Change management tips for the nervous digital transformer

**Brilliant idea or brutal surprise?
It depends on where you sit
in the organization.**

Every organization must keep up with evolving markets and technology. And that means changing the way people do their work. The needs are obvious. So why do people drag their feet? And what can business leaders do about it?

Change-management expert Esther Derby offers guidelines for managers and company executives who want their staff to be happy with the changes underway—delighted, even. She itemizes the stumbling blocks you may encounter, gives advice to company leadership on the best way to help the staff make the transition and helps you through other issues that come up in a genuine digital transformation that creates better human experiences.

About the author

Esther Derby, author of 7 Rules for Positive Productive Change: Micro Shifts, Macro Results, is among the most influential voices within the agile communities when it comes to developing organizations, coaching teams and transforming management. She has four decades of experience leading, observing and living organizational change for a broad array of organizations, from startups to Fortune 500 companies.

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As a business leader, you understand the market

You understand the pressures you face from competitors and changing technology—and you have a bright idea about how to address it.

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Whatever the plan is—digitizing workflows, introducing a new software development process or implementing a new Enterprise Resource Planning (ERP) system—your new process, policy or strategy is the end product of rigorous analysis and design. You've thought through the issues, economics, benefits and risks. You've answered your leadership team's questions and overcome objections.

You've been thinking about this for a long time. And now you're about to drop a big surprise on your employees—the people doing the day-to-day work of serving customers.

To those people, this new process or policy may feel like an incomprehensible surprise. You are asking people to change the way they work.

People deserve to understand the thinking behind a change. They need information and time to digest it—just as you did.

I don't suggest you create a false sense of urgency. I'm talking about explaining the problem that the change will solve—the opportunities it creates and the challenges it answers.

When there are compelling business reasons to make a change, people don't need a burning platform. They don't need a sell job. They need to see that their current way of working was valuable in the past and that it may even work reasonably well now. But it is not sufficient to meet the challenges the company faces in the future.

Put the change in context. Make it part of a narrative. Tell the story. Perhaps you might say the following.

Ten years ago, we were a company of 500 people. Our customers were mostly law firms and we processed 50,000 documents a day. Now, we're a company of 2,000. Our customer base has doubled and our processing volume has tripled. We anticipate we'll double in size in the next five years and our customer base will triple again. We can do things with technology that just weren't possible ten years ago. If we want to meet our customers' needs and stay viable into the future, we need to change. What's working for us now won't work for us much longer.

Better yet, involve people in telling the story. Engage them. I often invite people to fill in a grid (see below) with sticky notes. For each area in the left column, have them add a sticky note about what was happening in the past, what is happening now and what they see on the horizon. You may fill in gaps about external factors, but they probably know about the internal ones.

Trends and challenges	Past	Present	Future
Market conditions			
Available technologies			
Our company			
Our department			
Our process			
Our team			

This gets people telling the story of the company in a way that helps them see the bigger picture and the changing environment. Narratives, by definition, move through time. A narrative puts the change in temporal context: past, present, future. It explains the market changes that necessitate the change. And it reminds people that they haven't always done things this way … they've changed to meet challenges in the past.

There's always a negative space; don't try to minimize it

That negative may be small and temporary, or it may be an existential threat.

At a minimum, a change is inconvenient. Remember the last time there was a major update to software you rely on? It's not fun. You spent time wondering, "Where did that feature go? What's up with the new menu?" It can be irritating and sometimes infuriating. Everything takes longer. Eventually, you figure out where they hid your shortcuts and you're back in business. But until you get there, it is a royal pain.

Change may mean giving up a comfortable routine, working with different people or learning a new skill. With that comes at least a temporary loss of competence. Things take longer when you're learning. Pressure and resentment build when deadlines and productivity expectations don't change to accommodate the learning curve.

Sometimes what is good for the company is not so good for individuals in the company. Very early in my career, when I was writing programs for a light manufacturing firm, I overheard a conversation. The company CEO was having a heart-to-heart chat with the man who did all the job estimates for the company. The employee had worked there for years and wasn't too far from retirement. He loved talking to customers and understanding their needs. A new program was going to change all that. He'd no longer wander around with his clipboard, chatting with the machine operators and scratching calculations on paper.

He'd be tied to a desk, punching numbers on a keyboard so a computer could spit out an estimate in a fraction of the time. His job was going to change completely. This new program stripped away much of the interaction and most intellectual content of his job. The CEO empathized but was unequivocal. Use the program or leave.

This change was not good for the estimator. It wasn't neutral. It was a loss. He showed up the next day and started working with the new program. He was resigned, not enthusiastic. He continued to do his job conscientiously and didn't bad-mouth the program. And that was about the best a reasonable person could expect.

Everyone realizes that life is uncertain. Things change—sometimes without warning. An accident, an illness, a spouse's job opportunity across the country. All cause disruption. But this is not an accident. You are bringing disruption and discomfort to people's lives. Acknowledge that.

