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ENSURING ORGANIZATIONAL ALIGNMENT: *A CEO'S ROADMAP FOR NAVIGATING CHANGE*

As the CEO or leader of a business, are you faced with challenges brought about by business-driven change within your organization, such as:

- *Being nimble and ready to scale for projected exponential growth or the launch of new products or services?*
- *Mitigating a sales slump due to a major revenue-generating product going off the patent cliff?*
- *Integrating a new line of business or IT system platform due to a recent merger and acquisition (M&A) transaction?*

If these changes – or a similar major change – are on your horizon, a key factor to success is ensuring organizational alignment in support of the business-driven change. Leadership needs to consider organizational readiness: Are our people going to accept the change? Are they going to engage and collaborate to be part of the solution? And ultimately, are they going to adapt to make the change a success?

In this eBook, we outline a CEO's roadmap for navigating change, outlining how they can ensure organizational alignment, and ultimately, success when it comes to preparing for business-driven change.

A CEO's Roadmap to Preparing for and Navigating Business-Driven Change

When it comes to successfully managing change, it's important to recognize that there may be disruptors within the rank and file of the organization. These individuals may be naturally resistant to change. Additionally, they may be hesitant to accept the change if they perceive a lack of a clear vision or don't understand the rationale or the "why" the change is imperative. This includes understanding what failure or the cost of not changing could mean.

In turn, the lack of clearly articulating the "why" can lead to the alienation of employees, delay in implementation timelines, and rogue counter efforts. The people part of the equation includes not only your employees, but all key stakeholders, too – your consumers, investors, partners, vendors, regulators, and communities served.

Leadership must realize that change management implementation efforts that aren't managed properly from a people or organizational perspective can cause major disruption to an organization and undermine success. During an IT strategic planning exercise for a client, the steering committee was asked, "*What will be the number one inhibitor to the success of the plan?*" The response cited not having the organization aligned and ready to integrate the change, adding "*We can't just deliver a system, check the box as complete, and expect it to be a success.*" Further elaboration indicated there needed to be leadership advocacy, an understanding of business operations impact, a solid communication plan, and a continuous training program based on an understanding of the needs of the various stakeholders.

To mitigate roadblocks and ultimately failure, CEOs need to be equipped with an intentional organizational change management (OCM) plan. Below, we outline a pragmatic three-step approach that CEOs and their leadership teams can take to assess readiness and best position their organization for success when a major change is imminent.

1. **Assign an OCM leader and engage your leadership team.**
2. **Assess the change impact and position the organization for success.**
3. **Transition from plan to action on your OCM journey.**

For each identified step above, we provide the following additional insights below, starting with getting leadership aligned and engaged.

1. Assign an OCM leader and engage your leadership team.

The first step in ensuring success during any transformation is to assign a leader for the OCM effort. The leader will in essence be the air traffic controller for successfully integrating the change. Typically, this may be the CEO's Chief of Staff or Chief Strategy Officer.

CEOs need to assign a change leader who is articulate, possesses the right relationships, and will be energized to successfully drive the effort. The assigned change leader may be supported by a steering committee and project management office (PMO) but will ultimately be held accountable for the success of the change integration.

After assigning a change leader, fostering broader leadership alignment and engagement is a key initial step. There are countless instances where major change initiatives have been undermined by leaders not being fully aligned with the future direction. In a recent M&A transaction for a client, for example, finance leadership from the acquired entity kept initiating roadblocks to the migration to the new ERP's finance application due to stating that the organization needed to adhere to legacy processes, thus delaying the scheduled conversion for several months.

Key activities for fostering leadership engagement and alignment include:

- Working collectively to define the marketplace opportunities and challenges and then acknowledging your organization’s strengths and vulnerabilities to successfully navigate the upcoming change.

- Establishing the governance model and PMO, including defining how decisions will be made; how work and progress will be managed, monitored, and reported; and establishing guidelines to resolve issues and mitigate risks.

- Working collaboratively to identify what will have the biggest impact and then prioritizing what is most important to successfully enable the change.
- Confirming that all have a voice in the planning process and are ultimately aligned and willing to act as advocates for the decisions made, i.e., “will walk the talk,”

- Agreeing to accountabilities and measures of success, identifying the key performance indicators (KPIs) to gauge whether expected results are achieved and value is indeed delivered.

