



# Leading Change

J. Stephen McNally, CMA, CPA

Presented by IMA Leadership Academy

April 12, 2022



The Association of  
Accountants and  
Financial Professionals  
in Business

# Webinar Features and CPE Credit

Q&A

Asking Questions



Participant Quick Guide



Closed Captioning



Help



CPE Credit

## Certification

### Criteria for Partial Credit Option 1

- ☐ Minutes to Watch: 50
- ☐ Number of Completed Polls required: 3

### Criteria for Full Credit

- ☐ Minutes to Watch: 75
- ☐ Number of Completed Polls required: 5

# Moderator

**Guruprasad Varadarajan, CMA, ACA,  
ACMA, ACS, FIPA Australia, FFA UK**

**Past President  
IMA Bangalore Chapter**



The Association of  
Accountants and  
Financial Professionals  
in Business

# Guruprasad Varadarajan's Biography

- Guruprasad is a chartered accountant with more than 26 years of experience in Finance, Accounting, Auditing and Taxation in both industry and in practice. He is currently Vice President of a reputed Family Office in Bengaluru.
- He has extensive experience working in various capacities as a head of finance, controller of finance, and general manager of finance in companies engaged in manufacturing, information technology and mining.
- Guruprasad has authored articles and presented at organizations, universities, and local governments on the topics of artificial intelligence, fraud risk management, blockchain, corporate governance, ethics, as well as various financial and management accounting topics.
- Guruprasad is a commerce graduate from Vivekananda College (University of Madras). He is an active member of IMA, having served as the immediate past president of IMA Bangalore Chapter from 2019-21. He also received the prestigious Global IMA Champion Award in June 2021.

# Featured Presenter

**J. Stephen McNally, CMA, CPA**

**CFO, Treasurer, and Secretary**

**PTI Family of Companies**

**Chair, 2021-2022**

**IMA Global Board of Directors**



The Association of  
Accountants and  
Financial Professionals  
in Business

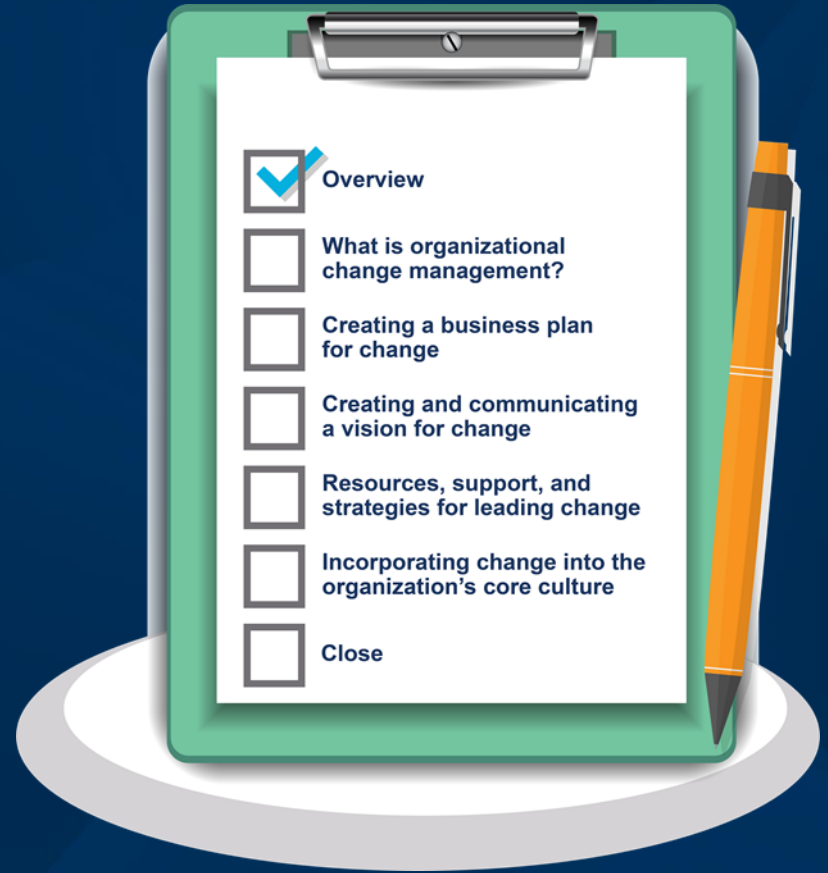
# Stephen McNally's Biography

- Stephen McNally, is Chair of IMA's Global Board of Directors for the 2021-2022 fiscal year. He is also chair of IMA's Governance Standing Board Committee, the IMA Europe Board, and the ICMA Board of Trustees. In addition, he serves as a trustee of the IMA Memorial Education Fund and the IMA Research Foundation Board of Trustees. In his role as Global Board Chair, Steve oversees all Global Board committee work, presides over all Global Board meetings, and works closely with IMA's president/CEO to ensure that staff and the Global Board are engaged and achieving IMA's strategic plan.
- Mr. McNally is also CFO, treasurer, and secretary of the Plastic Technologies Inc. (PTI) Group of Companies. Based in Holland, Ohio, the PTI Group serves nearly every major consumer goods company and is recognized worldwide for sustainable packaging innovation.
- Steve is a proud member of IMA's Toledo (Ohio) Chapter and has served as a member of the IMA Global Board since 2009. He received a BS in Accountancy from Villanova University and an international MBA from the University of South Carolina.

