

Strategy in Practice

Successful Strategic Change Implementation

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Going Global

- This strategy builds on Warwick's past successes with a view to making Warwick a key **global** player.
- Thinking (intent) and acting (practice) strategically will, of necessity, involve an organization in some degree of **strategic change**.
- Putting a **strategy into practice** requires:
 - Alignment between your vision and capabilities
 - Engagement from your internal and external stakeholders
 - Adaptiveness to strategy in flight

Case Study: Learning from Past Mistakes

'Think global, act local strategy'



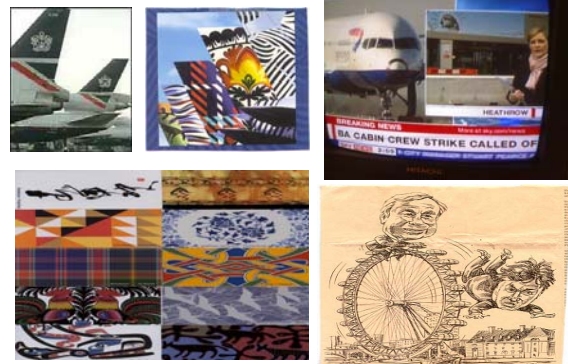
A Bumpy Landing: Strategic Change Failure

- **Approach:**
 - Top-down imposed change by CEO
 - Cost targets
 - Change corporate identity, localisation of service delivery
 - No consultation: did get buy-in from key stakeholders
- **Result:**
 - Alienation of internal and external stakeholders: national and local due to being a national icon
 - Confused message: media frenzy
 - Loss of key national corporate accounts: MOD
 - Resistance, strikes, loss (cost) of morale, sabotage by cabin crew, city analysts lost faith in strategy
 - Loss of profits, CEO replaced, strategy reversed, tails repainted
- **Why did the strategy/strategic change/implementation fail?**

Managing Reactions

- **Problem-alienation of key stakeholders:**
 - Top down/imposed change, no-engagement across the organisation led to widespread **resistance**
 - Cost drive **contradicted** investment in product and local customisation
 - **Legacy** of national iconic status: management not worthy
 - What's wrong with being **British**?
 - **Politics and competitors:** Traitors! - Thatcher and Virgin
 - Role of the **media:** management not heard
 - **Public sector culture:** inertia to change: no crisis, so why change?
 - **Fragmentation of allegiances:** variety of professions, occupations, union membership, tenure, functional silos, centre vs periphery perspectives
 - **Strategy got stuck:** due to silo and vertical communication channels, no feedback loops back to the centre
 - Global-local **paradox:** stuck in the middle, trying to be all things to all people

Global Strategy (Mis-) Communication



Different Sub-Cultures and Communities



Complexity of Change

- **Managing strategic change is not so straightforward in practice:**
 - no two change initiatives are exactly the same:
 - different levels, styles, needs, instigators, forms of resistance, balances of change and continuity
- **Change occurs due to:**
 - different organisational and conceptual levels
 - due to different **styles** of crafting change
 - due to different **objectives** that organisations are seeking to achieve
 - **instigated** by different individuals or groups
 - focus on leaders or CEOs as the **main drivers of change**, BUT just as often change is sparked by innovative individuals at lower levels, or key groups of influential players
 - change is **political**: some lose and some gain in the process
 - initiatives meet with different forms of **resistance**
 - human nature and capabilities require that change be combined with **continuity**, to greater or lesser extents depending on circumstances

Change Failure

- **Its important to understand the change process, no matter how sophisticated the strategic thinking is:**
 -a poorly managed implementation is likely to result in a more difficult or complex set of strategic changes, or no change at all.
- *'The innovator makes enemies of all those who prospered under the old order and only lukewarm support is forthcoming from those who would prosper under the new'*
(Machiavelli)
- **Change failure is often due to:**
 - insufficient communication about what/why it is coming (how environmental changes have made it necessary)
 - what are the implications of the change for employees (WIFM?)

Recommendations

CULTURAL ALIGNMENT AS THE KEY DRIVER OF CHANGE:

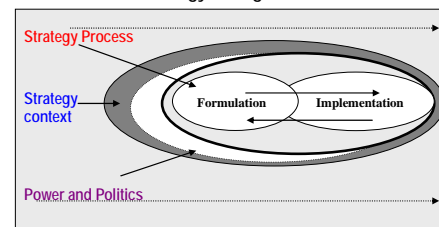
- **Engagement:** consult at all levels, all the time
- **Quick wins:** consolidate improvements, - this is a marathon not a sprint!
- **Communicate-WIFM?**, cross structures, cultural groups
- **QOWL:** distinctive culture, entrepreneurial spirit & passion, balance and recognition
- **Timing:** create a sense of urgency
- **Empower:** others to work toward a vision of a future organisational state
- **Politics:** gain commitment and form a guiding coalition
- **Integrate:** and institute new approaches and form a platform for further change
- **International benchmarking:** aspirations
- **Globalise the 'Warwick Way':** not 'all things to all people', but a challenger brand vs a 'me too' brand
- **Build:** a receptive context for change
- **Alignment:** of strategic thinking and acting
- **Strategy in practice:** emergent and adaptive change process

Strategic Change as a Journey...

'In the complex and ever changing situation of business today it is very unlikely that any fixed standards of customer satisfaction, quality, efficiency or competitiveness are likely to be sustainable for long. Hence the dictum that changes represent journeys not destinations.'

(Pettigrew, 1998:278)

Strategy in Flight



Strategy in Flight (Pettigrew, 2003:302)

Skills of the Change Strategist

- As organizational structures, processes and boundaries have become less bureaucratic, bounded and more ambiguous, uncertain and dynamic, the use of **POWER** has become more influential, and strategic thinkers increasingly need to be **political analysts**.
- As the pace of **CHANGE** increases and challenges people's ability to cope, strategic thinkers increasingly need to be **social anthropologists** of the relationship between change and continuity.
- As firms engage more in **best practice**, emphasis has shifted toward networks of tacit knowledge contained in human resources, organization's heritage, things that are difficult to 'reverse engineer' - strategic thinkers need to be **historians** that can recognize, evaluate, and take advantage of how an organization's strategy emerges as a unique **PROCESS** in particular context.
- Greater complexity requires **managerial skill in thinking and acting HOLISTICALLY** to deliver strategic change.

Field of Strategic Change

