

# Walk the Talk

## Radio for Agile Minds

### Preparing People for Change

Note: this script may refer to events and dates which have passed since the show was broadcast.

<b>Shelley</b>	<p><b>It's that time of the month when we "Walk the Talk" and welcome Nick Anderson to the studio to help us check out if we do actually "Walk our own Talk"</b></p> <p>Nick is Senior Partner for Professional Development Services – long time contributor to WGVU</p> <p>During many consulting engagements Nick and his colleagues identified that organizational misalignment as a major factor in organizations and individuals were not achieving goals</p> <p>This changed their focus to ground their work by aligning people's expectations first before designing learning, coaching and other work.</p> <p>Each month Nick chooses a topic related to the business world in West Michigan focusing on the transitions this economy is going through</p>
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	Welcome....What have you chosen for us this month?
<b>Nick</b>	<p>This week I want to talk about <b>Preparing People For Change</b> which we will be running for the Grand Rapids Chamber University on Thurs 24<sup>th</sup> 730am-930am</p> <p>The focus of this program overviews improving people productivity and the connection with those who aren't on the same page and how you can gain people's commitment as we climb out of this recession.</p>
<b>Shelley</b>	Why is this so important as we climb out of this recession?
<b>NICK</b>	It's a good question...over the last 15 years the odds of making a successful change in North America haven't changed appreciably. Two thirds of change initiatives fail, including family businesses trying to pass on their company to the next generation. Number 1 reason executives survey said " <b>People</b> "
<b>SHELLEY</b>	What is your take on the reasons for such a high failure rate?
<b>NICK</b>	<ul style="list-style-type: none"> <li>The performance challenge is greater than ever. How you rebuild and lead an organization to perform near its potential is even more difficult today.</li> </ul> <p>As Tim Kite of Focus3 Consulting says:</p> <p>It's challenging because an organization is the sum of its parts piecemeal improvement doesn't address the organization's system. To meet this challenge you need to be really clear on the difference between performance drivers vs. performance indicators. Too many people focus on the numbers</p>

	<p>and too little on Drivers:</p> <ul style="list-style-type: none"> <li>• Key Drivers produce performance</li> <li>• Key Indicators only measure performance (even well designed ones)</li> <li>• You can't manage indicators only drivers can be managed</li> </ul> <p>There are Five Drivers that cover your business system</p> <ul style="list-style-type: none"> <li>• People – Selection, Development &amp; Retention</li> <li>• Culture – Clarity, Consistency &amp; Connection</li> <li>• Strategy – Value Proposition, Marketing, Sales Customer Care, Financial Goals</li> <li>• Processes – Work Flow</li> <li>• Structure – Organizational Design, Role, Relationships</li> </ul> <p>When you align these Five Drivers you need to ensure that:</p> <ul style="list-style-type: none"> <li>• Culture aligns and motivates people,</li> <li>• Strategy delivers in line with Customers needs,</li> <li>• Systems delivers high quality consistently,</li> <li>• Structure empowers people and smoothes workflow</li> <li>• People Driver recruits, develops and retains the right people.</li> </ul>
<p><b>Shelley</b></p>	<p>How do you assess if these drivers are broken or needs repair broken?</p>
<p><b>NICK</b></p>	<p>Let's take costs. To manage costs effectively across the Fiver Drivers you need clarity what are Core and Non-Core expenses or to put it another way what directly contributes to Top Line revenue vs. the cost</p>

of doing business which only ***indirectly contributes to revenue***

Core Expenses are what drives Top Line Sales Revenue

So, Core **and** Non-Core Expenses first. You are likely to find functions which are internally misaligned present opportunities for improved productivity. Coupled with this is looking at inefficiencies when functions work collaborate with each other

Consider a company with nine functions, for example Production, Marketing, Finance. How many communications channels? You have 9 functions with 9 communication channels less 9 channels within each Function = 72 Communication Channels

Additionally, within one function say you had 50 people 2450 channels potentially.

As you look at these channels you find inefficiencies. Friction between Finance and Marketing is not unusual. So, what happens to communication flows. Communication reduces and fall back on being formal and response times get slower. We call these Expectation Gaps

**Expectations Gaps Are like Pot Holes.** Fill them quickly before damage occurs

<p><b>Shelley</b></p>	<p>It sounds like they don't know <i>"who's on first"</i> and even if they did no one is holding people accountable good starting point.</p>
<p><b>NICK</b></p>	<p>Exactly. It's like many poor performing teams at least one of the following will apply:</p> <ul style="list-style-type: none"> <li>• Four Team members called Everybody, Somebody, Anybody, and Nobody.</li> <li>• There was an important job to be done.</li> <li>• Everybody was sure that Somebody would do it.</li> <li>• Anybody could have done it, but Nobody did it.</li> <li>• Somebody got angry about that because it was Everybody's job.</li> <li>• Everybody thought Anybody could do it, but Nobody realized that Everybody wouldn't do it.</li> <li>• It ended up that Everybody blamed Somebody when Nobody did what Anybody could have done.</li> </ul> <p>How expensive is that?</p>
<p><b>Shelley</b></p>	<p>What signs should look for to see if think is going on?</p>
<p><b>NICK</b></p>	<p><i>"That's not what I meant..."</i></p> <p><i>"This is not what I asked for!"</i></p> <p><i>"My colleagues don't seem to do what I expect..."</i></p> <p><i>"They never tell us the whole story!"</i></p> <p><i>"I can never do anything right!"</i></p>