# Agenda

**Welcome.** What will it take to successfully move your organization forward?

- The rate of change isn't going to slow down any time soon.
- It is unlikely that reengineering, mergers, downsizing, quality efforts, and cultural renewal will soon disappear.
- John P. Kotter's 8-Step Change Model identifies the steps every company must go through to achieve its change goals.



# Learning Objectives

After this session, attendees will be able to:

DEFINE

organizational change management.

CREATE

a business plan for change.

IDENTIFY

steps to create and communicate a vision for change.

DESCRIBE

how to develop the resources and support necessary for change to occur.

LIST

strategies for leading people through the process of change.

OUTLINE

ways to build upon successful change and incorporate it into the organization's core culture.



# Setting the Stage

- For change to happen, it helps if everyone is on board.
- Convince people that change is necessary.
- A clear vision will help everyone understand why you're asking them to do something.
- After the structure for change is put in place, the leader needs to continually check for barriers to change.
- Create short-term wins.
- Real change runs deep, and quick wins are only the beginning of what needs to be done to achieve long-term change.
- Finally, to make any change stick, it should become part of the core corporate culture of the organization.



# Change Defined

- **Change** /CHānj/
  - Is any alteration of a situation or a process
  - Is an outer event that happens to us
  - Can happen in a second

# Kotter's 8-Step Change Model



# Poll Question 1:

How would you **rate your experience** with **leading change**?

- a. While I have experienced change in my organization, I have never led a change.
- b. I have been a member of a team leading change.
- c. I have had the primary responsibility for leading a change.
- d. I have led more than one change project.




# Poll Question 1 Results: (Placeholder)



WHAT IS ORGANIZATIONAL  
CHANGE MANAGEMENT?

# Organizational Change Management (OCM)

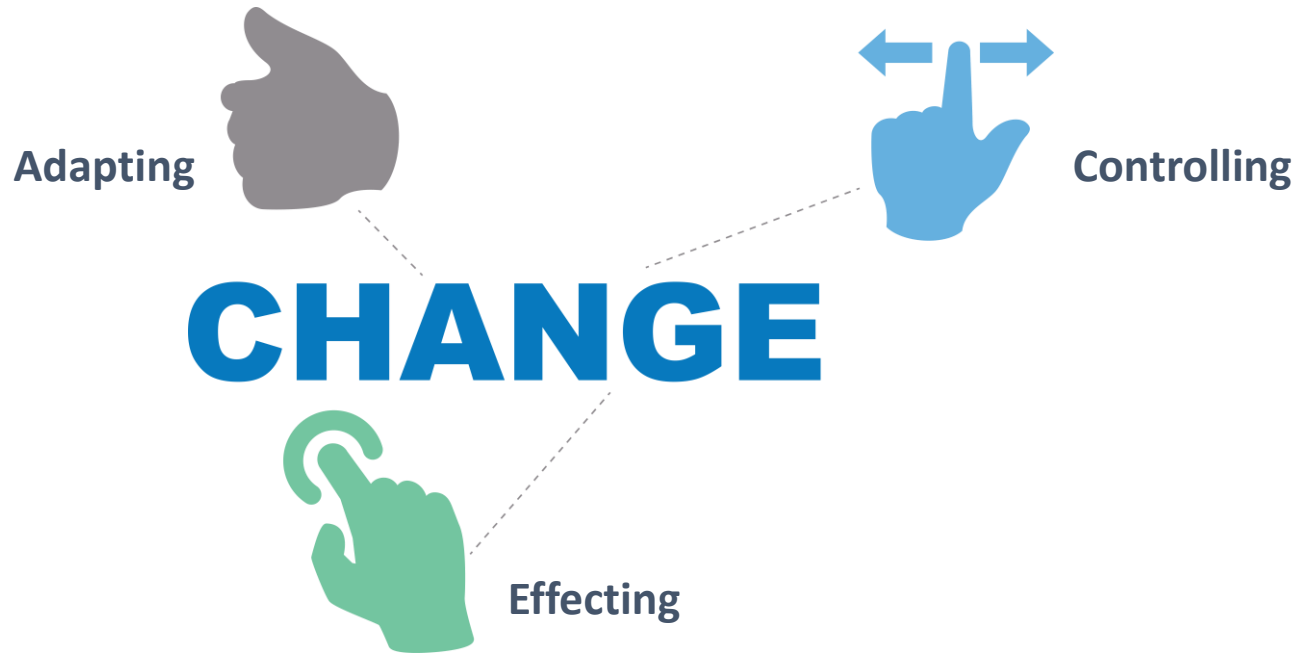


A framework for transitioning individuals, teams, and organizations during times of significant reshaping.

Considers the full organization and what needs to change.

A proactive approach to the changing needs and capabilities of the organization.

# Three Aspects to OCM





# OCM is used to...

**Prepare, adopt, and implement** fundamental organizational changes in...



## ORGANIZATIONAL

- Culture
- Politics
- Procedures
- Technology
- Environment



## EMPLOYEE

- Roles
- Skills
- Responsibilities

...so that the organization can **deal with and profit from changes.**

# Three Levels of OCM



Individual  
Change Management



Organizational or  
Initiative  
Change Management

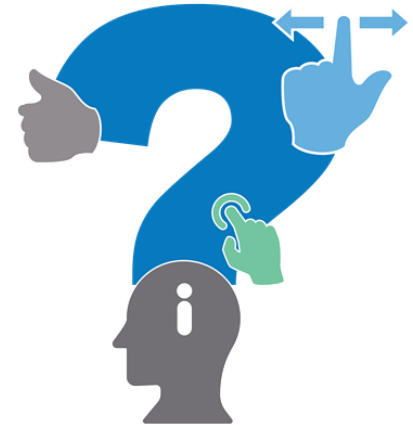


Enterprise Change Management  
Capability

## Poll Question 2:

How **familiar** are you with **Organizational Change Management**?

