

Building the Case for Change

“Rallying the enterprise to support change is essential to operational excellence. It can be done. Companies don’t have to settle for lagging performance.”

Are your improvement efforts failing to get organizational traction? Is your workforce largely watching the clock? Have you been stuck with 3rd quartile performance for years? Are you getting tired of the competition?

Many companies that that haven’t faced life threatening competition (and some that have) often hold true to the saying “if it isn’t broke, don’t fix it”. Why is it that poor performance can co-exist with the likes of McDonalds, ExxonMobil, or Schlumberger? What can executive management do to catalyze a culture that embraces change (improvement) in their organization? We believe that companies need to act or the decision may be taken out of their hands.

Companies have used a number of approaches to build a case for change or as some people call it a “burning platform” when competitive intensity is not sufficient to rally the organization.

Change of Control: This can take many forms. A decade ago, leveraged and management buyouts were popular as this focused the organization on paying down debt. Today, a management team may decide to take on debt to pay a special dividend or sell out to a PE firm.

Benchmarking: Many good industry benchmarking services are available. Alternatively, specialized benchmarking can

be conducted. Oil majors have used benchmarks to reduce their workforce to an extent that they largely rely on contractors. Unfortunately, most line managers try to explain away the benchmarks. However, leading organizations use benchmarking to act as a catalyst for change by asking themselves, “What if it were possible to operate in this way?”

Float all Boats: Most improvement programs fall into this camp. The executive team decides to launch a program to once and for all improve performance. Team are established across the organization and only through sheer force of will can momentum be created and sustained.

Create the Lighthouse: Internal success stories are most powerful. We recommend focusing improvement programs on 1 to 2 sites or divisions where the leadership team is ready to embrace and lead change. Once success has been modelled inside your company it’s much easier to bring the next wave of rapid followers on board. This takes time and commitment but is a more sustainable approach to improvement and change.

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