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# Taking Organisational Change Forward (1): Leading Strategic Change

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# The Purpose of The Masterclass Series

- To allow elected members to engage directly with the IS on issues relevant to local government
- To allow elected members from different councils to engage in debate & learning with one another

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# Workshop

- Strategic Change
- Implementation Strategies
- Mobilising for Change

# Sources of Resistance to Change

- Personal / economic insecurity
- New demands
- Loss of status or power
- Loss of comfortable context
- Bad experiences of past change
- Confusion and speed of change
- Primacy

# Overcoming Resistance

- Full information
- Consultation
- Honesty about problems
- Persuasion
- Phasing and proper support
- Avoid unnecessary change

# Strategic Change

## What is strategy for?

- Long-term planning
- Clear vision
- Focused on specific outcomes
- Sets out the objectives to be achieved, to realise outcomes
- Rational & reasoned
- Joint-up / holistic

# Thinking About Strategy

- Not a thing or a system: its an activity
- An organised activity: analysis, negotiating interests, targeting resources
- A leadership activity

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# Strategy in Action

- Multi-national company
- Global market
- Turnover \$ billions



# Coke's Key Challenges

- Demographic Trends
- Shifts in global economic trends
- Market Trends



## Demographics

- Post War period Coke traditionally marketed at youth
- Aging population



## Shifts in Global Economy

- Coke traditionally a North American / Western European product
- Rise of India & China



## Market Trends

- Soft drink fragmentation (increased choice)
- Healthy focus



## Coke's Response - Vision and Values

- Coke as the global player
- Coke as the dominant player
- Coke as the market maker
- Coke will operate within the law but is politically & ethically 'neutral'



# Coke's Response

## Knowing The 'Market'

- Average person in Phuket, Thailand, drinks 2 servings of Coke's products annually
- Average person in Atlanta Georgia, drinks 941 8-ounce Coke products per year
- If coke consumption in China rose from 7 litres per person to 121 (average per capita consumption in the Philippines) Coke's global market share would expand by **40%**

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## Coke's Response

- Development of a 20 yr marketing strategy
- A “lifetime product” / “The coke side of life”
- Developing India & China – infrastructure, production, social connections scholarships ....



# Coke's Response

- Take over's, mergers, pressurising the competition – “eye space is buy space”
- Diversification – drinks & other sectors entertainment & leisure
- Coke's health benefits - “hydration” / diet coke plus
- Decentralisation & breaking hierarchies



# Coke's Response

- South African marketing campaign links Coke to the African concept of *seriti* (community respect)
- Adds - shows an African boy become a man of stature in his township by selling Coke



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# Coke's Strategic Responses

## DIFFERENCES

- Coke is a private, profit making organisation
- Values, purpose & culture
- Flexibility & freedom of action
- Accountability only to shareholders
- Link between performance & income

# Coke's Strategic Responses

## LESSONS

- Clarity of vision
- Knowledge / awareness of trends, reach etc
- Identification of 'make or break' issues
- Proactive not reactive
- Long term focus

## Clarifying Purpose

What are you trying to achieve?

- What is your your vision : aims, values & outcomes
- How does the vision fit in: objectives: specific aims of your council (Service/ Section/ Partnership)
- When will it be achieved - Improvement targets; precise & time-tabled; derived from objectives

# Clarifying Purpose

## What Matters Most ?

- What are your agreed priorities
- What are the 'make or break' areas in delivering priorities
- What are the things your council needs to get right to achieve your outcomes

## Clarifying Purpose

Can you achieve outcomes more cost effectively?

- Are you getting the maximum from your resources  
- capacity & utilisation
- Are there alternative techniques or interventions
- Is collaboration & resource sharing a better option

# Strategic Change Techniques

## Strategic Issue Analysis

- ISSUE IDENTIFICATION  
(What's going on out there)
- ISSUE FILTRATION  
(can we do anything about it)
- ISSUE DEFINITION  
(What does it mean for us)

Basis for Strategic Change

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## Strategic Change Techniques: The Public Sector Box

HIGH

# Need For The Service

LOW

HIGH

Provision By  
Other Agencies

TARGETED/ LIMITED PROVISION	NO PROVISION
EXTENSIVE PROVISION	ENCOURAGE PROVISION BY OTHER AGENCIES

LOW

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# Taking Organisational Change Forward (2): Implementing Change

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# Does Size Matter ?

