



# Leading Change

Presented by IMA Leadership Academy



The Association of  
Accountants and  
Financial Professionals  
in Business

# Featured Presenter



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# Course Goal and Agenda

We all know that change is accelerating and ever-present. Our goal in this course is to improve management accountants' **ability to lead themselves and others through change.**



- ☒ Introduction
- ☐ Change Management Basics
- ☐ Kotter's Model Updated
- ☐ Close

# Learning Objectives

AFTER THIS SESSION, ATTENDEES WILL BE ABLE TO:



## **DEFINE**

| change management and its benefits and challenges.



## **IDENTIFY**

| ways to help others through change.



## **DESCRIBE**

| Kotter's Change Model and updates to the model.



# Reflection

1

**WHAT** are some of the **strategies** you use to personally **cope with change**?

2

**WHAT** is the **best example** of managing change that you have seen?  
**What made it the best?**





# Change Management Basics



# Definitions

## CHANGE

- Any **alteration** of a situation or a process.
- An **outer event** that happens to us.

## CHANGE MANAGEMENT

- An **enabling framework** for managing the people side of change.
- A **systematic approach** to dealing with the transition or transformation of an organization's goals, processes, or technologies.

CHANGE vs. CHANGE MANAGEMENT



# Benefits of Change Management

ORGANIZATIONS WITH **EXCELLENT CHANGE MANAGEMENT** ACHIEVE GREATER SUCCESS.

**6X**

More likely to  
achieve project  
objectives

**5X**

More likely to stay  
on or ahead of  
schedule

**2X**

More likely to  
stay on or under  
budget

## ACHIEVE

People-dependent ROI

- Greater alignment between suggested change and what gets implemented.
- Better ability to identify what can be safely eliminated or updated.
- Employees stay engaged in the organization during disruptive change.
- Employees understand why the change is happening.
- Employees have the time and tools to get on board and feel heard and supported.



# Challenges



Resource management



New technology



Resistance



Multiple points of view



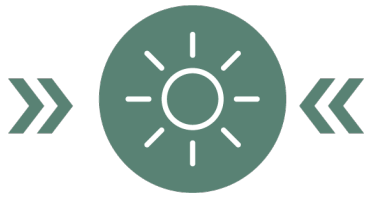
Communication



Scheduling issues



# Forces of Organizational Change



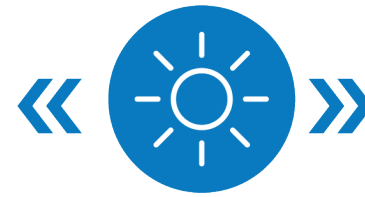
## Planned Internal Change

- Changes in services or products
- Changing administrative systems
- Changes in organizational structure or size



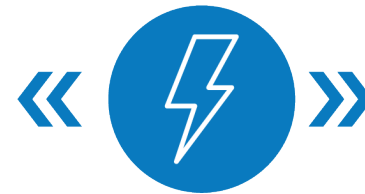
## Unplanned Internal Change

- Change in demographic composition
- Performance gaps



## Planned External Change

- Technological innovations



## Unplanned External Change

- Government regulation
- Global economic competition

# 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

# Poll Question #1

Of the forces of organizational change, which has had the **greatest impact** on you over the last year?

- A. Planned internal change
- B. Planned external change
- C. Unplanned internal change
- D. Unplanned external change
- E. I have not been impacted by change in the last year.



# Poll Question #1 Results





# Best Practices for Change Management

- 1 **Establish** a clear vision.
- 2 **Plan** carefully.
- 3 **Recruit** champions of change.
- 4 **Support** your employees.
- 5 **Focus** on skill development.
- 6 **Explore** the reasons behind any resistance.
- 7 **Don't expect** to implement change overnight.





# More Best Practices for Change Management

- ⑧ **Monitor** and measure.
- ⑨ **Focus** not only on immediate goals but also on the process of change itself.
- ⑩ **Take the time** to build consensus rather than bulldoze dissenters.
- ⑪ **Consider** feedback as a guide rather than as an obstacle.
- ⑫ **Demonstrate** strong leadership.

