

# Executive **EDGE**

## WHY CHANGE EFFORTS FIZZLE

Under a variety of names—reengineering, right sizing, cultural change, and others—many companies are restructuring themselves to become more competitive. A few of these change efforts have been striking successes. But most have not.

The chances are that, in every fizzled effort at corporate transformation, the company's change champion has made at least one of eight basic errors. He or she has failed to:

- Persuade colleagues that change is urgently needed. (One reform-minded CEO went so far as to deliberately manufacture a big accounting loss for his firm. He *did* persuade his colleagues.)

- Build a powerful coalition for change. (Constructing such a group is tricky. Reform coalitions need to recruit top executives as members—but some execs will always fight reform.)

- Develop a clear, compelling vision of the future.

- Fully employ the company's media in communicating that vision to colleagues. (The new vision will be especially hard to sell if it involves job losses.)

- Remove obstacles to the new vision, possibly including some company officers. (Opponents should be treated fairly; they should not be allowed to block change.)

- Plan short-term victories that encourage colleagues to aim



Chris McAllister

at winning the war, not just a few battles.

- Persevere until change is complete. (Some opponents of change will help celebrate victory in battles—but only as a means of calling off the war.)

- Anchor the trans-

formation in the company's culture. (In a truly changed culture, new methods quickly come to be seen as "the way we do things around here.")

Most of these errors are made because change is a longer,

more arduous process than its champions are prepared for. Genuine corporate transformation can take from five to ten years.

From John P. Kotter, "Leading Change: Why Transformation Efforts Fail," Harvard Business Review, March-April, 1995, pp. 59-67.

## THE POWER OF PROJECT MANAGERS

Because they have the ability to see a project through to completion and then gracefully move on to the next task, project managers have survived the downsizing that has led to the near extinction of middle managers in American business. In fact, "the project manager is the linchpin in the horizontal/vertical organizations we're creating," says Price Waterhouse partner William Dauphinais. Although the customer still has the ultimate authority over a project, project managers can garner enough power to influence how a project is guided to completion.

One source of power project managers can call on is expertise in project management itself. The Upper Darby, PA-based Project Management Institute (PMI) offers an eight-hour certification examination covering topics like how to manage schedules and costs and how to cope with a project's sudden change in direction. Tools like Microsoft Project give managers

the power to plan and overcome problems.

A second power source is reputation. Those project managers who have a reputation for being a success will have an organization's best employees clamoring to get on their project teams. Project teams with the company's best and brightest players will have fewer problems completing their projects.

A third source of power for project managers is honest sales ability. Project managers spend 75 percent of their time "jaw-boning," estimates Dauphinais. But, he warns, they must do it well and focus on the work. On the projects he manages, Dauphinais expects team members to regularly visit all those who have a stake in the project's success, updating them on progress.

From Thomas A. Stewart, "The Corporate Jungle Spawns a New Species: The Project Manager," Fortune, July 10, 1995, pp. 179-180.