Failing to do so emphasizes power differences and diminishes good will. "We're all in this together," doesn't ring true when one group gets to decide how another does their work.
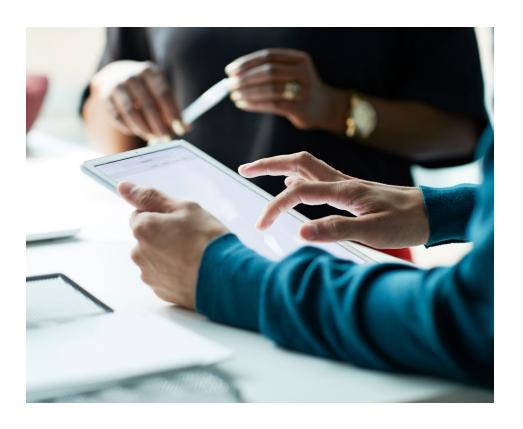
People don't resist change, they respond to it

People may not embrace a change with the speed and enthusiasm you desire. This response is often labeled resistance. Resistance is something to overcome— first with carrots, then with sticks. But pushing and prodding seldom work. When people feel coerced (when the stick comes out) you may get compliance, but you won't get engagement and you won't get people who are eager to solve problems and smooth the way.

People's responses are a rich source of information. People close to the work know things you need to know. They may be aware of potential obstacles, subtleties and other considerations that aren't visible to those who aren't doing the work.

Such information often contributes greatly to the success of a change. But this information can't be leveraged when people are labeled resisters.

So listen deeply to people's concerns. You will learn something. Plus, you'll evoke the powerful social norm of reciprocity. Once you have listened and demonstrated that you've understood, which doesn't mean you necessarily agree, people will be more likely to listen to you in return.

Let people get their fingerprints on the change

One way to reduce reluctance is to involve the people doing the work. When people have a role in defining, designing or refining a process, they are much more invested in it. That translates to ownership and a willingness to work toward success.

So, give people a chance to put their fingerprints all over the change.

This won't happen if you roll out a finished product. The more polished the presentation, the less likely people are to feel that they have a say. A polished product looks completed, done, final. They conclude that there's no room for comment or input. For example, you may like or dislike a published book, but you don't have any illusion that you can change it.

Instead, involve the people who must live with the change—early and often. Leave rough edges for people to smooth and some gaps for them to fill in. They'll add to it, revise, shape, polish and make it their own. Plus, their deep knowledge will probably prevent many errors that people who are not directly involved with the work might not foresee.

Not everything has to change at once: you can work incrementally and iteratively

There are situations when the entire organization must change at once. At precisely 5 am on September 3, 1967, the entire country of Sweden switched from driving on the left side of the road to the right. Now that's a change that really requires a decisive cutover from one policy to another. The risks of a partial switch are obvious.

But most processes aren't like that. In most cases, you can start with one area of the company, or one class of transactions or even one small team.

This does require thought and coordination, and possibly temporary work-arounds. However, a step-wise strategy has major benefits. First, big changes can feel overwhelming. They freak people out. People feel like there's no turning back and no way to influence the process.

If you roll out a huge change across the organization, it puts everyone in the company on a learning curve. That slows down work and adds to stress. When people encounter problems and have questions—which they surely will!—they may not be able to get help in a timely way. That causes more stress. When a big change goes wrong, it creates a big mess. It only takes one big mess to gut confidence in the new system and in the people who thought it was a good idea.

But small changes are easier to absorb and easier to learn from. Label the change "1.0." Signal that this isn't the way it will be for the foreseeable future. Let people know that this is the first attempt and there will be opportunities for improvement, refinement and perhaps wonderful new features.

When you take an incremental approach, you have a chance to learn about problems, oversights and glitches without impacting the entire company. You learn what people struggle with—and can address them with design changes, or training, or both. The second iteration benefits from what you learned in the first.

Further, people in the organization will get to watch. They'll see that yes, there may be problems, but people can work to fix them. They'll also see what functions well. That may put them more at ease, knowing it won't be horrible. And once people get used to the new way, they may become ambassadors. At the very least, you've taken "it won't work here" off the table.

Along with introducing the new process in small bits, you can use the principle of attraction. Make it super appealing to be the first group to try the new process. It's a learning opportunity, a chance to lead, a chance to participate in an initiative that's important to the company. Being part of the pilot group may come with special training, attention, visibility. All of these balance the exchange. Now it isn't an imposed change, it's a collaboration.

Other people in the organization may notice the good things happening for the pilot team and want in on it. Now, you're working by attraction—you won't need to push or prod people to change. Win!

Avoid the dreaded ripple effect

When you choose a new technology or process, consider what you don't want to change. Doubtlessly, parts of your process work perfectly well. They don't need to change, but they do need to work well with the new process.

Inventory all the integration points in the current process—every place where data or documents feed into another system or process. Then explore those integration points in detail as you select an option and work out your implementation.

Discovering integration issues after the fact seldom leads to elegant solutions. Cumbersome workarounds, duplicate data entry and other sorts of rework add up to resentment and wasted time. They can also blow the budget when you discover that because you changed A, you also have to change B.

Here's a pep talk for enthusiastic managers

People want change to go fast. I get that. People also believe that involving those who actually have to change the way they work slows things down. In one sense, that is true. Gathering input, having conversations, listening, reviewing, refining, working through objections—those all take time. But it's a "pay me now or pay me later" proposition.

You can involve people up front, get their buy-in and start their learning process. Or you can not involve them and design a process much more quickly.

The latter approach delays the start of the learning process—the time it takes for people to learn a new process, develop new routines and get back up to speed. It also delays the start of the acceptance process and may make gaining acceptance more difficult.

Either way, your change is going to take about the same amount of time from inception to acceptance. But how you go about involving people has a huge impact on the felt experience of the change. Will it be an imposition or a collaboration? You get to choose.

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