

# Leading the way on change

Execution, not strategy, delivers real results in today's fast-moving world - and what really makes a difference is effective 'Change Leadership'

## INDUSTRY VIEW

**G**lobalisation, market competition, increased regulation and technological innovation are just some of the forces that are driving the pace and complexity of change in business.

How can companies respond, reap the rewards from their investment in change and enhance their reputation? It is the companies that actively lead change and make this part of their culture that are most likely to prosper.

At Project One Consulting, this is known as "Change Leadership".

### The challenge

The challenges of responding to the forces for change are felt in different ways. The strategy for market leaders across most industries includes investment in new technology, mobile and multi-media communications, acquisitions, simplification of the supply chain and cost reduction. For some sectors, past failures mean businesses are forced to change their operations to meet new regulatory or market needs.

The issue is how to ensure these strategies are implemented at the right pace - and in a way that delivers demonstrable business results and improves business performance.

In reality there is often a disconnect between formulating business strategy and actually carrying it out, particularly when it involves change. Of course business leaders need to delegate the implementation of strategy to their operational, IT and change managers. However, delegating leadership and

accountability for achieving business results is a key reason why strategies fail - and that is costly in terms of time, money and reputation. To stand the best chance of success, leading the implementation of strategy belongs in the boardroom not the engine room.

### Bridging the gap

Turning strategic intent into business results requires a Change Leadership culture and capability that spans four key elements.

First is business leadership, which creates, communicates and instils a compelling vision of the future and then directs the organisation throughout the journey, ensuring the right conditions for success with the culture and behaviours which drive the desired performance.

Next is strategy implementation, which defines how this vision will be achieved and establishes the overall plan with the resources, activities and governance required to achieve the outcomes.

Solution delivery drives the design, construction and implementation of the new business capabilities demanded by the strategy. It does this with a relentless focus on business outcomes over and above the completion of tasks.

The final key element is business ownership, which energises employees, suppliers and customers to embrace change, adopting, contributing to and deploying the new capabilities to achieve the results.

The problems companies often encounter in achieving intended business results can be traced back to insufficient focus on one or more of these elements. For example, jumping

Leading strategy implementation belongs in the boardroom not the engine room



into solution delivery without a clear view of the real business need leads to plenty of activity but little progress, demotivated staff, frustrated executives and escalating costs.

Equally, a clearly defined strategy and a well-constructed solution will flounder if the business areas are ill-prepared or antagonistic towards the change.

### The business impact

Change Leadership is relevant to all business strategies involving transformational change. A large UK utility company applied a Change Leadership approach to translate the CEO's business vision into fundamental change to the business operation, enhancing customer service and significantly improving operational efficiency.

The changes are being implemented through a well-structured programme of initiatives with a clear roadmap showing the key step-changes in business capability, the investment required and the uplift in business performance. Crucially, progress is measured by business results rather than completion of tasks.

In another example, a leading telecommunications company was seeking to strengthen its brand image and drive customer satisfaction through radical improvement to its service. The leadership ensured the right conditions for successful change so the team could really understand the business intent and translate this into the changes needed to the business operation. The team implemented these changes with full

business oversight, ownership and control.

This engendered a remarkable level of employee engagement which proved vital in achieving business results that exceeded expectations - including a 48 per cent improvement in customer service score, 15 per cent increase in productivity, employee engagement of 97 per cent and 12 per cent reduction in operating costs.

In both these instances, the business leaders established a Change Leadership culture and capability to direct and accelerate the execution of their business strategy. This led to a greater certainty of outcome, faster pace of delivery and tighter control of costs.

### Facing the future

Change Leadership is vital in connecting the intent of the business strategy to the results achieved. Going forwards, businesses will face even greater pressure, driven by market, environmental, technological, political and social change. To respond effectively companies must invest in Change Leadership as this will differentiate the winners from the losers.

Project One Consulting works with FTSE 100 and similar companies to lead change from strategy formulation through execution to business results.

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