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Leaders who successfully transform businesses do eight things right (and they do them in the right order).

Leading Change

Why Transformation Efforts Fail

by John P. Kotter

Included with this full-text *Harvard Business Review* article:

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The Idea in Brief

Most major change initiatives—whether intended to boost quality, improve culture, or reverse a corporate death spiral—generate only lukewarm results. Many fail miserably.

Why? Kotter maintains that too many managers don't realize transformation is a *process,* not an event. It advances through stages that build on each other. And it takes years. Pressured to accelerate the process, managers skip stages. But shortcuts never work.

Equally troubling, even highly capable managers make critical mistakes—such as declaring victory too soon. Result? Loss of momentum, reversal of hard-won gains, and devastation of the entire transformation effort.

By understanding the stages of change—and the pitfalls unique to each stage—you boost your chances of a successful transformation. The payoff? Your organization flexes with tectonic shifts in competitors, markets, and technologies—leaving rivals far behind.

The Idea in Practice

To give your transformation effort the best chance of succeeding, take the right actions at each stage—and avoid common pitfalls.

Stage	Actions Needed	Pitfalls
Establish a sense of urgency	• Examine market and competitive realities for potential crises and untapped opportunities. • Convince at least 75% of your managers that the status quo is more dangerous than the unknown.	• Underestimating the difficulty of driving people from their comfort zones • Becoming paralyzed by risks
Form a powerful guiding coalition	• Assemble a group with shared commitment and enough power to lead the change effort. • Encourage them to work as a team outside the normal hierarchy.	• No prior experience in teamwork at the top • Relegating team leadership to an HR, quality, or strategic-planning executive rather than a senior line manager
Create a vision	• Create a vision to direct the change effort. • Develop strategies for realizing that vision.	• Presenting a vision that's too complicated or vague to be communicated in five minutes
Communicate the vision	• Use every vehicle possible to communicate the new vision and strategies for achieving it. • Teach new behaviors by the example of the guiding coalition.	• Undercommunicating the vision • Behaving in ways antithetical to the vision
Empower others to act on the vision	• Remove or alter systems or structures undermining the vision. • Encourage risk taking and nontraditional ideas, activities, and actions.	• Failing to remove powerful individuals who resist the change effort
Plan for and create short-term wins	• Define and engineer visible performance improvements. • Recognize and reward employees contributing to those improvements.	• Leaving short-term successes up to chance • Failing to score successes early enough (12-24 months into the change effort)
Consolidate improvements and produce more change	• Use increased credibility from early wins to change systems, structures, and policies undermining the vision. • Hire, promote, and develop employees who can implement the vision. • Reinvigorate the change process with new projects and change agents.	• Declaring victory too soon—with the first performance improvement • Allowing resistors to convince "troops" that the war has been won
Institutionalize new approaches	• Articulate connections between new behaviors and corporate success. • Create leadership development and succession plans consistent with the new approach.	• Not creating new social norms and shared values consistent with changes • Promoting people into leadership positions who don't personify the new approach

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Editor's Note: Guiding change may be the ultimate test of a leader—no business survives over the long term if it can't reinvent itself. But, human nature being what it is, fundamental change is often resisted mightily by the people it most affects: those in the trenches of the business. Thus, leading change is both absolutely essential and incredibly difficult.

Perhaps nobody understands the anatomy of organizational change better than retired Harvard Business School professor John P. Kotter. This article, originally published in the spring of 1995, previewed Kotter's 1996 book *Leading Change*. It outlines eight critical success factors—from establishing a sense of extraordinary urgency, to creating short-term wins, to changing the culture ("the way we do things around here"). It will feel familiar when you read it, in part because Kotter's vocabulary has entered the lexicon and in part because it contains the kind of home truths that we recognize, immediately, as if we'd always known them. A decade later, his work on leading change remains definitive.