- a. I had never heard of it until this webinar.
- b. I am familiar with some of the aspects of OCM.
- c. I am very familiar with several of the aspects of OCM.
- d. I have experience and knowledge of most or all aspects of OCM.





## Poll Question 2 Results: (Placeholder)



CREATING A  
BUSINESS PLAN FOR CHANGE

# Why Create a Change Business Plan?

- 
- **HELPS** turn vision into reality
  - **LENDS** credibility to the change project
  - **ENSURES** nothing is overlooked
  - **INCREASES** efficiency
  - **INCREASES** accountability
- 

# Create Urgency

**WHERE** is the company today, and where does it need to be?

**WHAT** are the potential threats the company faces?

**WHAT** are the opportunities the company could or should take advantage of?

**WHAT** change indicators are present?



# Change Indicators

## EXTERNAL

- Increase in customer complaints or customers lost
- Decline or unexpected financial results
- Poor supply chain relationships
- Loss of market share



## INTERNAL

- Breakdowns in communication
- Inconsistent effectiveness, efficiency, and productivity
- Missed deadlines
- Low morale
- Bullying or abusive team member
- Employee turnover
- Absenteeism
- Employees avoiding taking risks



Source: Roger Connors and Tom Smith, *Change the Culture, Change the Game: The Breakthrough Strategy for Energizing Your Organization and Creating Accountability for Results*, Penguin Group, London, England, 2012.



# SWOT Analysis

## Strengths

What is our industry or competitive advantage?



## Weaknesses

Where are we weak, compared with our competitors?



## Opportunities

What are the opportunities to increase revenue or profits?

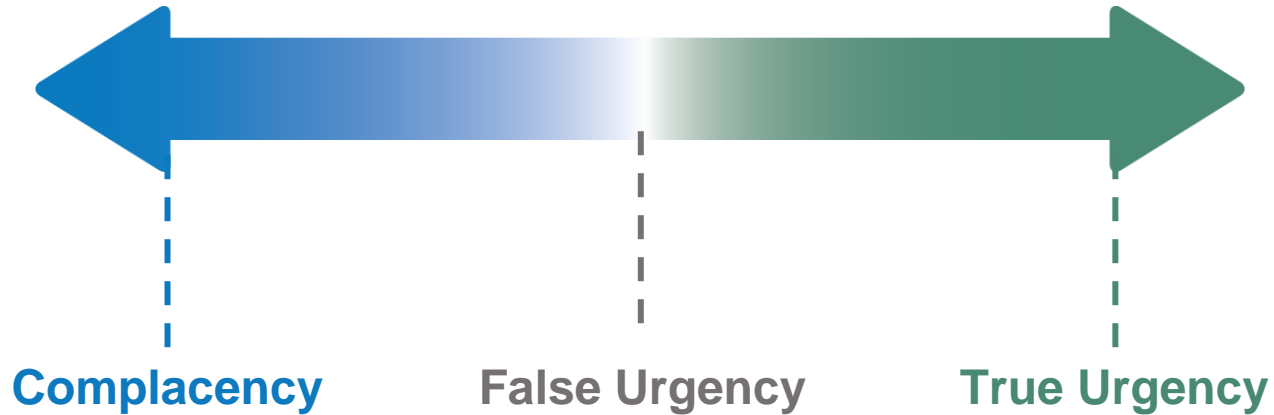


## Threats

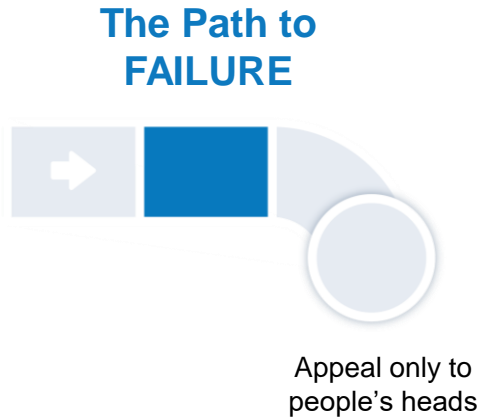
What threatens our ability to thrive?



