The “Right First Time” Approach to Transformational Change

Major transformational change in any organisation is complex, unwieldy and difficult to get right by its very nature.

As a consequence getting to the outcomes an organisation’s vision and strategy aspire to can frequently prove very unpredictable and elusive to achieve in practice. Although there are many contributory factors to this inability to achieve, chief among them being:

- lack of a clear vision and strategy;
- weak leadership and insufficient management commitment;
- poor change initiative governance and ineffective decision taking.

There is another more subtle factor which our experience shows is just as limiting in its effects but very often ‘invisible’ and thus overlooked by management.

There seems to be an implicit assumption that message sent = message received; i.e. that a vision and strategy created and communicated by senior management will be clearly understood and properly interpreted by the staff and suppliers who will be responsible for its realisation. That the organisation is therefore in a position to commission and press ahead with delivery vehicles like programmes and projects.

Our experience is that this is usually demonstrably NOT the case.

Instead, by jumping directly from a ‘high-level’ vision and strategy to detailed implementation mechanisms like programmes and projects, a void often appears between what is intended by management and what staff and suppliers believe they are being asked to do.

This common problem is depicted graphically in our “Right First Time” Transformation Model below:

Here it is possible to clearly see the nature of the gulf in communications, understanding and interpretation that a Target Operating Model seeks to bridge, and the typical undesirable consequences for results if it is omitted.
In such an informational vacuum this rift can manifest itself in many ways, e.g. staff and suppliers are:

- usually quite wary of asking too many ‘clarifying’ questions about the vision and strategy and thus appearing ‘incompetent’, ‘difficult’ or as not being ‘team players’ in front of their seniors;
- often not sure what the ‘high-level’ concepts contained in some vision and strategy statements like “faster, better, cheaper” would actually mean in practice… and will typically each have differing views in any event;
- uncertain about what degree of radical, ‘out-of-the-box’ thinking will be tolerated, even if explicitly asked for as part of the vision and strategy communication;
- frequently unconvincing that even where they have clear ideas about what needs to be done that these will be sanctioned (i.e. be career limiting) once they are ‘understood’ by senior management;
- usually very aware that there may be ‘sacred cows’ standing in the way to making the necessary changes, but don’t want to be ‘the messenger’ who points out these uncomfortable truths to a top management who may prefer to ignore them;
- sometimes tempted to fill in the informational vacuum with their own ‘self-serving’ non-aligned agendas, as in the case of empire building or supplier lock-in scenarios.

KzA’s own unique approach to the creation of ‘future state’ Target Operating Models is based on proven techniques that overcome these and other common barriers to successful transformational change.

It has been developed from years of experience helping organisations to successfully achieve their goals.

The key pieces of our solution to the problems of mis-communication, mis-understanding and mis-interpretation we identified earlier are depicted graphically in the “Right First Time” Business Framework below:

We call it our “Right First Time” Business Framework because using it enables organisations to undertake their transformational change plans with a high degree of assurance that: they have thought through ALL aspects of proposed changes; and that desired results and outcomes are both well understood and realistically achievable.
The “Right First Time” Business Framework is based on sound Target Operating Model principles, and acts as a translation layer between a vision and strategy and the programme and project execution vehicles that must deliver the results. In doing so it oversees the connection between activities and outcomes as well as explicitly drives out answers to many often unasked, but thorny and important questions in the key areas of:

- customer segmentation and value streams;
- business processes and performance metrics;
- organisation, information reporting and physical locations;
- people / workforce skills and capability gaps;
- outsourcing plans and/or opportunities;
- IT applications, data and information security;
- technology infrastructure, hardware and facilities.

In our approach the ‘future state’ Target Operating Model is pre-populated with information that reflects accepted good practice and the experiences of others......so completing your own version is ‘fast-tracked’ as it is not necessary to start everything from scratch on a blank sheet of paper. Instead you collaboratively amend and extend existing materials, where and as needed (we recommend using an 80/20 style of working), to reflect your specific needs.

Though we have preferences, and make recommendations based on experience, our approach to Target Operating Model deployment is method and tool agnostic. You can use whatever approaches are most applicable to your sector, or most familiar to your staff, to do detailed analysis work or deliver programmes and projects.

Likewise you remain free to adapt existing business capabilities to your new requirements. This includes re-using legacy IT systems or implementing entirely new ones.

The purpose of a Target Operating Model is to firmly connect your vision and strategy to the detailed delivery work to be accomplished by your staff and suppliers. Aligning them with your strategic intent, and giving you the necessary oversight and control needed to achieve the results and outcomes you intend first time and to plan.

Our “Right First Time” approach to Target Operating Model creation and deployment is designed to enable and support organisations desiring to accomplish various types of transformational change, each having its own goals and reflecting differing management philosophies and constraints. Some of the more common include:

- Performance Improvement
- Growth Realisation
- Mergers & Acquisitions
- Joint Ventures
- Corporate Turn-arounds
- Risk Mitigation and Audit Management

In the current economic climate, and global competitive environment, can anyone now afford not to maximise their return on investment in transformational change by getting them “Right First Time”?

If what has been outlined in this paper resonates with you and your experiences why not get in touch with us for a confidential, free, no-obligation discussion about our unique and innovative approach to Target Operating Models.

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