# Communications



CONSTANT  
CLEAR  
COMPELLING  
CREDIBLE

# Bridges' Transition Model

## ENDING

- Gain as much information as possible about the change
- Consider what is at the root of the change, and how the change will allow you to keep what really matters
- Identify what is continuing
- Compensate for loss
  - Allow for grieving

## NEUTRAL ZONE

- Don't rush through this stage
- Remember that this stage is temporary
- Develop short-term goals
- Create temporary support systems
- Recognize that feelings are okay
- Be gentle with yourself

## BEGINNING

- Visualize the change you desire
- Consider your specific role and how you can concretely contribute toward living the change
- Continue to share your concerns and problems

# Applying Bridges' Model

- **Understand** employees' emotions.
- **Define** the change and educate employees.
- **Share** regular feedback.
- **Set** quick wins and milestones.
- **Sustain** the change.





# Poll Question #2

In leading others through change, which application of **Bridges' Transition Model** do you most want to remember and use?

- A. Understand employees' emotions
- B. Define the change and educate employees
- C. Share regular feedback
- D. Set quick wins and milestones
- E. Sustain the change



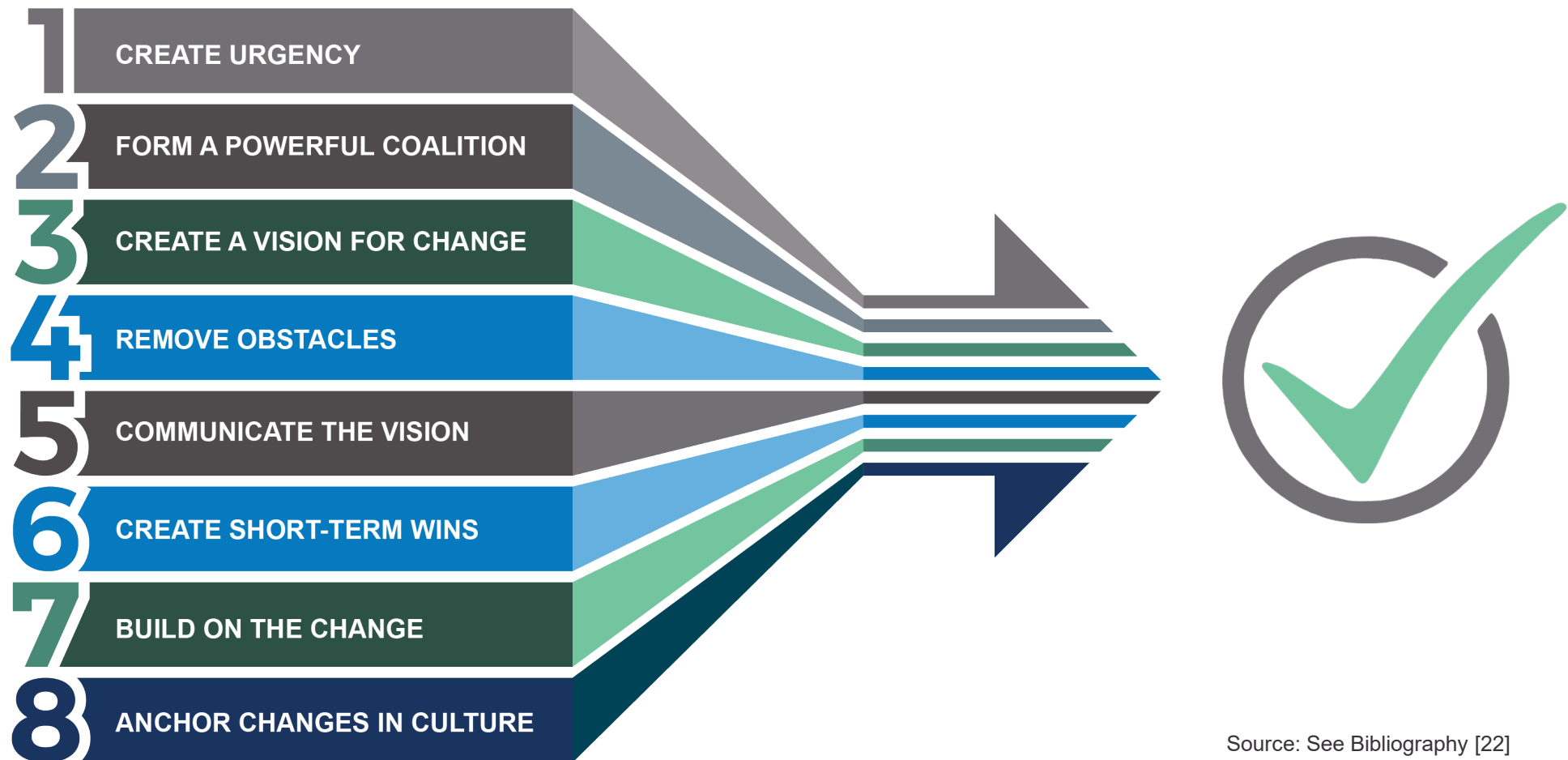
# Poll Question #2 Results



# Kotter's Model Updated



# Kotter's Original Model—The Eight Steps



# The Enhanced Model—The Eight Accelerators





# Create a Sense of Urgency

## What is your big opportunity?

- Do you see a **big opportunity** that could ignite the hearts and minds of your people?
- Do you know how to **identify, articulate, and communicate** it?
- Are you able to connect an **external change factor** with a special capability of your organization?
- What are the stakes if you **succeed**? What are the consequences if you **fail**?