Over the past decade, I have watched more than 100 companies try to remake themselves into significantly better competitors. They have included large organizations (Ford) and small ones (Landmark Communications), companies based in the United States (General Motors) and elsewhere (British Airways), corporations that were on their knees (Eastern Airlines), and companies that were earning good money (Bristol-Myers Squibb). These efforts have gone under many banners: total quality management, reengineering, rightsizing, restructuring, cultural change, and turnaround. But, in almost every case, the basic goal has been the same: to make fundamental changes in how business is conducted in order to help cope with a new, more challenging market environment.

A few of these corporate change efforts have been very successful. A few have been utter failures. Most fall somewhere in between, with a distinct tilt toward the lower end of the scale. The lessons that can be drawn are interesting and will probably be relevant to even more organizations in the increasingly competitive business environment of the coming decade.

The most general lesson to be learned from the more successful cases is that the change process goes through a series of phases that, in total, usually require a considerable length of time. Skipping steps creates only the illusion of speed and never produces a satisfying result. A second very general lesson is that critical mistakes in any of the phases can have a devastating impact, slowing momentum and negating hard-won gains. Perhaps because we have relatively little experience in renewing organizations, even very capable people often make at least one big error.

Error 1: Not Establishing a Great Enough Sense of Urgency

Most successful change efforts begin when some individuals or some groups start to look hard at a company's competitive situation, market position, technological trends, and financial performance. They focus on the potential revenue drop when an important patent expires, the five-year trend in declining margins in a core business, or an emerging market that everyone seems to be ignoring. They then find ways to communicate this information broadly and dramatically, especially with respect to crises, potential crises, or great opportunities that are very timely. This first step is essential because just getting a transformation program started requires the aggressive cooperation of many individuals. Without motivation, people won't help, and the effort goes nowhere.

Compared with other steps in the change process, phase one can sound easy. It is not. Well over 50% of the companies I have watched fail in this first phase. What are the reasons for that failure? Sometimes executives underestimate how hard it can be to drive people out of their comfort zones. Sometimes they grossly overestimate how successful they have already been in increasing urgency. Sometimes they lack patience: "Enough with the preliminaries; let's get on with it." In many cases, executives become paralyzed by the downside possibilities. They worry that employees with seniority will become defensive, that morale will drop, that events will spin out of control, that short-term business results will be jeopardized, that the stock will sink, and that they will be blamed for creating a crisis.

A paralyzed senior management often comes from having too many managers and not enough leaders. Management's mandate is to minimize risk and to keep the current system operating. Change, by definition, requires creating a new system, which in turn always demands leadership. Phase one in a renewal process typically goes nowhere until enough real leaders are promoted or hired into senior-level jobs.

Transformations often begin, and begin well, when an organization has a new head who is a good leader and who sees the need for a major change. If the renewal target is the entire company, the CEO is key. If change is needed in a division, the division general manager is key. When these individuals are not new leaders, great leaders, or change champions, phase one can be a huge challenge.

Bad business results are both a blessing and a curse in the first phase. On the positive side, losing money does catch people's attention. But it also gives less maneuvering room. With good business results, the opposite is true: Convincing people of the need for change is much harder, but you have more resources to help make changes.

But whether the starting point is good performance or bad, in the more successful cases I have witnessed, an individual or a group always facilitates a frank discussion of potentially unpleasant facts about new competition, shrinking margins, decreasing market share, flat earnings, a lack of revenue growth, or other relevant indices of a declining competitive position. Because there seems to be an almost universal human tendency to shoot the bearer of bad news, especially if the head of the organization is not a change champion, executives in these companies often rely on outsiders to bring unwanted information. Wall Street analysts, customers, and consultants can all be helpful in this regard. The purpose of all this activity, in the words of one former CEO of a large European company, is "to make the status quo seem more dangerous than launching into the unknown."

In a few of the most successful cases, a group has manufactured a crisis. One CEO deliberately engineered the largest accounting loss in the company's history, creating huge pressures from Wall Street in the process. One division president commissioned first-ever customer satisfaction surveys, knowing full well that the

Now retired, **John P. Kotter** was the Konosuke Matsushita Professor of Leadership at Harvard Business School in Boston.

results would be terrible. He then made these findings public. On the surface, such moves can look unduly risky. But there is also risk in playing it too safe: When the urgency rate is not pumped up enough, the transformation process cannot succeed, and the long-term future of the organization is put in jeopardy.

