



5 WAYS LEADERS SABOTAGE CHANGE

AND 5 ESSENTIAL PRINCIPLES FOR
SUCCESSFUL CHANGE



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In the mid-1990s, when I was an award-winning creative director (CD) and copywriter in the advertising business, I was hired with my art director partner to replace a popular but ineffective leader and create a qualitative change in direction in the creative department of the local office of a global agency.

The smart but inexperienced General Manager (GM) who was in the first months of his first significant leadership assignment was a rising star who made virtually every possible mistake in approaching a major change, ultimately sabotaging the long-term viability of the organization. Witnessing the devastation that followed planted the seeds of my interest in change management.

As I now support leaders in organizations approaching change to reduce their risk, let's replace the names and some details, to protect the guilty, as we revisit that story and the lessons I took away from the experience which can be applied to any company approaching a major change.

This advertising agency was built around a single major client who accounted for approximately 80% of the workload and 90% of revenues. A huge volume of work moved through the shop at a steady pace, but the work was lackluster and did not support the agency's past position as a leader in the industry.

The new GM, Tom, was young, brilliant, and on the global fast track. The corporate fathers had presented him with this mid-sized division of the company on which to cut his management teeth. Eager to leave his mark, Tom decided early on that change was needed. He wanted to see a "higher level" of creative work.

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There is a school of change wisdom which advises that cuts should be made quickly and expediently. Tom was an adherent of this viewpoint. He fired the old CD without warning on a Friday evening. When the staff came to work Monday morning, we were the new creative directors. However, due to a threatened lawsuit by the exiting CD, we were prohibited from communicating any details about her exit or our new positions to the team.

As a result, people splintered into warring camps, supporting and opposing her firing. Everyone was uncertain about what would happen next, and if anyone else would be let go. This created an atmosphere of extreme fear, distrust and gossip. Direct conflicts erupted daily and no one could get anything done. It was a spectacular distraction.

People started preparing their resumes both in anticipation of more cuts and as a political statement. Sick days in the department more than doubled. Deadlines started to be missed.

My partner and I did our best to refocus people on the work. We introduced excitement and encouragement for fresh concepts which were both more strategic and more provocative. People started to feel good about the new creative freedom and take satisfaction in the work they were producing.

However, as we began presenting this new work to our client, it became clear that the necessary groundwork had not been laid and their buy-in to this new direction had not been secured. Instead of early wins, we suffered some painful and recurring losses. Over the next 18 months, we lost that client one piece at a time.

Tom's response to losing pieces of our core business was to try to win new clients. Intelligent as he was, he was committed to and defensive about the decisions he'd made. He didn't listen to multiple voices telling him that what we were doing wasn't working and that another course of action was needed. He treated his team as [targets] rather than making us partners. He was unprepared for the problems and lacked the necessary flexibility to respond.

I left the agency in the summer of 1999. They closed their doors for good within 2 years.



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Done right, change can be powerful and productive. Done wrong, **it can be fatal.**

Let's take a look the most important ways this smart leader, with good intentions, sabotaged the outcome:

Sabotage #1: Not being clear on the change vision.

As a creative director, it was a dream come true to be given a blank slate on which to create. However, from a business perspective, there was no articulated vision for the change, which doomed us to failure from the start.

The goal "higher level of work" is vague, subjective and not measurable. This was a change motivated by a personal agenda rather than mission-based objectives. Without a clear vision, it's not possible to get everyone working toward a unified outcome. The lack of vision launched us in the wrong direction, and gave us little with which to create buy-in with clients or even team members as we moved forward. We were uncertain where we were going and how we were progressing in getting there.

It is impossible to stay on track, when there is no track.

In hindsight, it's instructive to note that our clients were not asking for change. There were no significant performance problems indicating a need for change. To the best of my knowledge, no studies had been consulted that showed industry trends mandated a particular direction for the change. This initiative was not a part of an overall growth strategy.

I want to be clear that this article is in no way an argument for maintaining the status quo. I believe strongly in continuous constructive change and see the incredible opportunities for companies that ride the front edge of that wave. However, what I watched happen was a unilateral decision made without foundation, vision or information, which left the creative directors to determine the new direction for the work, based only upon our own arbitrary sensibilities.



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Sabotage #2: Not communicating the change vision.

Tom blindsided everyone with this radical change. Not only did he not have a strategic plan for bringing the clients on-board, he didn't have a plan for engaging the team, other departments, our vendors, or even the new creative directors. A clear communication strategy is probably the number one most essential predictor for successful change.

Sabotage #3: Not understanding the nature and impact of change.

Tom did not understand the potentially devastating impact of change on our organization. First, every change begins with the end of whatever preceded it. For a smooth transition, that end needs to be honored, the shockwave processed and prepared for. In this situation, the end was abrupt, unexplained and crammed down people's throats.

People can be led through change willingly but they don't want to be forced to change. They need to be involved in the process. You have to get their buy-in. They need to understand the reasons for the change and their role in it. This takes effort, planning and skill.

As a major change takes effect, time is a critical factor. People need early wins to keep moving forward. Simultaneously, new relationships and responsibilities need to be allowed to develop in their own time. People need to be prepared.

What happened next should have been completely predictable. In the absence of preparation and credible information (or in the presence of dubious information), people assume the worst, act out of fear, self protect. They are less likely to be creative or take risks, and become far less likely to collaborate, or help others. They resist.

In a poorly managed change situation, some people will jump ship and often it won't be the right ones jumping. The best talent doesn't have to put up with this kind of environment.



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Sabotage #4: Not having a clear plan for success.