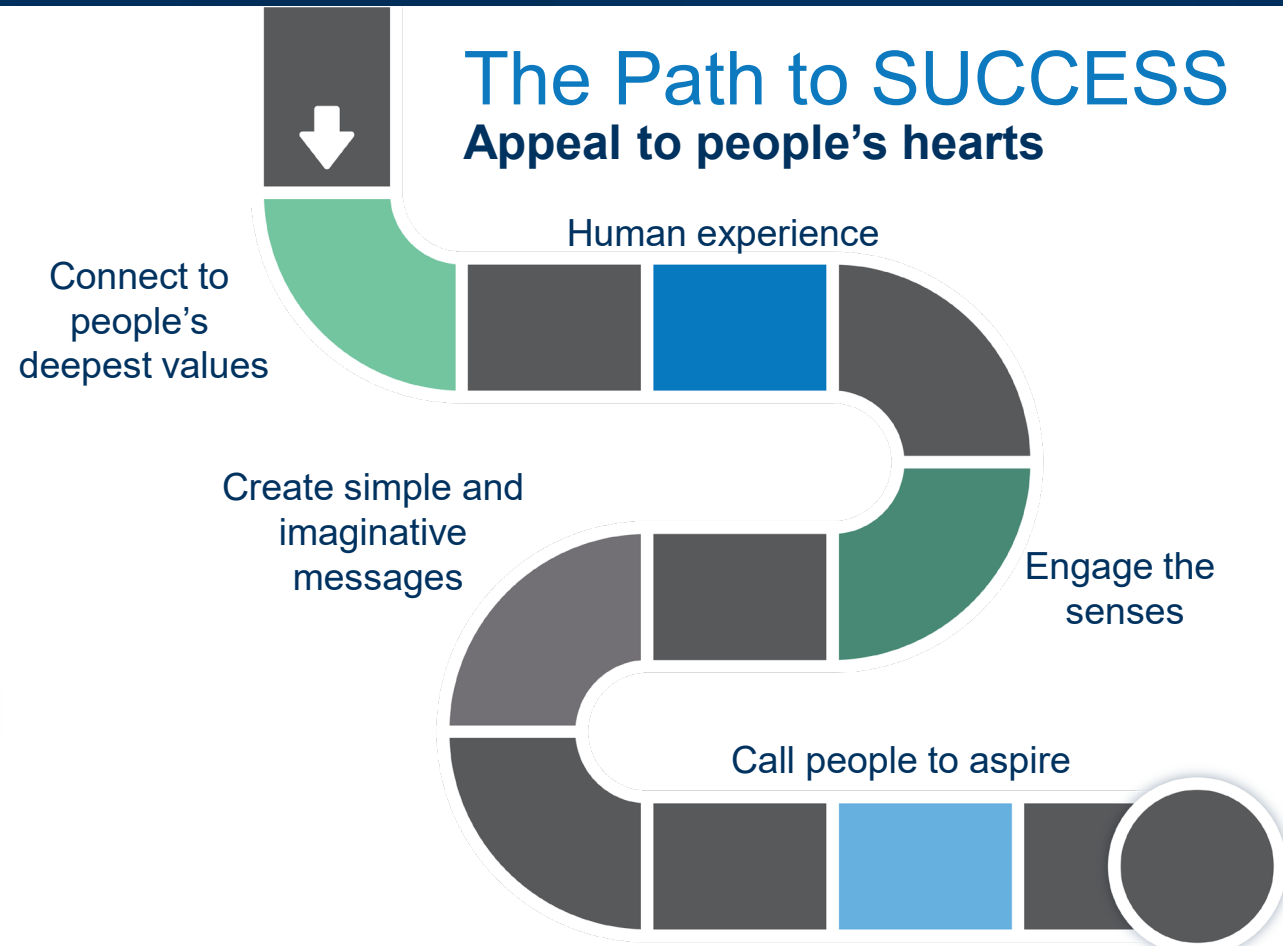


# Creating True Urgency

## The Path to FAILURE



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



# Build a Guiding Coalition

## What makes a great coalition?

- **Diversity** of the team.
- An **ability and a willingness** to work across the hierarchy with all levels and functions... with respect and energy.
- A **commitment to the change** initiative at hand.





# Form a Strategic Vision and Initiatives

## What makes a great strategic vision?

- **Motivates** people to take action
- **Coordinates** and aligns their actions
- Without it, **strategic initiatives** can struggle to get activity behind them
- **Clarifies** how the future will be different from the past and how that future will become a reality
- **Ties directly** to the big opportunity

# Nine Steps for Creating a Strategic Vision





# Poll Question #3

Beginnings are often foundational. Of the initial **accelerators**, which have you found to be most **challenging**?

- A. Identifying a big opportunity
- B. Creating a sense of urgency
- C. Building a guiding coalition
- D. Forming a strategic vision and initiatives



# Poll Question #3 Results



# Enlist a Volunteer Army

## How do you build a successful volunteer army?

- Give people a **reason and motivation** to join the movement.
- **Don't overdo it.** About 15% of your organization is enough to build material momentum toward change.
- **Recognize the effort** of existing volunteers to keep them engaged and to recruit more.





# Enable Action By Removing Barriers

## How to spot barriers:

- **Think about why past initiatives have failed.** At what stage? Did they get off the ground at all? Stall midway? Get completed but then abandoned?
- **Barriers can be commonly accepted statements that can deter attempts to get past legacy obstacles.** These are statements like, “It’s just not done that way,” or “We tried that before—it didn’t work.”
- **Common barriers** include silos, parochialism, pressure to hit numbers, complacency, legacy rules or procedures, and limited access to key stakeholders and leaders.

