected individuals were trained as "**change agents**". Their task was to detect resistance and keep it to a minimum. The main part of the work was to seek dialogue with the local people in order to take away fears, to deal with the pain of parting, and to give them courage for the future.

In order to do justice to this task, we have trained all "*agents*" well and have provided them with advance information as well as a "*Change Tool Kit*". Through this assignment, these "*agents*" became our ambassadors and received an exposed and respected position within the organization, which had a very positive effect on their commitment and attitude.

A3. PROVISION OF CHANGE EXPERTS INTERNAL / EXTERNAL

[Mapping via a change team assessment and experts from K&P]

The change should be represented and driven by a strong team.

B. PROJECT MANAGEMENT

In our project at BJ GmbH, from the very beginning, the biggest challenge was to integrate the large number of key players, but not to create the impression that everyone present would have "equal voting rights".

The steering committee was therefore kept relatively small, thus minimizing bureaucratic effort and keeping the speed of decision-making to a minimum.

INTERESTING

Although the pressure from the many key players was immense, it was possible to prevent the creation of a sluggish "control monster". Here, 33 managing directors and several functional managers were discussed.

The CEO's clearly formulated expectations were particularly helpful in this respect:

„It is important to me that our project manager Mr. XX and his team receive all possible support. For this purpose, it is necessary that we are able to make decisions in the steering committee which our top managers have prepared for us in the area as sub-project managers or in their line function with their teams...“

PARTICIPANTS

Internal: CEO, Project manager, [3 hours, 8 regular appointments per year]

K&P: Architect, Co-Project Manager [2x 24 hrs/year]

EXTERNAL EXPENSES

3 days Architect

3 days Change manager

RESULT

The steering committee was able to deal with the emerging decision requirements within its regular meetings (approx. every 8 weeks). There were, however, occasional web meetings to be able to follow up at short notice, which occurred approximately once a quarter.

C. ACTIVITY PLANNING

From the strategy concept phase, it was now necessary to obtain an overall overview and to enter into the concrete planning of the activities.

For this purpose, it made sense to once again recall what our upcoming project was all about: change of behavior and this needs to be learned!

From countless projects, we know that there are 4 "change levers" that can be used to improve the chances of success, so that employees and managers show the desired behavior.



The 4 levers of change (Motivation, Abilities, System and Culture)

For this reason, the workstreams *Organizational Change* and *Performance Management* activities were supplemented by additional measures that were

combined in the workstream *People Change*. Here, our best practices have been applied to get managers and employees on board.

Above all, the measures planned here had to have a high degree of connectivity in the organization, and the employees affected had to be able to adjust well. Based on our many years of consulting experience, we have brought with us a variety of tools and methods, from which we select the most appropriate and most suitable ones together with our clients.

SUMMARY

With activity planning, the practical phase of the implementation of individual measures began - in some companies one would say: from now on it is "normal" project management...

The procedure in this fictitious case study illustrates the holistic K&P approach to accompanying change processes. Each of the three central process phases of analysis, design and implementation is critical for the success of the overall project. That's why we design a detailed change architecture for each phase. Clever interconnections ensure the cohesion of all three phases and a coherent and controllable architecture of the overall process.