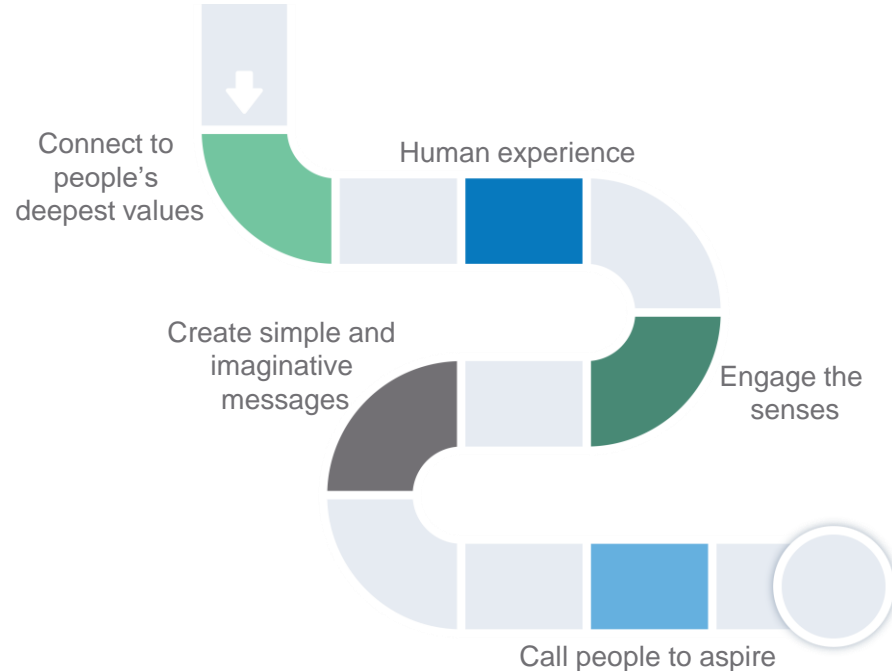
# State of the Organization



# Create True Urgency



**The Path to SUCCESS**  
**Appeal to people's hearts**



## Poll Question 3:

How would you rate your ability to appeal to people's **hearts** and not just their **heads**?

- a. I'm more comfortable just providing data.
- b. I have a moderate level of skill in appealing to people's hearts.
- c. I am best when working with a team to craft messages that appeal to the heart.
- d. I have a fair amount of skill in crafting messages that appeal to the heart.



## Poll Question 3 Results: (Placeholder)

# Form a Guiding Coalition

From **all levels** of the company

From **all key stakeholder** groups

- Job titles
- Status
- Expertise
- Political importance or influence

**TRUE CHANGE LEADERS  
AND KEY STAKEHOLDERS**



# Form the Coalition



**ASK** for an emotional commitment



**WORK** on team building



**CHECK** for weak areas



**ENSURE** a good mix of people and viewpoints



**ADD** individuals as necessary

# The Business Plan Questions



**WHAT** actions or changes will occur?

**WHO** will carry out these changes?

By **WHEN** will they take place,  
and over what period of time?

**WHAT** resources are needed to  
carry out these changes?

**WHAT** is the plan for communication?

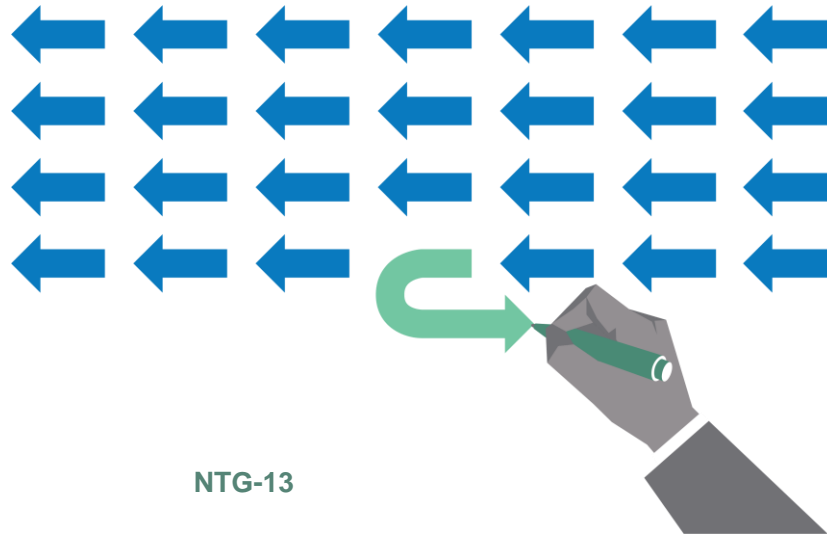




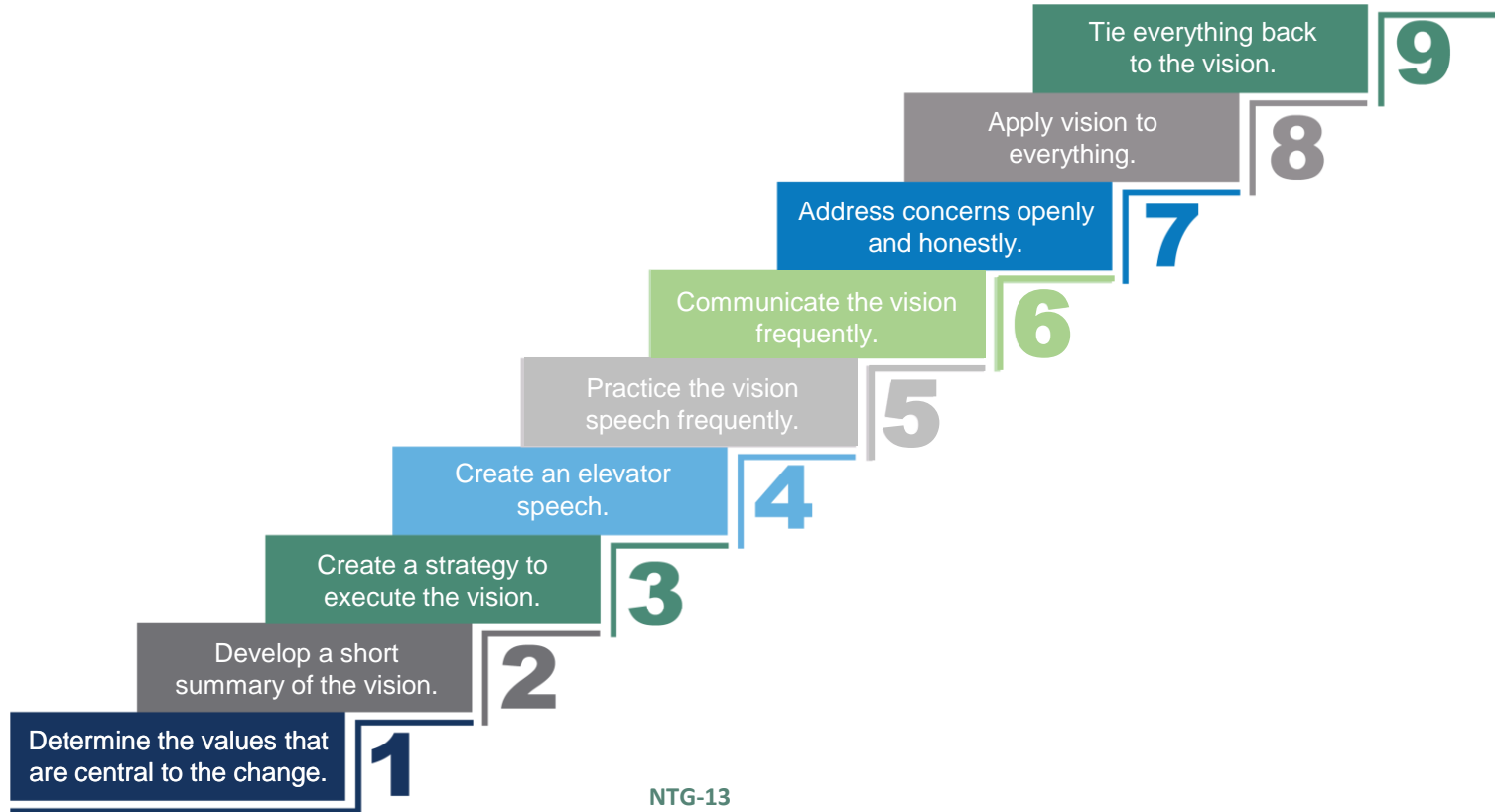
CREATING AND COMMUNICATING  
A VISION FOR CHANGE