When is the urgency rate high enough? From what I have seen, the answer is when about 75% of a company's management is honestly convinced that business as usual is totally unacceptable. Anything less can produce very serious problems later on in the process.

Error 2: Not Creating a Powerful Enough Guiding Coalition

Major renewal programs often start with just one or two people. In cases of successful transformation efforts, the leadership coalition grows and grows over time. But whenever some minimum mass is not achieved early in the effort, nothing much worthwhile happens.

It is often said that major change is impossible unless the head of the organization is an active supporter. What I am talking about goes far beyond that. In successful transformations, the chairman or president or division general manager, plus another five or 15 or 50 people, come together and develop a shared commitment to excellent performance through renewal. In my experience, this group never includes all of the company's most senior executives because some people just won't buy in, at least not at first. But in the most successful cases, the coalition is always pretty powerful—in terms of titles,

EIGHT STEPS TO TRANSFORMING YOUR ORGANIZATION

1 Establishing a Sense of Urgency
- Examining market and competitive realities
- Identifying and discussing crises, potential crises, or major opportunities

2 Forming a Powerful Guiding Coalition
- Assembling a group with enough power to lead the change effort
- Encouraging the group to work together as a team

3 Creating a Vision
- Creating a vision to help direct the change effort
- Developing strategies for achieving that vision

4 Communicating the Vision
- Using every vehicle possible to communicate the new vision and strategies
- Teaching new behaviors by the example of the guiding coalition

5 Empowering Others to Act on the Vision
- Getting rid of obstacles to change
- Changing systems or structures that seriously undermine the vision
- Encouraging risk taking and nontraditional ideas, activities, and actions

6 Planning for and Creating Short-Term Wins
- Planning for visible performance improvements
- Creating those improvements
- Recognizing and rewarding employees involved in the improvements

7 Consolidating Improvements and Producing Still More Change
- Using increased credibility to change systems, structures, and policies that don't fit the vision
- Hiring, promoting, and developing employees who can implement the vision
- Reinvigorating the process with new projects, themes, and change agents

8 Institutionalizing New Approaches
- Articulating the connections between the new behaviors and corporate success
- Developing the means to ensure leadership development and succession

If you can't communicate the vision to someone in five minutes or less and get a reaction that signifies both understanding and interest, you are not done.

information and expertise, reputations, and relationships.

In both small and large organizations, a successful guiding team may consist of only three to five people during the first year of a renewal effort. But in big companies, the coalition needs to grow to the 20 to 50 range before much progress can be made in phase three and beyond. Senior managers always form the core of the group. But sometimes you find board members, a representative from a key customer, or even a powerful union leader.

Because the guiding coalition includes members who are not part of senior management, it tends to operate outside of the normal hierarchy by definition. This can be awkward, but it is clearly necessary. If the existing hierarchy were working well, there would be no need for a major transformation. But since the current system is not working, reform generally demands activity outside of formal boundaries, expectations, and protocol.

A high sense of urgency within the managerial ranks helps enormously in putting a guiding coalition together. But more is usually required. Someone needs to get these people together, help them develop a shared assessment of their company's problems and opportunities, and create a minimum level of trust and communication. Off-site retreats, for two or three days, are one popular vehicle for accomplishing this task. I have seen many groups of five to 35 executives attend a series of these retreats over a period of months.

Companies that fail in phase two usually underestimate the difficulties of producing change and thus the importance of a powerful guiding coalition. Sometimes they have no history of teamwork at the top and therefore undervalue the importance of this type of coalition. Sometimes they expect the team to be led by a staff executive from human resources, quality, or strategic planning instead of a key line manager. No matter how capable or dedicated the staff head, groups without strong line leadership never achieve the power that is required.