# Generate Short-Term Wins

## Characteristics of an effective win:

- **Relevant** in light of the opportunity before you.
- **Meaningful** to others.
- **Unambiguous, visible, and tangible** such that people can replicate or adapt it.





# Sustain Acceleration

## Tips:

- **Revisit urgency** after generating some significant wins.
- Get more and more people **involved**.
- With new volunteers and fresh eyes, you'll find **more barriers** in need of knocking down. Remove them, too!



# Institute Change

## Making it stick:

- **Accelerator #8** is about sustaining new muscles, new behaviors, and new ways of working long into the future.
- **New practices** must be deeply rooted and anchored to replace the old ways.
- There must be **clear communication and synchronization** between the traditional hierarchical structure and the innovative network of volunteers.
- **A key challenge** is grafting the new practices onto roots that may be old but still effective, while killing off the inconsistent pieces.



# Poll Question #4

Consider the following **accelerators**. Which, in your experience, is most often **overlooked** in change management efforts?

- A. Enlist a volunteer army
- B. Enable action by removing barriers
- C. Generate short-term wins
- D. Sustain acceleration
- E. Institute change



# Poll Question #4 Results



# Close



# Key Ideas

## CHANGE MANAGEMENT BASICS

- **Benefits** of change management
- **Challenges** of change management
- **Forces** of organizational change
- External and internal **change indicators**
- **Best practices**
- **Communications**
- **Bridges' Transition Model:**  
Ending/Neutral Zone/Beginning

## KOTTER'S MODEL UPDATED



# Learning Objectives, *revisited*

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# Action Plan

WHAT? A new idea you got from this workshop	SO WHAT? Why the idea is <b>important</b> to you and the work you do	NOW WHAT? One way you can <b>use</b> this idea in your work



# Questions and Answers



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# Thank you!



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