

# Engineering Organizational Change



## Endeavor Management

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# Endeavor

## Overview

A new discipline is emerging in the field of making change happen effectively. First the discussion was about “Leading Change” — coming up with a vision of how the organization needs to look and behave in the future, if it is to be successful. Then the discussion turned to “Managing Change” — focusing on both running the existing business while simultaneously changing elements of it to match the future vision. Both Leading Change and Managing Change are critical to get the kind of change needed. They are critical but not enough!!

The Engineering Organizational Change (EOC) approach arises from a simple but often overlooked reality of organizations. At their roots, organizations are like mechanical systems — with bits and pieces and moving parts that all have to work together to produce results. Unfortunately, it has not been popular to refer to an organization as a machine for forty years! It's unfortunate because the use of the machine model is exactly what's needed to get leaders and managers the change results they need!

## Engineering Scope

Engineering Organizational Change is all about physically altering the nuts and bolts of the organization to make the envisioned change turn into reality. Yes, it is still necessary to have a clear vision of where the organization wants to go and an intensive program to communicate that vision to all parties concerned. And it is still necessary to have a plan of action for “what to do every Monday morning” during the implementation. But EOC is all about altering three critical categories of “stuff” that make up the organization:

- Its Process(es) & Procedures
- Its Plant/Equipment/Tools (PET)
- Its Performance Management Systems  
(translated to mean its “contracts” with its employees).

The way any organization works at a given point in time is the direct and inescapable result of the configuration of the firm's processes, its PET, and its Performance Systems. Just as in a mechanical system, the way the organization operates cannot change without a change in its key components. So organizational change requires alteration of these three components or there will be no change at all. Calling these needed alterations “requirements” allows one to see change as a true engineering challenge!

### Fundamental Elements

Engineering Organizational Change has two fundamental elements: (1) identifying the components that must be altered and (2) physically changing those components. Implementation planning is first and foremost a case of deciding exactly and precisely what alterations will be required in each of the three components (Of course, a single component may have many pieces that need to be adjusted for the change to occur — for example, rarely does an organizational change require alteration of a single work process or a single piece of equipment). Then one must decide how the required alterations are to be made. The physical change piece is all about making the required alterations and ensuring that they were done right. Knowing where we are in a change implementation is a matter of auditing the status of required alterations — and dealing with the reality of what we find:

- Either processes have been altered or they have not! New procedures to allow people to follow those processes have been written and distributed or they have not! The old processes and their supporting procedures have been dismantled/destroyed or they have not!
- Either the new PET is on board and working or it is not! Either the guidelines for operating the new PET have been written and distributed or they have not. Either the old PET and its operating instructions have been removed and/or disabled or they have not!
- And now for the hard one: either the Performance contract for each and every manager and employee impacted by the change has been altered and negotiated with them or it has not! Either each and every manager and employee has been trained on the new processes and new PET or they have not! And so on!!

Engineering Organizational Change is the critical piece for many companies that are having trouble with change. We see it all the time — a company is struggling with making the changes they have so carefully designed. Experience shows that this struggle rarely comes about because managers don't know about leading and managing change, about participation and communication, or about patience and understanding. The struggle comes with the failure to recognize that the change they desire is not optional — it is required for survival in the market place — and that change requires physical alterations to the organization's moving parts. The final step in organizational change is the unglamorous, detail-oriented, hard work of Engineering!

## EOC Requirements - Checklist

A **Vision/Strategy** takes positive energy and initiative to implement. Full implementation requires **precise, concrete alterations to the current** way the organization is doing business if there is to be even the slightest chance of success. For these alterations to be made, each employee must have both **a big picture understanding** of the desired end result — the Vision/Strategy — and a **detailed road map** to get there — week-to-week Action Plans.

In short, if implementation is to be complete, if individual behavior is to change — the following requirements **must all be completely and totally met**:

### REQUIREMENT ONE: COMMUNICATION OF THE VISION

Communication of a Vision/Strategy is dependent on a valid, clear and complete message that is repeated to the degree necessary for employee comprehension.