Efforts that don't have a powerful enough guiding coalition can make apparent progress for a while. But, sooner or later, the opposition gathers itself together and stops the change.

Error 3: Lacking a Vision

In every successful transformation effort that I have seen, the guiding coalition develops a picture of the future that is relatively easy to communicate and appeals to customers, stockholders, and employees. A vision always goes beyond the numbers that are typically found in five-year plans. A vision says something that helps clarify the direction in which an organization needs to move. Sometimes the first draft comes mostly from a single individual. It is usually a bit blurry, at least initially. But after the coalition works at it for three or five or even 12 months, something much better emerges through their tough analytical thinking and a little dreaming. Eventually, a strategy for achieving that vision is also developed.

In one midsize European company, the first pass at a vision contained two-thirds of the basic ideas that were in the final product. The concept of global reach was in the initial version from the beginning. So was the idea of becoming preeminent in certain businesses. But one central idea in the final version—getting out of low value-added activities—came only after a series of discussions over a period of several months.

Without a sensible vision, a transformation effort can easily dissolve into a list of confusing and incompatible projects that can take the organization in the wrong direction or nowhere at all. Without a sound vision, the reengineering project in the accounting department, the new 360-degree performance appraisal from the human resources department, the plant's quality program, the cultural change project in the sales force will not add up in a meaningful way.

In failed transformations, you often find plenty of plans, directives, and programs but no vision. In one case, a company gave out four-inch-thick notebooks describing its change effort. In mind-numbing detail, the books spelled out procedures, goals, methods, and deadlines. But nowhere was there a clear and compelling statement of where all this was leading. Not surprisingly, most of the employees with whom I talked were either confused or alienated. The big, thick books did not rally them together or inspire change. In fact, they probably had just the opposite effect.

In a few of the less successful cases that I have seen, management had a sense of direction, but it was too complicated or blurry to be useful. Recently, I asked an executive in a midsize company to describe his vision and received in return a barely comprehensible 30-

minute lecture. Buried in his answer were the basic elements of a sound vision. But they were buried—deeply.

A useful rule of thumb: If you can't communicate the vision to someone in five minutes or less and get a reaction that signifies both understanding and interest, you are not yet done with this phase of the transformation process.

Error 4: Undercommunicating the Vision by a Factor of Ten

I've seen three patterns with respect to communication, all very common. In the first, a group actually does develop a pretty good transformation vision and then proceeds to communicate it by holding a single meeting or sending out a single communication. Having used about 0.0001% of the yearly intracompany communication, the group is startled when few people seem to understand the new approach. In the second pattern, the head of the organization spends a considerable amount of time making speeches to employee groups, but most people still don't get it (not surprising, since vision captures only 0.0005% of the total yearly communication). In the third pattern, much more effort goes into newsletters and speeches, but some very visible senior executives still behave in ways that are antithetical to the vision. The net result is that cynicism among the troops goes up, while belief in the communication goes down.

Transformation is impossible unless hundreds or thousands of people are willing to help, often to the point of making short-term sacrifices. Employees will not make sacrifices, even if they are unhappy with the status quo, unless they believe that useful change is possible. Without credible communication, and a lot of it, the hearts and minds of the troops are never captured.

This fourth phase is particularly challenging if the short-term sacrifices include job losses. Gaining understanding and support is tough when downsizing is a part of the vision. For this reason, successful visions usually include new growth possibilities and the commitment to treat fairly anyone who is laid off.

Executives who communicate well incorporate messages into their hour-by-hour activities. In a routine discussion about a business problem, they talk about how proposed solutions fit (or don't fit) into the bigger picture. In a regular performance appraisal, they talk about how the employee's behavior helps or undermines the vision. In a review of a division's quarterly performance, they talk not only about the numbers but also about how the division's executives are contributing to the transformation. In a routine Q&A with employees at a company facility, they tie their answers back to renewal goals.

