

## Strategic Change Living in interesting times – and taking charge

Change comes to business in many forms: merger, acquisition, divestiture, joint venture, new leadership, technology implementation, organizational restructuring or regulatory compliance. But the same central challenges apply almost every time: communication, culture, change management, and ultimately alignment. Leaders have to reach agreement on priorities, direction and organizational culture, then communicate this vision to employees along with the specific steps necessary to make it a reality.

### Easy to overlook. Hard to redo.

Even if an organization acknowledges the “soft” change management needs that accompany a “hard” change in technology or structure, it’s easy to lose focus on them. When a business is consumed with getting the technical aspects of the change right, the change management agenda may be the first thing to fall off the radar screen – or the budget. But it’s often the first thing to come up in a post-project accounting of things that should have been done better.

Whether an organization is changing its tools, answering to new leaders or transforming its culture, managing the communication and transition process proactively is extremely important. Job security is employees’ number one fear when organizations go through large-scale change. Strategic communication can help retain top performers, ease employees’ concerns, and maintain “business as usual.” It’s important not only to put people at ease and retain top talent, but also to help everyone understand the nature, demands and rewards of the changing roles they’ll play.

### How we can help

We realize the importance of combining deep strategic change experience with practical business strategy. We even wrote the books on change: Deloitte Consulting Principal Dan Cohen co-authored *The Heart of Change* (2002) with Harvard Business School’s change leadership guru John Kotter; followed by *The Heart of Change Field Guide*, by Dan Cohen. We have an array of tools and resources that help us deliver strategic change, but we approach each project as a unique situation with no precast solutions. The best change strategy is the one that meshes leading practices with our clients’ specific needs.

To better know those needs, we use exclusive tools like the AsOne survey method to sound out and integrate the strategic priorities that arise from different parts of a company and CulturePoint to assess an organization’s current culture, define an ideal state and measure the gaps to be overcome.



The areas of our service include:

- Change management
  - Leadership alignment
  - Change readiness assessment
  - Change impact assessment
  - Workforce transition planning
  - Implementation planning
- Culture
  - Culture assessment
  - Future-state culture visioning workshop
  - Targeted behavior change for business critical events
  - Recommended solutions to achieve cultural transformation
- Communications
  - Stakeholder analysis
  - Communication strategy and plan
  - Leadership communications
  - Written communications, such as newsletters and articles
  - Communication events, such as town halls and team meetings

#### Bottom-line benefits

An effective strategic change strategy can help an organization in its efforts to:

- Recoup the initial investment in the technology investment by fostering successful employee adoption
- Reduce the learning curve associated with a major transformation to achieve full productivity sooner
- Recoup the investment made for a merger or acquisition by preventing decreased morale, low productivity, and employee turnover
- Retain top performers through strategic communication and a managed change experience
- Identify risks associated with a business transformation ahead of time and address them before implementation

#### Seven ways to get more value now

Whether the starting point is a crisis or an opportunity, people drive all successful transformations. Here are some principles we've learned after helping a long list of complex organizations effectively successfully manage change:

**Appoint executive sponsor(s) who will show visible commitment.** Identify the most appropriate leader or leaders who will visibly and actively demonstrate commitment and champion the change.

**Influence the influencers.** Identify people within each stakeholder group who command the most respect and then get them involved as champions for the organization change.

**Demonstrate incremental progress and successes.** Communicate critical milestones and project successes throughout implementation, watch expectations – and avoid overpromising or overselling.

**Let people know how it will affect them.** As soon as you can answer this question, share the answer – tell people what's going to happen, good or bad, so they can be prepared. Recognize that people's past experiences with change will color their perceptions about what you're trying to accomplish today.

**Align culture with business strategy.** Culture and business strategy should reflect each other and should foster the behaviors that lead to success. Metrics and rewards must measure and motivate the desired behaviors.

**Recognize there may be winners and losers.** The impact of organizational changes varies from one stakeholder group to the next, and some may not be happy with the outcome. Communications should be honest and direct, focusing on the positives, if applicable.

**Establish governance.** To ensure a strong project management culture, project decision making and governance processes must be clearly defined and involve key leaders.

## Strategic Change in action

Effective strategic change management can help an organization boost sales or similar bottom-line metrics by multiple percentage points. Here are a few recent examples of Strategic Change in action.

- A major consumer products company decided to change the way it delivered HR and Finance services to employees through a new operating model that leveraged sourcing and shared services. We were engaged to conduct change management activities across functions, support sourcing change management activities and perform specific activities, including stakeholder analysis, change impact analysis, leadership alignment, communications and overall change planning. The outcome resulted in cost savings, organizational efficiencies and standardization.
- A large pharmacy benefits manager invented and implemented a new technology involving process, system and role changes across its sites nationwide. We helped build a change management and strategic communications program to prepare employees for the changes and to transition into their new roles.
- In the midst of reduced consumer demand, wildly variable fuel costs and unresolved labor negotiations, an airline chose to make a strategic investment in workforce management. Deloitte's strategic approach framed the importance of stakeholder buy-in and outlined the steps to achieve it. We helped provide advisory and implementation services for the organization and change management team, managed executive alignment, aided in workforce transition and built stakeholder readiness for both headquarters and field populations.

## Related insights

- [Profitable Performance-Based Logistics: The Cultural Imperative](#)

## Related offerings

- Technology Adoption
- Organization Strategy and Design
- [Talent Strategies](#)
- Learning and Talent Development

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