Here is the entirety of Tom's plan for change:

- Fire old CD
- Hire new CDs
- Get back to work

This is not a real plan. It did not take into account the fallout from the change itself. It didn't set specific objectives or milestones. It didn't specify who was responsible for what. There were no timeframes and no measures of success. It left the clients out of the deal entirely, seemingly a no-brainer – although the clients did have the last word.

Sabotage #5: No recovery plan.

When things started going wrong and we started losing pieces of the business, there was no clean-up plan in place. We just kept working harder and faster, which resulted in accelerating the same kind of negative results. Without a plan for when things don't go as you hoped they would, you're left not knowing how to respond effectively.

If you're not in a state of change, you're falling behind.

It used to be that a business could plan change initiatives in terms of years or decades. These days, change is continuous. And planning for change is entirely different than planning for the status quo. Major change – a sale, merger, acquisition, transfer of ownership, workforce reduction, or major shift in direction or management – as well as consistent ongoing change, demands completely different perspectives, tools, skills and knowledge. It's more important than ever that you prepare your leaders to deal with change.



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Although this was a particularly dysfunctional situation, what happened here is not as uncommon as you might think. Everyday I hear stories from clients and prospective clients about companies without clear vision, who don't understand the nature or impact of change on the organization, who move forward without a clear plan and who are unprepared when the unexpected happens. And it will happen.

Change happens no matter what you do. But successful change doesn't happen by accident.

Studies show that:

- Between 50% and 80% of mergers and acquisitions fail
- 75% of family businesses don't survive the transfer to the second generation
- 40% of leadership hires fail within 18 months
- 80% of new businesses don't make it 3 years

5 PRINCIPLES THAT ARE ESSENTIAL FOR SUCCESSFUL CHANGE

These may seem obvious but, like diets, completing time sheets, and keeping dentist appointments, knowing what we need to do and doing it can be two completely different things.

1: Be clear in your mission. As any major change begins, your organization is already no longer as it was and has not yet taken its new form. This phase of change may be characterized by preventable discomfort, confusion, and infinite options. Without a clear unified direction, your whole company is vulnerable to individuals and teams spinning off in multiple wrong directions. Mission has the power to keep everyone, internally and externally, on target. Yet, many leaders don't truly understand what *mission* is, how to use it or how to communicate it so that it can inform forward movement, even in the face of extreme challenges and frustration. Knowing where you're going and why is a foundational piece that can eliminate many other problems.



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2: Develop and prepare your leadership team early. Most managers are not automatically prepared to lead an organization through change. In fact, quite the opposite, management skills are usually focused on maintaining and repeating the status quo. Change will challenge your team in ways they have not been challenged before. Bringing in new leadership may cost you the institutional knowledge and relationships at the core of your company. Your best case scenario is to get your management the skills and tools they need now: 1) a deep understanding of corporate culture and how organizational change works, 2) the ability to lead through conflict and resistance, 3) how to build teams and accountability, and 4) create urgency and early wins, while keeping the long-term picture in sight – and much more. This doesn't happen overnight. Many organizations don't address readiness of their organization and its leadership until the change has begun, sabotaging change and limiting what is possible.

3: Plan to succeed early and often. It seems reasonable to expect change to take time. What is often overlooked is that patience can also be the enemy of successful change. Short-term wins are essential for creating momentum and confidence and propelling forward movement. Even as you hold the long-term vision you must design in short-term milestones and move your organization purposefully toward them.

4: Communicate. And communicate strategically. Planning requires a clear communication strategy for dealing with all stakeholders, both internal and external. Change in your organization has a ripple effect that extends beyond your line of sight. People and organizations who are impacted but not appropriately informed can do damage and undermine your goals. The best practice is to have a multi-faceted communication strategy – and follow it. Be sure it includes clients, employees, vendors, the public and all other stakeholders. Engage others in your mission with intention and new possibilities emerge. Encourage the surfacing of problems before they become disasters. Be open to good ideas, no matter where they come from.



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5: Plan to fail. Yes, really. Successful change never hinges on planning perfectly so everything goes right. Guaranteed, something will go wrong somewhere along the way. From the middle, success almost always looks like failure. What is critical to succeeding in the long run is that your company is not blindsided or derailed when the unpredictable happens. Many companies dissolve into accusations and blame at this point. The secret to success is to expect the unexpected. Design “failure” into the process. Have a recovery plan in place so everyone knows, if not exactly what to do, at least what the approach will be when you hit bumps in the road.

Above all, listen. Or risk reading your company’s story in a “how not to” article a few years from now.

So, what does this mean **for you?**

In this article, I have outlined 5 common ways leaders sabotage change and 5 principles you can follow to avoid making these mistakes. Of course, there’s much more to navigating successfully through change, but these five principles provide a solid guideline for creating positive and effective change in virtually all situations.

If you want more control over the results your organization creates during times of major change, **I invite you to connect with me to schedule a complimentary Change Leader Strategy Session.** During this session we’ll explore your business objectives, current team dynamics, the results you’d like to achieve, potential obstacles and how a leadership development program might support your companies goals.

The conversation takes about one hour and can be held in person or by phone. **Your next step is to email me (sr@leadershipincorporated.com) with three dates and times** that are convenient for you to meet.



***Thank you for your time.
I welcome your comments and feedback.***



About Sharon Rich

Sharon Rich is the founder of Leadership Incorporated, a corporate leadership development company that shows leaders how to access untapped resources to take their companies and their careers to the next level. She is the creator of ChangeMakers, a program that prepares leaders to successfully facilitate organizational change, and ChangeAble, a program that assesses an organization's readiness for change. Sharon brings over 25 years of hands-on corporate and leadership experience, as well as professional training in executive coaching, training and assessment. She is accredited by the International Coach Federation and on the faculty of the American Jewish University's MBA program and Coach, Inc., the leading global provider of coach training programs since 1992.