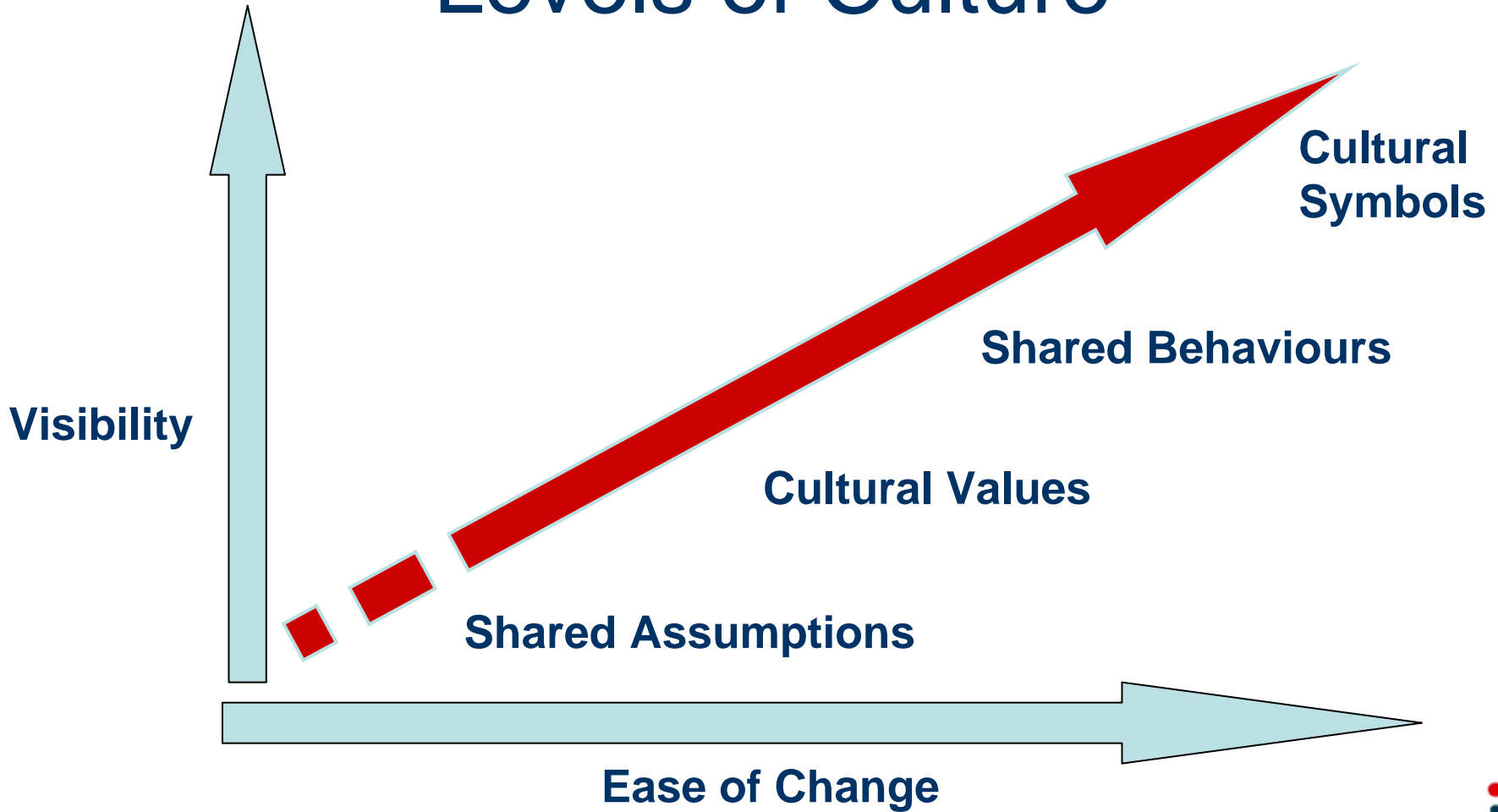
- Increases depersonalisation
- Decreases communication
- Proliferates procedures & increases rigidity
- Multiple perspectives
- Operational biases - 'programme preservation'; securing co-operation; personal agendas; power bases

## Key Elements of Organisational Culture

- Routine behaviour: Language; ritual; disposition
- “Rules of the game”: How things get done Vs. Formal rules
- Espoused values: Customer orientation; efficiency...
- Accepted norms: Fair days work; Acceptable quality...
- Climate: “Feel” of the organisation; layout...

Culture or Multiple Cultures?

# Levels of Culture



## Lewin: Implementing Change

- Unfreeze existing ideas & practices
- Inject momentum to change process
- Refreeze to consolidate the change

# Implementing Change

## Kotter & Schlesinger's Change Continuum

Fast

Slow



Planned Change  
Little involvement  
Overcome resistance

No clear plan  
Lots of  
involvement  
Minimise resistance

## 'Fast' Strategies For Change

- Make goals & objectives of change clear
- Quantify the problem
- Ensure clear control mechanisms
- Ensure clear lines of authority
- Ensure a unitary view of the situation
- Develop strategies for managing resistance

## ‘Slow’ Strategies For Change

- Organisations are social entities
- Goals need to be negotiated
- Perspectives on problems will differ
- Line of power unclear/ messy
- Need build consensus to overcome conflict

# The 'Politics' of Change

## Where Does Power Lie?

- Legitimate authority
- Control of resources
- Expertise
- Reward & punishment
- Personality
- Departmental/ sectional
- Networks

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## Communications & Change

- The effect of hierarchy
- Differing perceptions
- Overload
- Partial or incomplete message
- Conflicting messages - intentional/ un-intentional
- Timing

## Improving Communications

- Purposeful communications - who needs to know & what do they need to know?
- Two way communications - listening as well as talking
- Using more than one communication structure - multiple reinforcing
- Shorten the lines of communication - reduce distortion

## Key Factors in Leading Change

- Building a successful power base
- Selecting the appropriate strategy-  
involvement/ imposition
- Overcoming distrust of change - upwards &  
downwards
- Communications