In more successful transformation efforts, executives use all existing communication channels to broadcast the vision. They turn boring, unread company newsletters into lively articles about the vision. They take ritualistic, tedious quarterly management meetings and turn them into exciting discussions of the transformation. They throw out much of the company's generic management education and replace it with courses that focus on business problems and the new vision. The guiding principle is simple: Use every possible channel, especially those that are being wasted on nonessential information.

Perhaps even more important, most of the executives I have known in successful cases of major change learn to "walk the talk." They consciously attempt to become a living symbol of the new corporate culture. This is often not easy. A 60-year-old plant manager who has spent precious little time over 40 years thinking about customers will not suddenly behave in a customer-oriented way. But I have witnessed just such a person change, and change a great deal. In that case, a high level of urgency helped. The fact that the man was a part of the guiding coalition and the vision-creation team also helped. So did all the communication, which kept reminding him of the desired behavior, and all the feedback from his peers and subordinates, which helped him see when he was not engaging in that behavior.

Communication comes in both words and deeds, and the latter are often the most powerful form. Nothing undermines change more than behavior by important individuals that is inconsistent with their words.

Error 5: Not Removing Obstacles to the New Vision

Successful transformations begin to involve large numbers of people as the process progresses. Employees are emboldened to try new approaches, to develop new ideas, and to provide leadership. The only constraint is that the actions fit within the broad parameters of the overall vision. The more people involved, the better the outcome.

To some degree, a guiding coalition empowers others to take action simply by successfully communicating the new direction. But communication is never sufficient by itself. Renewal also requires the removal of obstacles. Too often, an employee understands the new vision and wants to help make it happen, but an elephant appears to be blocking the path. In some cases, the elephant is in the person's head, and the challenge is to convince the individual that no external obstacle exists. But in most cases, the blockers are very real.

Sometimes the obstacle is the organizational structure: Narrow job categories can seriously undermine efforts to increase productivity or make it very difficult even to think about customers. Sometimes compensation or performance-appraisal systems make people choose between the new vision and their own self-interest. Perhaps worst of all are bosses who refuse to change and who make demands that are inconsistent with the overall effort.

One company began its transformation process with much publicity and actually made good progress through the fourth phase. Then the change effort ground to a halt because the officer in charge of the company's largest division was allowed to undermine most of the new initiatives. He paid lip service to the process but did not change his behavior or encourage his managers to change. He did not reward the unconventional ideas called for in the vision. He allowed human resource systems to remain intact even when they were clearly inconsistent with the new ideals. I think the officer's motives were complex. To some degree, he did not believe the company needed major change. To some degree, he felt personally threatened by all the change. To some degree, he was afraid that he could not produce both change and the expected operating profit. But despite the fact that they backed the renewal effort, the other officers did virtually nothing to stop the one blocker. Again, the reasons were complex. The company had no history of confronting problems like this. Some people were afraid of the officer. The CEO was concerned that he might lose a talented executive. The net result was disastrous. Lower-level managers concluded that senior management had lied to them about their commitment to renewal, cynicism grew, and the whole effort collapsed.

In the first half of a transformation, no organization has the momentum, power, or time to get rid of all obstacles. But the big ones must be confronted and removed. If the blocker is a person, it is important that he or she be treated fairly and in a way that is consistent with the new vision. Action is essential, both to empower others and to maintain the credibility of the change effort as a whole.

Error 6: Not Systematically Planning for, and Creating, Short-Term Wins

Real transformation takes time, and a renewal effort risks losing momentum if there are no short-term goals to meet and celebrate. Most people won't go on the long march unless they see compelling evidence in 12 to 24 months that the journey is producing expected results. Without short-term wins, too many people give up or actively join the ranks of those people who have been resisting change.

One to two years into a successful transformation effort, you find quality beginning to go up on certain indices or the decline in net income stopping. You find some successful new product introductions or an upward shift in market share. You find an impressive productivity improvement or a statistically higher customer satisfaction rating. But whatever the case, the win is unambiguous. The result is not just a judgment call that can be discounted by those opposing change.

