In modern businesses the old adage “the only constant is change” is more relevant now than ever before. Kotter (1996) suggests that faced with increased competition a trend toward organizational transformation will continue for the foreseeable future (p. 66).  This trend will is exacerbated by the recent economic downturn and frantic search for revenue and cost reductions.

    As with so many others my organization has been following this trend for the past few years with decidedly mixed results at best.  Two specific projects with very different outcomes immediately come to mind: a multi-divisional reorganization, and an attempted division of labor which failed miserably. Rather than lead with a negative I have chosen to review the reorganization prior to the failed reclassification of labor.

    Nearly a year ago I was asked to participate in a complete reorganization of three separate divisions at my firm. At the time sales where sluggish in all three businesses and concern was mounting organization wide about the status of our company.  As a result of this perception and external threat, thus conditions for change were optimal. In accordance with Kotter’s (1996) eight stage change process in that crisis was evident to all parties (p. 21).  Pending disaster makes for strange bedfellows. Because of the sense of urgency a leadership or guiding coalition was created without a great deal of resistance. Interestingly enough, even the most ardent of enemies where able to put down their swords for the greater good. Fortunately the reorganization is approximately 95% completed at this time; collectively we are at 160% revenue versus last fiscal year.  Two of the three merged companies are enjoying greater than double digit growth over the same period.

    Failure is only failure if nothing is learned from the experience. Several years back it was decided (in some dark room, by no doubt ill-intentioned villains), that a new hybrid support position was necessary. Functionally the concept was to create an escalation point that was to represent customer perspectives to the factory in Japan.  Not an all together bad concept, however, no one bothered to tell the people who already performed that function this was going to happen. Clearly a sense of urgency was not created, if there was a guiding coalition they were either afraid to reveal themselves, or simply did not care enough to engage. Regardless, these poor individuals did not stand a chance within two years all were terminated and the entire program scrapped in favor of “the way it was”.  Having been a manager at the time, I paid a great deal of attention to this process and have never forgotten the value of communicating effectively since.

Reference

Kotter, J. P. (1996). *Leading change*. Boston, Mass.: Harvard Business School Press.