



# LEVERAGING KOTTER'S 8-STEP MODEL OF CHANGE – PART TWO

In the last edition, we shared how logic alone is not enough to win most over to the new direction for change efforts. The need to make the company more profitable may seem logical to those at the top of the food chain, but less inspiring to those at the lower levels. We shared that multiple studies showed that only 25% of change efforts were really successful.

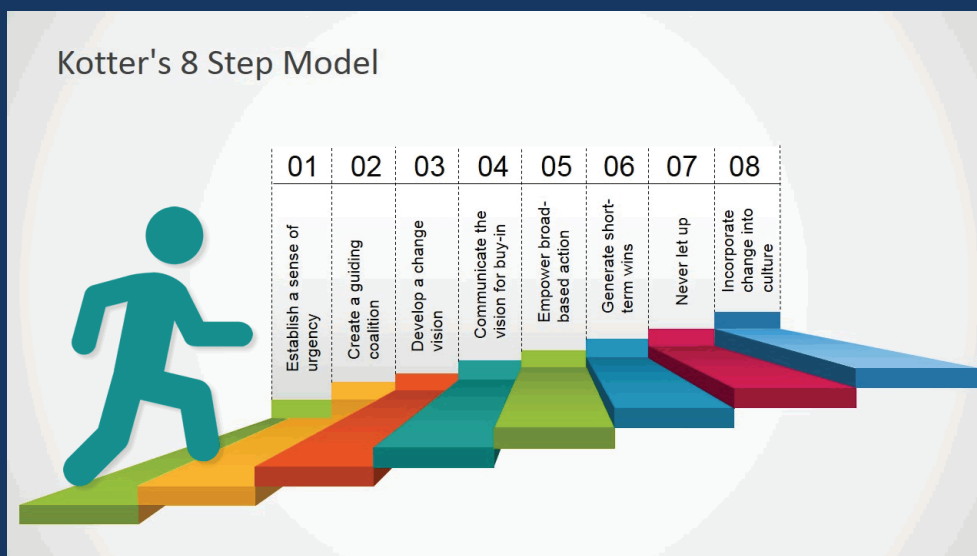
The question becomes, how do we inspire the workforce to embrace a change effort?

In 1996, John Kotter, a Harvard Business School professor and a renowned change expert, introduced 8-Step Model of Change in his book *Leading Change*. It was developed from four decades of research of more than 100 organizations going through a process of change.

He identified and extracted the success factors and combined them into a methodology.

With more than 48 years in the industry and 29 of those in consulting, I follow and advocate Kotter's Model. With more than 375 implementations of the fleet and facility improvement process called Total Process Reliability (TPR) under my belt, I am pleased to say his model has led to far greater success rates than failures. TPR is a fleet and facilities improvement process to reduce equipment emergencies to 2% or less and total maintenance costs to less than 4% of asset value or 4% of annual sales.

I am not implying all 375 were all successes, but the success rate was greater than 50 percent. I attribute much of that to organizing the change elements in TPR implementation around Kotter's Model. I will share Kotter's Model and how we adopted and adapted to our change process in the next newsletter.



## 01 CREATING A SENSE OF URGENCY

This can be done in the following way:

- Identifying and highlighting the potential threats and consequences that might arise in the future.
- Sharing to make people think about the dominant issues and provide convincing reasons for the transition.
- *Our approach in TPR: Conducting a gap analysis assessment showing where the organization stands relative to others using their own statements from interview; identifying financial and process performance gaps compared to benchmark industry data; providing photographs of current conditions; sharing expert observations of suboptimal condition; producing a Compelling Business Case – the financial ROI of making the change in aggressive and modest returns.*
- *Net Result: Create a 'fire in their bellies' for change – a compelling case of the need.*

## 02 FORMING POWERFUL GUIDING COALITIONS

This can be achieved in the following ways:

- Identifying and recruiting effective change leaders and key stakeholders and requesting their involvement and commitment toward the entire process.
- Training facilitators to guide the process.
- Forming a powerful change support network that works as a team.
- Ensuring the team enrolls influential people from various cross functional departments working in different levels in the company.
- *Our approach in TPR: Recruiting and training a change agent (TPR Coordinator) to facilitate the process; establishing and training a network supported by a Steering Council of senior executives and an Implementation Team of mid-level management, development of individual focus and breakthrough teams identified by the Steering Council; clarification of roles and responsibilities; training of individual team leads in leading teams; development of a Stakeholder Management plan to enroll and manage key stakeholders.*
- *Net Result: Building a network of PhDs – Passionate, Hungry and Driven.*

### 03 DEVELOPING A VISION AND A STRATEGY

This can be achieved in the following manner:

- Defining a long-term vision and the strategies for realizing a change in an organization.
- Ensuring the assigned change leaders can describe the vision effectively and in a manner that people can understand and follow.
- Developing of a phased implementation process.
- *Our approach in TPR: Establishment of a long-term vision and mission statement (purpose) for the efforts developed by senior leadership; the formation of specific long-term and short-term goals and objectives along with the metrics (KPIs) to measure the goals; agreement of norms and expected behavior for each team; setting and agreement of roles and responsibilities for each team and each team member; development of goal targets and deadlines; an assessment (pros and cons) of potential members for each initiative team and selection; establishment of training schedules for overviews and Best Practices training for each team member.*
- *Net Result: Failing to Plan is a Plan to Fail.*

### 04 COMMUNICATING THE VISION

This can be achieved in the following ways:

- Sharing the vision for people to understand the future direction and purpose of the change.
- Communicating the change in the vision powerfully and convincingly.
- Surfacing issues and concerns of people with purpose.
- Launching a series of actions to communicate the change vision broadly to the organization to promote understanding and commitment for the new direction.
- *Our approach in TPR: Through the use of a Communications Team, application of the MOC six-step communications, slogan, and logo contest are used to create branding; newsletters, flyers, posters, and other efforts create awareness, the vision direction and strategy is shared throughout. In addition, a series of four-hour overviews educate the population.*
- *Net Result: Sharing the Vision to Create a Cause.*

## 05 REMOVING OBSTACLES

The process for this includes:

- Ensuring the organizational processes and structure are in place and aligned with the overall organizational vision.
- Continuously check for barriers and obstacles or people who are resisting change and addressing with proactive actions to remove the obstacles.
- Rewarding people for endorsing change and supporting in the process.
- *Our approach in TPR: Rewards and recognition efforts are developed; each team has a support network and sponsor to help identify and remove barriers; Coordinator constantly assessing for resistance and obstacles to have addressed by the Steering Council; process mapping (PFDs) are created and process guides developed to standardize processes with MOC communications and training used to implement.*
- *Net Result: What gets Rewarded gets Repeated – a Barrier Up is a Barrier Downed*

## 06 CREATING SHORT-TERM WINS

This can be achieved in the following ways:

- Creating short-term wins early in the change process can give a feeling of victory in the early stages of change.
- Applying the concept of Continuous Improvement looking for small, incremental changes with small, incremental wins.
- Create many short-term targets instead of one long-term goal, which are achievable and less expensive and have fewer possibilities of failure.
- Developing a series of actions to sustain the change effort over the long term by generating goodwill through visible, organizational short-term wins.
- *Our approach in TPR: Rewards and recognition efforts are constantly applied to reinforce the new behaviors; Communications Team uses publicity efforts to accent and publicize small wins; initial events are for high-visibility effect; Breakthrough Teams are used for quick and short efforts; roll-outs are used at the end of each event for publicity; senior leadership is invited to events to witness and reinforce change.*
- *Net Result: Those who win are those who think they can.*

## 08 CONSOLIDATING GAINS

This includes:

- Achieving continuous improvement by analyzing the success stories individually and improving.
- Developing a series of actions to prevent the organization from sliding into complacency and continuing organizational momentum for change.
- Identifying more challenges to tackle.
- *Our approach in TPR: Internal auditing is implemented with auditors trained; Key Performance Indicators (KPIs) are carefully monitored to ensure progress; benchmark studies are used to study and emulate practices; third-party audits are used to prevent backsliding; processes are standardized through application of process mapping and process guides; opportunities are identified and prioritized.*
- *Net Result: Sustain the gain.*

## 09 INCORPORATING CHANGE IN THE CORPORATE CULTURE

This includes:

- Discussing the successful stories related to change initiatives on every given opportunity (constant press).
- Ensuring the change becomes an essential part of the organizational culture and is visible in every aspect.
- Receiving and maintaining the support of the existing leaders as well as the new leaders, who continue to extend their support toward the change.
- Taking actions to ensure the change effort becomes firmly established in the organization.
- Institutionalizing the process.
- *Our approach in TPR: Company encouraged to present case study at conferences and through publications; also applying for Best in Class awards; audit results are constantly analyzed to address issues and lack of progress.*
- *Net Result: Celebrating Success and Maintain Momentum.*

True change requires addressing employees' emotional concerns through constant communication, presenting benefits, rewarding the new behavior, coaching, educational sessions, and dogged persistence.

There is no single way to deal with making change, but understanding resistance helps. Being patient and determined goes a long way in making it happen. If you want your change efforts to be in the top quartile of winners, move beyond logic and apply Kotter's 8-Step Model of Change.

## PRESTON INGALLS

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