

ATN Business Sense
April 2010

Barry Jenner is a Chartered Accountant and Management Consultant specialising in improving the profitability of road transport and associated businesses.

Driving change in a business is challenging and often frustrating, just ask anyone who has tried. It is slower than management, their advisers, investors and bankers desire.

As Robert H. Miles wrote in the January February 2010 Harvard Business Review, “An incremental, parochial mind-set also affirms the traditional executive pecking order. Those who control the most resources or institutional assets tend to monopolize discussions, trump new ideas and strong-arm decision making, thereby reinforcing the status quo.” Does that sound familiar to Australian transport operators?

Miles says successful transformations require a “rigorous confrontation of reality.” Managers must agree on a simple set of ground rules for discussing ideas, engaging in critical thinking and making decisions. They must be enforced as team members will often revert to their old ways if the managing director allows them to!

Business must be run normally and there is not usually room to plan and launch a transformation. Miles says the solution is to “create a turbocharged, no slack launch process that runs on a separate track and promotes both high speed and high engagement.” Senior executives should be involved in designing part of the transformation and be involved in the execution company wide. You also need to aim to get some early, visible victories.

If efforts “come up short” the managing director must have the courage to let them go. Often too many change projects, individually commendable are piled up causing gridlock. The managing director must choose the top three or four and have his people focus on them. It is important to decide what *not* to do.

Blockers or executives “incapable of performing within the expectation of the transformation agenda” are inhibitors. Some are “deniers” who have deep foreboding about losing out and others are “commitment averse.” They need to be quickly identified otherwise the whole effort could be under-mined. They must be dealt with promptly and that will send a strong signal to the other members of the team and the organisation.

Employee engagement and motivation is crucial as disengaged employees can dramatically slow progress. Employee programs should combine “training and development with employee alignment and engagement during the launch period.”

It is important to hold programs promptly and “engage and align employees from the outset.” Miles says the best response is to “deploy a rapid, high engagement, all-employee cascade.” He describes how a properly planned process enabled a major retailer to take only a few weeks to engage and align its 40,000 employees around the world with its transformation plans and



Barry Jenner
MIMC, CMC, F.C.A.
Grad Dip Bus (Acc)

T +61 3 9642 1686
F +61 3 9882 0894
M 0418 821 183
E bjenner@mindshop.com.au

initiatives. That demonstrates how a major transformation can be undertaken by any Australian transport operator who carefully and thoroughly plans the process.

After the cascade sessions “people really need to get down to the business of delivering on their commitments.” Old habits can sneak back and priorities can be forgotten. Miles describes three predictable slumps. Postlaunch blues require a leader to change from playing a visionary role to switch to relaying a consistent message “about the need to drive the key transformation initiatives in the agreed upon manner.” It is important to hold weekly staff meetings to review progress and note early lessons that need to be quickly shared.

“Midcourse overconfidence” can occur and the challenge is to keep the transformation process focused, energized and refreshed. “Presumed perpetual motion” is when executives think that things will simply progress if the company keeps to its plan. Miles says you need to boldly plan how to “kick off the second year of execution” by using everyone’s experience to make informed changes and improvements.

Barry Jenner is a profit and business improvement specialist. Email: bjenner@mindshop.com.au or phone 0418 821 183 any time.



Barry Jenner
MIMC, CMC, F.C.A.
Grad Dip Bus (Acc)

T +61 3 9642 1686
F +61 3 9882 0894
M 0418 821 183
E bjenner@mindshop.com.au

Level 8, 350 Collins Street Melbourne Vic 3000