As an engineer, I support a specific product line within our company. We have historically achieved great success with this product and leadership would like to extend that into the future. Mid last year, the VP/GM for the product line established new goals for engineering that consists of two targets: Product Improvement and Cost Reduction. Essentially, improve the features of the product to make it more attractive while reducing the unit cost of the product. These are being worked through two separate areas within engineering and I’m responsible for the Cost Reduction.

These changes have provided both good and poor examples of managing change. First, what has gone well is that for the Product Improvement, a dedicated team exists within our R&D organization to focus on this effort. The targets were given to the R&D Chief Engineer who leveraged the existing organizational structure to communicate the targets and set goals for what needed to be done. With regard to the Cost Reduction, I am reporting directly to the Product Line chief (without a senior manager to provide day to day guidance or hold the management team accountable) and expected to utilize the engineering team that supports the product line. Establishing a sense of urgency throughout the organization is challenging because this same team is responsible for on-going support to the product line which will see an unprecedented increase to our production rates this year. Adding the task of reducing costs doesn’t get anyone excited because everyone has a full workload already.

Kotter (1996) cites “establishing a sense of urgency” and “creating the guiding coalition” as the first two steps to create major change. The R&D team established audacious goals, communicated them to their team and established a leadership team to execute. In reality, they have routine meetings and communication and are making progress on their plan. The Cost Reduction effort on the other hand, feels like we’re supposed to be at Step #5 “Empowering Broad-Based Action” (Kotter, 1996) even though we management hasn’t communicated any sense of urgency or created the guiding coalition to lead the change. The team is struggling because we don’t have necessary priority or leaders in place to make the change happen.

References

Kotter, J. P. (1996). Leading Change. Boston: Harvard Business Review Press.