# Why Create a Change Vision?

- Helps people remember
- Helps people understand why
- Helps keep people appropriately informed
- Keeps the change initiative in front of people
- Captures the essence of what the change is about
- Guides decision making and problem solving
- Supports the change strategy



# 9 Steps



# 1. Determine Values Central to Change

- What beliefs do you want to change?
- How do you help people adopt the new belief?
- What actions do you want people to take?
- What beliefs support those actions?

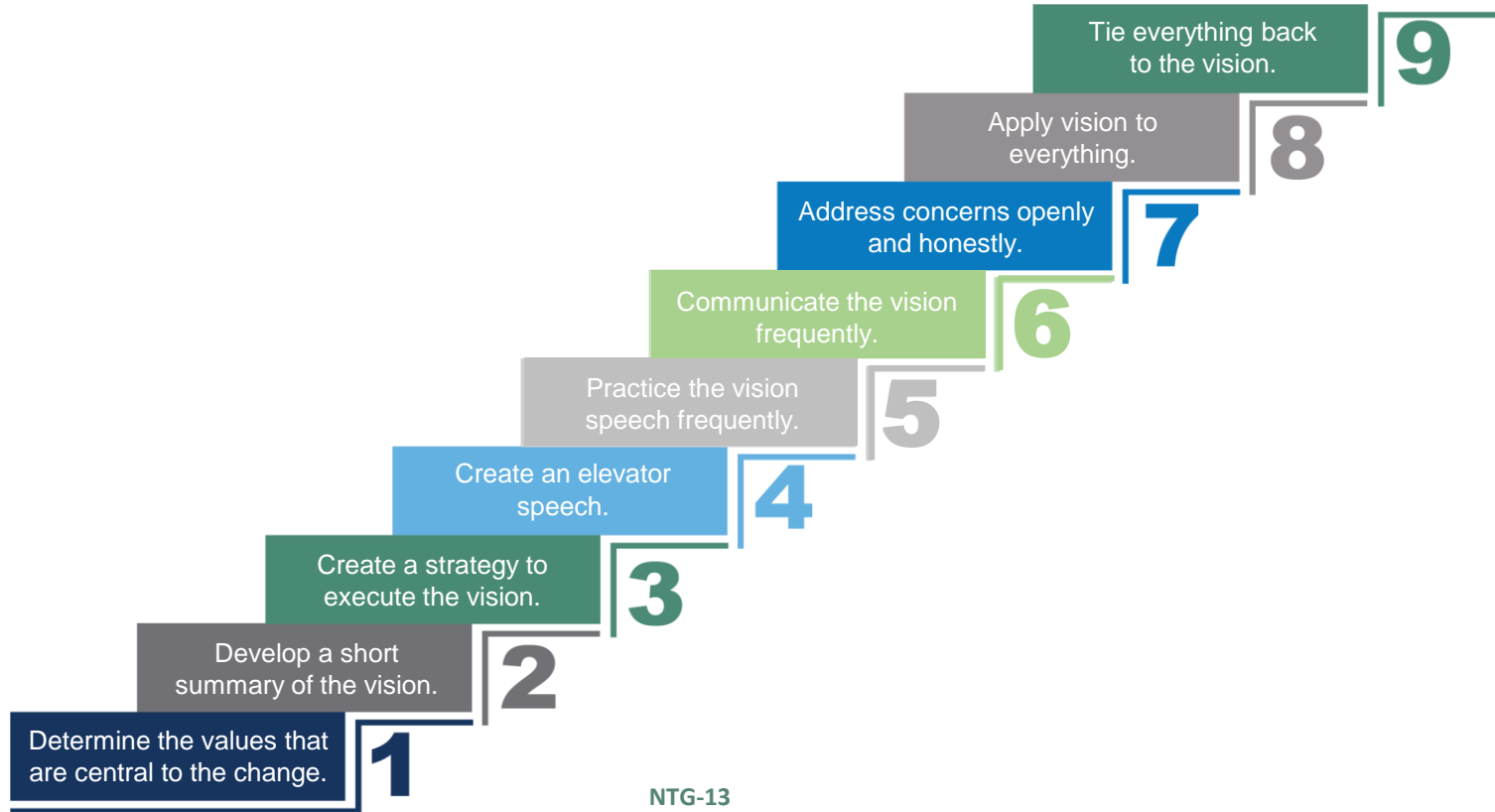
## Identify two kinds of beliefs:

1. Beliefs that hinder change
2. Beliefs that move the company forward



**Requires individual and collective soul-searching and completely open feedback about true reality**

# Back to the 9 Steps



## Poll Question 4:

Think of the most recent change you have been involved with. How **effective** was the **communication about the change**?

- a. It was sparse and/or focused just on data.
- b. While the initial messaging was inspiring, there was a lack of continuous communication.
- c. The communication about the change was sporadic—sometimes effective and at other times missing entirely or ineffective.
- d. Communication about the change was frequent and effective in supporting the change.



## Poll Question 4 Results: (Placeholder)



RESOURCES, SUPPORTS,  
AND STRATEGIES

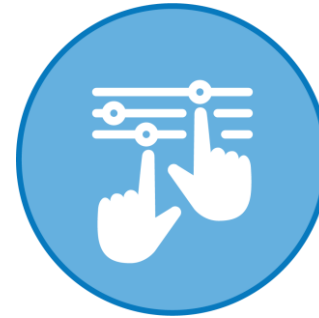


# Kotter's 8-Step Change Model



# Activities to Move Change Forward

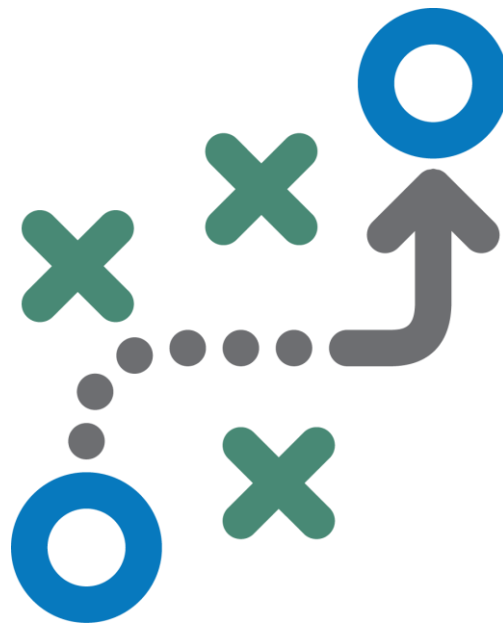
- **Assess** the impact of changes on people and structures.
- **Plan** activities to address the impacts of changes.
- **Ensure** those affected understand the process changes.
- **Ensure** those affected have help and support.
- **Help** resistors see what is needed.
- **Assess** training needs from the change.
- **Plan** when and how training will be implemented.
- **Identify** and **agree** on the success indicators for the change.



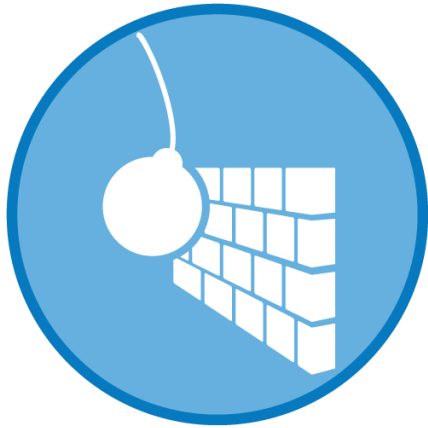
- Regularly **measure** and **report** on the success indicators.
- **Ensure** the change process taps into the strengths of the organization.
- **Recognize** and **reward** people for making change happen.

# Strategies for Moving Change Forward

- **Stay** purpose-driven
- **Communicate** constantly
- **Invest** in people
- **Persist** until you succeed
- **Delegate** tasks
- **Manage** expectations
- **Hold** people accountable



