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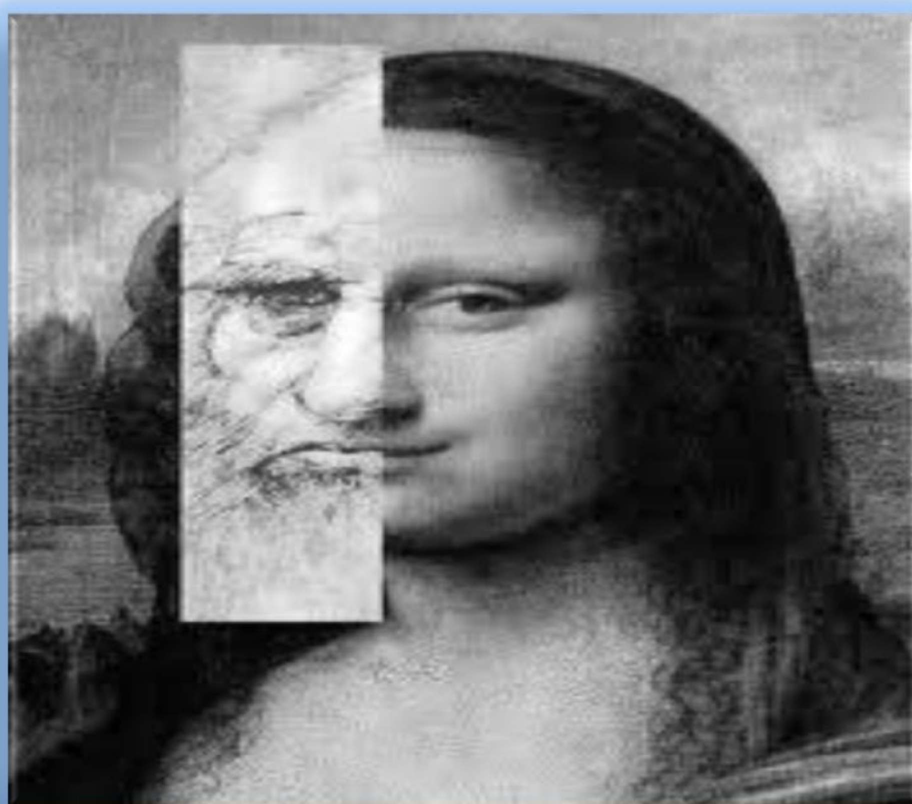

Holy grail of business

By aCatalyst Staff

Holy Grail of business must be the illusive change programme that genuinely transforms business performance. In many cases, despite excessive doses of new age management voodoo, and an often jargon filled optimistic start, with time, the balance sheet starts bleeding red ink.   With the company worse off, than it was before the start of the misguided effort.

Everyone talks about change and better operational and financial performance, but very few East African companies turn the talk into the bottom line.   It took grain miller Unga Group eight years of back to basics, focussed management, to reach profitability and undo the results of a failed change effort.

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Corporate transformation program efforts go under many names: total quality management (TQM), reengineering, right sizing, restructuring, cultural change and turn-arounds. Remember reengineering, that was deemed to be the Viagara of corporate transformation. Even the reengineering creators, Michael Hammer and James Champy state that "about 50% to 70% of organisations that undertake reengineering do not achieve the dramatic results they needed". Who will reengineer the reengineers ? When it comes to change efforts globally, and in Kenya, a few have been very successful, a few have been utter failures, most fall somewhere in between, with a distinct tilt towards the lower end of the scale. Why ?

From our experience, here are the common mistakes we have seen and some reasons why change efforts fail to succeed.

Right people on bus

Forget about blue sky visions of the direction your company is heading in. Truth is that hard analysis shows that companies that genuinely outperform the market, start with asking who are the competent enthusiastic staff who should be seating in the seats of the *matatu*. Forget about the direction it's heading in for the moment. Shuffle the seating around, put people where they best fit, but if you don't have the right people you are going nowhere.

Issues of front line staff ignored

Deal with the real issues that effect staff. What are the things that upset your people ? What is bugging them ? Some to you may seem significant, others trivial. Deal with them all and let people know they are being dealt with.

A change effort will flop if staff the focus is on the managers' pockets, while line staff have nothing to gain, nothing in it for them. *Quid pro quo*. "Do this for me and I will do this for you." You are asking staff to do things differently, up their level of diligence in work, in return the company need to be seen to be giving, not just a taker.

So how about for starters, having one of the Monday morning meetings with the cleaners and the messengers instead of the managers ? Let them see the undoubted value of their cleaning and delivery efforts ?

Management has not really changed

Management cannot expect the change effort to work if they carry on exactly as they were doing before -- in a "do as I say, not as I do" mode. Same thing if the CEO, seemingly the guru of the overall operation, is not wholly involved in the entire change process. Desired change is bound to fail again, if the managers

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don't understand the scope of the intended program or the business problems that need to be solved. They obviously won't know what to measure, or look out for, in this process or in which way to manage the staff.

No way to measure results

No standards in place to measure how successful the change efforts are, or have been, makes for a non starter. How do we know whether anything has changed, for instance, have transaction times have improved ? So after some time, no way to know what the impact of the program has been and staff find themselves like lost sheep, having it drummed on their heads that "they have to change" but do not know how they are changing, or really, how they are supposed to. What should you measure ? Staffs' engagement, quality of operations, financial dimension and customer satisfaction.

Not linking the change elements with real business improvement

This is where the company focuses on, yes, success of the various elements of the change effort like, for instance, staff , mission of the organisation, culture, skills, systems and strategy, but fails to do the most crucial thing, which is, link these efforts to the company's bottom line, or if you like, how these efforts finally show up in the numbers. Ah, when the numbers show up, make sure an incentive programme is in place for everyone. Best way to demoralise managers and staff is to create an incentive programme where the staff have no influence on it's outcome. It's a bad stimulus response set-up, if after you ring the bell and Pavlov's dog salivates and you never feed it. Eventually the dog just goes back to sleep. No amount of corporate bell ringing will wake it up.Don't despair, corporate change is a possible if well thought out, but at the end of the day, remember: "How many psychiatrists does it take to change a light bulb ?" Answer: "Only one, but the light bulb has got to want to change."

About aCatalyst

aCatalyst Consulting was formed to provide leading edge practical advice to clients in Kenya and East Africa. Our goal is to set a standard of excellence by working together with leaders to build winning organisations. Our intention is to work with clients make a significant difference in their performance.