- A. Vision/Strategy complete/tested
- B. Case for Change complete/tested
- C. Vision/Case communicated multi-times, multi-media
- D. Management “work through” sessions complete
- E. Personal application sessions complete

In addition, even though employees are clear on the Vision/Strategy that is being implemented, they need day-to-day or week-to-week action plans to guide them through the many steps of implementation. Employees need an action plan that tells them “what to do on Monday morning...” to get on with the implementation of the Vision/Strategy.

- A. Week/Month-at-a-time implementation scheduling
- B. Master implementation schedule
- C. One-on-one implementation assignments
- D. Regular meetings to check progress and reschedule
- E. Personal and organizational confirmation/celebration

**REQUIREMENT TWO: IMPLEMENTATION OF PROGRAM/PROJECT MANAGEMENT**

Successfully completing a change is very complex, has many moving parts, and takes detailed management. Implementation of a Program & Project Management structure is required to keep change management true to Vision. Without rigorous Project Management, the change initiative is very likely to “get lost” in the stress of daily run-the-business activities.

- A. Program & Project Managers named and responsible directly to Senior Management
- B. Program Team / Project Steering Committee established
- C. Change Initiative chartered as a formal company project
- D. Project plans detailing all requirements
- E. Master implementation schedule

**REQUIREMENT THREE: ALTERATION OF PROCESS(ES)/PROCEDURES**

Implementation of a Vision/Strategy cannot occur until existing process(es) and procedures are physically developed/modified to accommodate the new direction. Implementation cannot occur until the “machinery” of the workflow is successfully altered and tested.

- A. Process alteration requirements identified
- B. Process measures/goals/objectives established
- C. Impacted process(es) altered/tested
- D. Procedures alterations communicated
- E. Old process(es)/measures/objectives/procedures eliminated

**REQUIREMENT FOUR: ALTERATION OF PLANT/EQUIPMENT/TOOLS (PET)**

Implementation of the Vision/Strategy cannot occur unless the PET called for in the altered work process(es) is made available to the employees. Implementation will not occur through the new/altered PET until the old PET has been destroyed/removed from the workplace.

- A. Impacted PET alteration requirements identified
- B. Impacted PET altered/tested
- C. PET controls altered/tested
- D. Operating guidelines altered and communicated
- E. Old PET and operating guidelines eliminated

**REQUIREMENT FIVE: ALTERATION OF THE PERFORMANCE MANAGEMENT SYSTEM**

Implementation of the Vision/Strategy cannot occur until the employees are prepared and “under contract” for the performance needed. Terms of the contract call on each employee to use the altered processes and PET called for by the Vision/Strategy.

- A. Impacted roles identified and created/altered
- B. New performance/measures/objectives documented
- C. One-on-one new contracting complete
- D. Training to new roles/performance complete
- E. Performance monitoring system created/altered
- F. Compensation payoffs adjusted and communicated

**Call to Action**

Change is necessary. Companies must grow, improve and adjust to evolving realities. For big changes, the whole thing is difficult. However, setting the vision and managing the central deviation from past practice are obvious necessities. Too often, though, changing the organization – an equally important requirement – is not recognized and failure to engineer that part of the change can undermine everything else.

### About Endeavor

Endeavor Management, is an international management consulting firm that collaboratively works with their clients to achieve greater value from their transformational business initiatives. Endeavor serves as a catalyst by providing pragmatic methodologies and industry expertise in Transformational Strategies, Operational Excellence, Organizational Effectiveness, and Transformational Leadership.

Our clients include those responsible for:

- Business Strategy
- Marketing and Brand Strategy
- Operations
- Technology Deployment
- Strategic Human Capital
- Corporate Finance

The firm's 50 year heritage has produced a substantial portfolio of proven methodologies, deep operational insight and broad industry experience. This experience enables our team to quickly understand the dynamics of client companies and markets. Endeavor's clients span the globe and are typically leaders in their industry. Gelb Consulting Group, a wholly owned subsidiary, monitors organizational performance and designs winning marketing strategies. Gelb helps organizations focus their marketing initiatives by fully understanding customer needs through proven strategic frameworks to guide marketing strategies, build trusted brands, deliver exceptional experiences and launch new products.

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