# Key Responsibilities



**Remove obstacles  
to change**

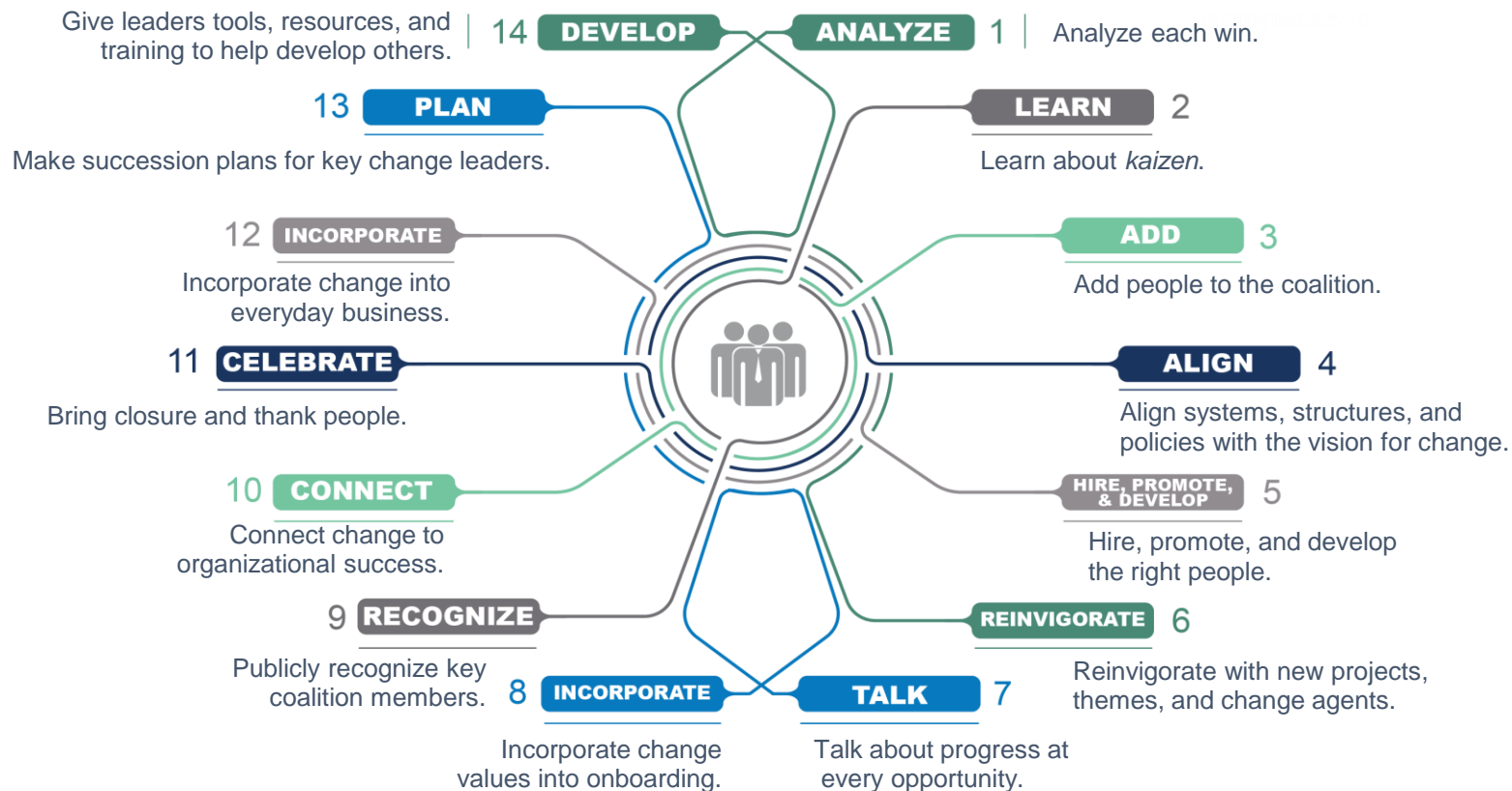


**Create short-term wins  
to build momentum**



INCORPORATING CHANGE INTO THE  
ORGANIZATION'S CORE CULTURE

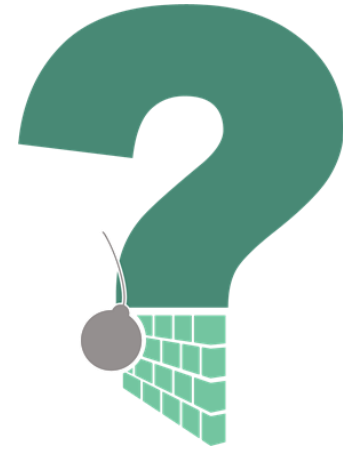
# Making Change Part of the Culture



# Poll Question 5:

Which of **Kotter's 8 steps** represents your biggest **obstacle** for leading change?

- a. Creating urgency for change
- b. Forming a coalition for change
- c. Creating a vision for change
- d. Removing obstacles to change
- e. Communicating the vision for change
- f. Creating short-term wins
- g. Building on the change
- h. Anchoring change in the corporate culture
- i. None of the above



## Poll Question 5 Results: (Placeholder)





CLOSE

# Organizational Change Management

## PROACTIVE

Helps the organization **deal with** and **profit from change**.

Helps people and organizations **adapt** to, **control**, and **effect** change.

Based on  
**decades of study and research.**

## 3 LEVELS

- **Individual** Change Management
- **Organizational** (or Initiative) Change Management
- **Enterprise** Change Management Capability

Considers the **full organization** and **what needs to change**.

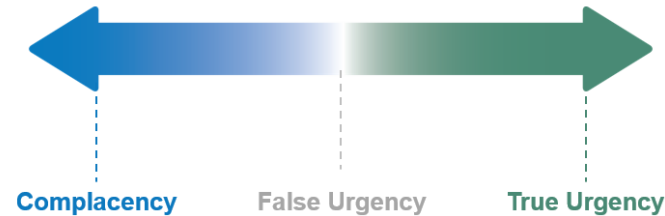
# Kotter's 8-Step Change Model

Requires at least **75%** of company management to embrace the change.

Appeal to people's **hearts**, not just their heads.



Leaders need to determine if the organization is **complacent**, **falsely urgent**, or **truly urgent** about making changes.



# Kotter's 8-Step Change Model

Drawn from **ALL LEVELS** and  
**ALL KEY STAKEHOLDER GROUPS.**

## INFLUENTIAL PEOPLE

**Emotionally committed** to the change.

Check for **weak areas** and remedy them.

Work on **team building** and creating **trust**.