	<p><i>"They never send us information; we're always sending information to them!"</i></p> <p><i>Sound Familiar?</i></p>
<p><b>Shelley</b></p>	<p>Yes, I know several organizations where those examples would get a lot of nodding. Do you have any idea what misalignment costs?</p>
<p><b>NICK</b></p>	<ul style="list-style-type: none"> <li>• 60%+ of change initiatives fail in North America</li> <li>• 70%+ of leaders expectations are not understood by their people about a major change</li> </ul> <p><b>In the last 12 years, 2 in 3 failure rate has not changed</b> <i>Harvard (1996) to McKinsey (2009)</i></p> <p>Executives surveyed continue to say the number one reason for such failures is PEOPLE</p> <p>It really goes into the millions and can close businesses. In one survey 134 public companies average cost of failed IT projects was \$12.5m. This does not account for the cost to their cultures and people.</p>
<p><b>Shelley</b></p>	<p>What are the human costs when things are misaligned?</p>
<p><b>NICK</b></p>	<p>With misalignment the first to go is Trust coupled to a Fear Of Conflict.</p> <p>When these two exist, a Lack of Commitment grows and its partner Avoiding Accountability rears its ugly</p>

	<p>head.</p> <p>Finally, silos are reinforced, people do what they have always what they have always done and improved performance doesn't happen</p> <p>When these dysfunctions grow over time you will find that the 800lb Gorilla feeding on a rich culture of unstated expectations and assumptions.</p>
<p><b>Shelley</b></p>	<p>How many of these are due to people not being on the same page?</p>
<p><b>NICK</b></p>	<p>In our projects 70%+ of leaders' expectations of each other and those implementing a change have not expressed.</p>
<p><b>Shelley</b></p>	<p>Apart from unstated expectations, how do you identify poor expectations</p>
<p><b>NICK</b></p>	<p>The biggest culprits are the expectations are ambiguous, lack specificity which leads to disappointment, failure and bad feelings etc. here's some typical <b>language that predicts performance improvement failure:</b></p> <ul style="list-style-type: none"> <li>• <i>"Soon....."</i></li> <li>• <i>ASAP</i></li> <li>• <i>"Right Away...."</i></li> <li>• <i>"I'll Try To Get To It....."</i></li> <li>• <i>"Later...."</i></li> <li>• <i>"By The End Of Next Week"</i></li> </ul>

<p><b>Shelley</b></p>	<p>So, Practically what can people do about this when they hear language like this?</p>
	<p>First get key players get them to articulates and record expectations then apply:</p> <p><b><i>“The three most important rules in creating accountability cultures are:</i></b></p> <p><i>Specificity, Specificity, <b>Specificity</b></i></p> <p><b>Dealing with Expectations Gaps</b></p> <ol style="list-style-type: none"> <li>1. Which expectations gaps are barriers to improving performance and reducing expenses?</li> <li>2. Who do you need to gain agreement from?</li> <li>3. Once agreed, ask them to tell you what evidence you will see that your expectation has been met?</li> <li>4. Then, hold them accountable – <i>“Inspect what you expect”</i></li> <li>5. Then, what do you think others expect of you that is connected to these gaps?</li> <li>6. Now, repeat steps 2,3 &amp; 4</li> </ol>
<p><b>Shelley</b></p>	<p>Have you done any projects locally where you have helped fill such expectation gaps?</p>
	<p>Ken Genzink, Genzink Steel tried twice over the last five years to reduce his operational management of the Family Steel Fabrication business. On both occasions he had to reengage to save the business.</p>

As says in his testimonial, *"I realize now more than ever that many decisions and observations were assumptions"*

This resulted in problems like:

- Job Shop Scheduling software didn't work
- People were cynical about it ever being useful.
- Structural Steel side of the business was losing money due to poor estimating
- Difficulty in retaining skilled people

The Implementation consisted of the following activities:

- Developing a vision for change to reduce dependency on the
- Owner's day-to-day management.
- Isolate key Alignment Components and their definitions which Ken Genzink saw as crucial to achieving greater market responsiveness and help him devote time to his other businesses
- **AIEx™** was then configured specifically for Genzink Steel. **AIEx™** is an Automated Accountability Tracking tool that identifies expectations gaps and monitors people's progress in filling them.

Ken now works at another location devoting the time he needs to the other Family businesses. Gross Revenues have steadily increased from \$20 to \$30m,

	<p>and</p> <p>Genzink is now on the acquisition trail.</p> <p><i>“104 jobs: Genzink Steel Supply and Welding Co., maker of metal wind turbines, and other fabrications” (GR Press Aug 2008)</i></p>
<p><b>Shelley</b></p>	<p>Tip of the Month</p>
<p><b>NICK</b></p>	<p>Register on the Grand Rapids Chamber University's web site (grandrapids, or/ events) to come on Thursday's Session. My tip is based on what people have to prepare before the attend</p> <ol style="list-style-type: none"> <li>1. Identify who feel is not really on the same page as you and it's important that you do.</li> <li>2. Before you talk to them ask yourself six questions:</li> </ol> <p><b>My Expectations of Others</b></p> <ul style="list-style-type: none"> <li>• What / expect you to <b>keep</b> doing</li> <li>• What / want you to <b>start</b> doing</li> <li>• What / want you to <b>stop</b> doing</li> </ul> <p><b>Others' Expectations of Me</b></p> <ul style="list-style-type: none"> <li>• What things / think others want me to keep to <b>keep</b> doing . . . .</li> <li>• What new things / think others want me to <b>start</b> doing . . . .</li> </ul>

	<ul style="list-style-type: none"><li>• What things / think others want me to <b>stop</b> doing . . . .</li></ul> <p>Then meet to share them and see where your bad vibes are coming from</p>
	Contact Information