Once you have assigned an OCM leader and have engaged your leadership team, the next step is to take a holistic approach to assessing the change’s impact on your organization, and then position and realign as needed to enable success.




2. Assess the change impact and position the organization for success

CEOs need to heed the advice of the adage that it’s all about “people, processes, and technology” by taking a holistic approach to assessing the impact and developing the plan to successfully manage the change integration. This includes:

- Confirm the business rationale, or “the why” the change is necessary, and identify the key supporting priorities. Know the risks of the change to be mitigated and understand the impact of not taking any action.

- Assess the current state of the organization’s health – how well are you performing operationally today? A SWOT (strengths, weaknesses, opportunities, threats) analysis is an easy tool to gain initial insights.

- Benchmark the organization's current capabilities to industry leaders. Understand the impact of the change on existing and future business processes and enabling technologies including determining the technology lift to enable change. Will there be a need to upgrade/integrate/sunset technology?

With a holistic understanding of the current state of organizational readiness for change, the next step is to translate it into what needs to be done to position the organization for success. This includes determining what this means for the organization's people, identifying gaps in capabilities and differences in organizational alignment, and identifying the best fit for realigning your organization. It's critical to assess how well your organization is currently working together – is help needed to foster collaborative relationships or manage and resolve conflict? From there, realign the organization with a focus on promoting collaboration, efficiency, and productivity.

Key activities in support of positioning the organization to successfully adapt to upcoming change include:

- Identifying potential talent gaps and changes that may need to be made to the existing talent pool or determining future talent needs. Right-sizing doesn't mean downsizing; it might mean adding new talent, repurposing existing roles, and then considering streamlining. This could also include thinking about how to best leverage outsourced talent for ease of flexing up or down as demands for talent shift.

- Conducting a stakeholder analysis to identify communication and if applicable training needs. Regardless of the communication channel, messaging must be consistent in its cascade, promote understanding, and encourage engagement to collectively make it successful.

- Determining the impact on employees' roles and responsibilities (and if accountabilities will change). This should include a review and update for measuring the success of the implemented change, including the KPIs.

After leadership collaboratively develops a holistic understanding of the change impact and what needs to be done to position for success, the next step is to transition from planning to action on the OCM journey.

3. Transition from plan to action on your OCM journey.

Knowing what to do and having a plan is a major step forward, but to realize the benefits, it's necessary for CEOs to then transition the plan into action to successfully guide the change integration.

With the presented framework, CEOs can work with their leadership team to transition from a plan to key actions to take for successful change integration:

- Finalize the intent, scope, and details of any organization realignment required and then clearly articulate the vision, goals, expected benefits and value to be delivered along with an understanding of what failure to change will mean. It's also important to provide additional transparency with a roadmap that includes the timeline and resource requirements to enable the change integration.

- Validate leadership engagement, alignment, and commitment to championing and advocating the change. Communication needs to cascade from the top of the organization down. Once leadership "walks the talk," the organization's stakeholders are much more likely to follow their lead.

- Communicate, communicate, and communicate. Launch the communication program per the stakeholder analysis and adapt as necessary. As a reminder, the communication plan includes not only the employees, but consumers, investors, partners, vendors, regulators, and communities served as well.

- Ensure messaging encourages engagement by providing an understanding of the "why" the change is necessary and what it means for each stakeholder. This messaging needs to include the impact and changes to roles, responsibilities, and accountabilities. It should provide KPIs that demonstrate expectations for collaborating, defining the solution, and contributing to the success of the change. Messaging should also help to mitigate the fear of change, focusing on the benefits of the change and the value that will be delivered.

- Develop and conduct any required training and confirm there is a plan for continuous learning.

Lastly, leverage the PMO as the "conductor" for transitioning the plan into action. This includes orchestrating the communication cascade of key program decisions and directives, overseeing the management and reporting of how work is progressing, facilitating the resolution of issues and mitigation of risks, and recognizing contributions and celebrating the successful integration of the change.

Looking Ahead

When faced with imminent change, CEOs need to keep the three steps in mind for successfully managing the transformation.

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To successfully guide the organization's change integration, effectively positioning the organization for change cannot be an afterthought. Rather, OCM needs to be planned and managed in tandem with the overall planning and undertaking of the change effort. If you're looking for further guidance, reach out to Clarkston – our team of OCM experts can help your organization prepare for and embrace change.