**Add** more members as needed.

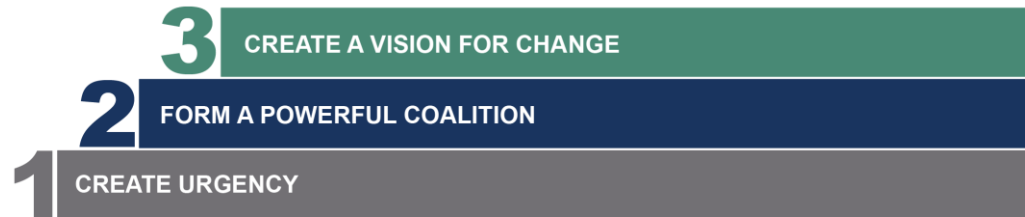


# Kotter's 8-Step Change Model

**1** Determine **values** that are central to the change.

**2** Develop a **1-2 sentence summary** of the vision.

**3** Create the **strategy** (business plan) to execute the vision.



# Kotter's 8-Step Change Model

- 4 Every coalition member create an **elevator speech**.
- 5 **Practice** the vision speech frequently.
- 6 **Communicate** the vision.
- 7 **Address concerns** openly and honestly.
- 8 **Apply** the vision to everything.
- 9 **Tie everything back** to the vision.



# Kotter's 8-Step Change Model

Assess the **impact of changes** on people and organizational structures and **plan activities to address** these impacts.

**Provide help and support** during uncertainty and upheaval.

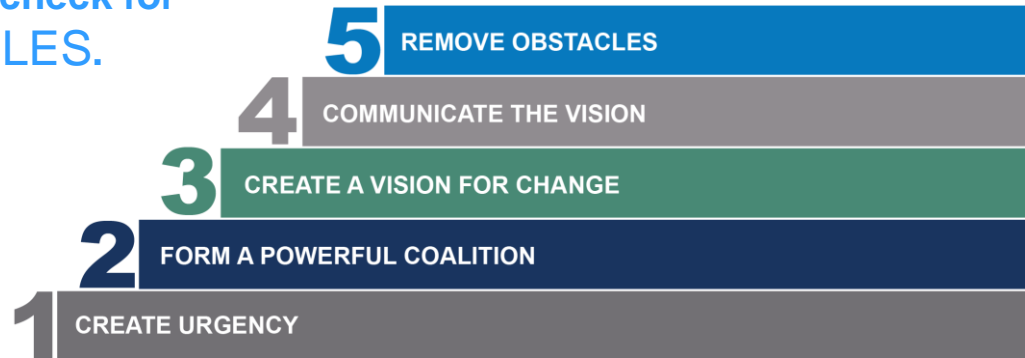
Take **ACTION**.

Manage **EXPECTATIONS**.

Assess **training needs** and **plan when and how to implement** training.

Pay **attention**.

**Continuously check for OBSTACLES.**



# Kotter's 8-Step Change Model

Look for **sure-fire projects** that are **inexpensive** and can be implemented **without help from strong critics**.



Invest in **PEOPLE**.

Ensure change processes  
**tap into organizational  
strengths**.

**Recognize** and **reward** people  
for making change happen.





# Kotter's 8-Step Change Model

## PERSIST

until you succeed.

## STAY PURPOSE-DRIVEN.

Identify and agree on **success indicators** and regularly measure and report on them.

**Build momentum**  
with early successes.

Hold people  
**accountable.**



# Kotter's 8-Step Change Model



# Kotter's 8-Step Change Model



# Learning Objectives

After this session, attendees will be able to:

DEFINE

organizational change management.

CREATE

a business plan for change.

IDENTIFY

steps to create and communicate a vision for change.

DESCRIBE

how to develop the resources and support necessary for change to occur.

LIST

strategies for leading people through the process of change.

OUTLINE

ways to build upon successful change and incorporate it into the organization's core culture.

# Action Plan



Identify a change that you think should be made in your organization.



Draft a brief plan to create urgency for the identified change.



List three key people to be on the change coalition.



Write a one- to two-sentence summary of a vision for change for the identified effort.



Create a detailed action plan that answers all of the business plan questions on page 19 in your note-taking guide.



# Questions and Answers



**J. Stephen McNally, CMA, CPA**  
<https://www.linkedin.com/in/jstephenmcnally/>



**Guruprasad Varadarajan, CMA, ACA,  
ACMA, ACS, FIPA Australia, FFA UK**  
**Past President**  
IMA Bangalore Chapter

# Thank You to Our Presenter!

**J. Stephen McNally, CMA, CPA**

**CFO, Treasurer, and Secretary**

**PTI Family of Companies**

**Chair, 2021-2022**

**IMA Global Board of Directors**

<https://www.linkedin.com/in/jstephenmcnally/>



The Association of  
Accountants and  
Financial Professionals  
in Business

# Thank You to Our Moderator!

**Guruprasad Varadarajan, CMA, ACA,  
ACMA, ACS, FIPA Australia, FFA UK**

**Past President**

**IMA Bangalore Chapter**



The Association of  
Accountants and  
Financial Professionals  
in Business



# IMA Women's Leadership Summit

**NYC 2022**

April 29

**Register Now**



Sponsored by:



Up to 5 ICMA credits  
Cost: \$50 for IMA members & nonmembers

# REIMAGINE

June 12-15, 2022 • JW Marriott, Austin, TX

**Register now**

# Final Reminders

► **Complete the Evaluation poll** – 2 options

- On your screen
- Evaluation Survey icon at the bottom of your console

► **Access to your CPE Certificate** – 2 options

- Click the “CPE” icon at the bottom of your console

or

- Click the link in your post-event e-mail

► Please print a copy of the CPE certificate for your records.

► Your CPE credit will be automatically recorded in your transcript.

# Thank you!



The Association of  
Accountants and  
Financial Professionals  
in Business