Creating short-term wins is different from hoping for short-term wins. The latter is passive, the former active. In a successful transformation, managers actively look for ways to obtain clear performance improvements, establish goals in the yearly planning system, achieve the objectives, and reward the people involved with recognition, promotions, and even money. For example, the guiding coalition at a U.S. manufacturing company produced a highly visible and successful new product introduction about 20 months after the start of its renewal effort. The new product was selected about six months into the effort because it met multiple criteria: It could be designed and launched in a relatively short period, it could be handled by a small team of people who were devoted to the new vision, it had upside potential, and the new product-development team could operate outside the established departmental structure without practical problems. Little was left to chance, and the win

After a few years of hard work, managers may be tempted to declare victory with the first clear performance improvement. While celebrating a win is fine, declaring the war won can be catastrophic.

boosted the credibility of the renewal process.

Managers often complain about being forced to produce short-term wins, but I've found that pressure can be a useful element in a change effort. When it becomes clear to people that major change will take a long time, urgency levels can drop. Commitments to produce short-term wins help keep the urgency level up and force detailed analytical thinking that can clarify or revise visions.

Error 7: Declaring Victory Too Soon

After a few years of hard work, managers may be tempted to declare victory with the first clear performance improvement. While celebrating a win is fine, declaring the war won can be catastrophic. Until changes sink deeply into a company's culture, a process that can take five to ten years, new approaches are fragile and subject to regression.

In the recent past, I have watched a dozen change efforts operate under the reengineering theme. In all but two cases, victory was declared and the expensive consultants were paid and thanked when the first major project was completed after two to three years. Within two more years, the useful changes that had been introduced slowly disappeared. In two of the ten cases, it's hard to find any trace of the reengineering work today.

Over the past 20 years, I've seen the same sort of thing happen to huge quality projects, organizational development efforts, and more. Typically, the problems start early in the process: The urgency level is not intense enough, the guiding coalition is not powerful enough, and the vision is not clear enough. But it is the premature victory celebration that kills momentum. And then the powerful forces associated with tradition take over.

Ironically, it is often a combination of change initiators and change resistors that creates the premature victory celebration. In their enthusiasm over a clear sign of progress, the initiators go overboard. They are then joined by resistors, who are quick to spot any opportunity to stop change. After the celebration is over, the resistors point to the victory as a sign that the war has been won and the troops should be sent home. Weary troops allow themselves to be convinced that they won. Once home, the foot soldiers are reluctant to climb back on the ships. Soon thereafter, change comes to a halt, and tradition creeps back in.

Instead of declaring victory, leaders of successful efforts use the credibility afforded by short-term wins to tackle even bigger problems. They go after systems and structures that are not consistent with the transformation vision and have not been confronted before. They pay great attention to who is promoted, who is hired, and how people are developed. They include new reengineering projects that are even bigger in scope than the initial ones. They understand that renewal efforts take not months but years. In fact, in one of the most successful transformations that I have ever seen, we quantified the amount of change that occurred each year over a seven-year period. On a scale of one (low) to ten (high), year one received a two, year two a four, year three a three, year four a seven, year five an eight, year six a four, and year seven a two. The peak came in year five, fully 36 months after the first set of visible wins.

Error 8: Not Anchoring Changes in the Corporation's Culture

In the final analysis, change sticks when it becomes "the way we do things around here," when it seeps into the bloodstream of the corporate body. Until new behaviors are rooted in social norms and shared values, they are subject to degradation as soon as the pressure for change is removed.

Two factors are particularly important in institutionalizing change in corporate culture. The first is a conscious attempt to show people how the new approaches, behaviors, and attitudes have helped improve performance. When people are left on their own to make the connections, they sometimes create very inaccurate links. For example, because results improved while charismatic Harry was boss, the troops link his mostly idiosyncratic style with those results instead of seeing how their own improved customer service and productivity were instrumental. Helping people see the right connections requires communication. Indeed, one company was relentless, and it paid off enormously. Time was spent at every major management meeting to discuss why performance was increasing. The company newspaper ran article after article showing how changes had boosted earnings.

The second factor is taking sufficient time to make sure that the next generation of top management really does personify the new approach. If the requirements for promotion don't change, renewal rarely lasts. One bad succession decision at the top of an organization can undermine a decade of hard work. Poor succession decisions are possible when boards of directors are not an integral part of the renewal effort. In at least three instances I have seen, the champion for change was the retiring executive, and although his successor was not a resistor, he was not a change champion. Because the boards did not understand the transformations in any detail, they could not see that their choices were not good fits. The retiring executive in one case tried unsuccessfully to talk his board into a less seasoned candidate who better personified the transformation. In the other two cases, the CEOs did not resist the boards' choices, because they felt the transformation could not be undone by their successors. They were wrong. Within two years, signs of renewal began to disappear at both companies.

• • •

There are still more mistakes that people make, but these eight are the big ones. I realize that in a short article everything is made to sound a bit too simplistic. In reality, even successful change efforts are messy and full of surprises. But just as a relatively simple vision is needed to guide people through a major change, so a vision of the change process can reduce the error rate. And fewer errors can spell the difference between success and failure.

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Leading Change
John Kotter's Eight Steps

(Adapted from *Leading Change* by John Kotter, Harvard Business School Press, 1996)

See—Feel—Change

People change what they do less because they are given analysis that shifts their thinking than because they are shown a truth that influences their feelings.

The flow of see-feel-change is more powerful than that of analysis-think-change.

> **Help people SEE**: Compelling, eye catching, dramatic situations are created to help others visualize problems, solutions, or progress…
>
> As a result …
>
> Seeing something new hits the **EMOTIONS**: Evoking an emotional response that reduces emotions that block change and enhances those that support it.
>
> Emotionally charged ideas **CHANGE BEHAVIOR** or **REINFORCE CHANGED BEHAVIOR**.

Introduction to the Eight Steps

"Producing change is about 80% leadership—establishing direction, aligning, motivating, and inspiring people—and about 20% management—planning, budgeting, organizing, and problem-solving."

"The first four steps in the transformation process help defrost a hardened status quo. If change were easy, you wouldn't need all that effort. Phases five to seven then introduce many new practices. The last stage grounds the change in the organizational culture and helps make them stick."

"Successful change of any magnitude goes through all eight stages, usually in the following sequence. Although one normally operates in the multiple phases at once, skipping even a single step and getting too far ahead without a solid base almost always creates problems."

1. **Establishing a Sense of Urgency**
2. **Creating a Guiding Coalition**
3. **Developing a Vision and Strategy**
4. **Communicating the Vision**
5. **Empowering Others to Act on the Vision**
6. **Planning for and Creating Short Term Wins**
7. **Consolidating Improvements and Producing New Change**
8. **Anchoring New Approaches in the Culture**

1. Establishing a Sense of Urgency

Establishing a sense of urgency is crucial to gaining needed cooperation. If complacency is high, transformations usually go nowhere because few people are even interested in working on the change problem. If urgency is low, it's difficult to put together a group with enough power and credibility to guide the effort and to create and communicate a change vision. Never underestimate the magnitude of the forces that reinforce complacency and that help maintain the status quo.

Four behaviors usually stop needed change:

1. complacency: driven by false pride or arrogance
2. immobilization: self protection, fear or panic
3. anger: you can't make me move
4. pessimism: leading to constant hesitation

Strategies for Establishing a Sense of Urgency

1. Examine current realities: strengths and weaknesses of current approaches to faith formation. What are we doing well? What are the areas we need to improve? Who are we reaching and involving? Who are we not reaching and involving?
2. Listen to feedback from parishioners, families, and participants in faith formation programming. What's working for them? What's not? What can be improved?
3. Identify recurring problems in faith formation that never seem to get solved. What are the problems that seem to come back each year? What are the problems that no matter how hard we try, it seems we can't ever solve?
4. Identify the major challenges facing the parish and faith formation efforts from within and from outside. What are the forces affecting the life of our parish—within the congregation and from the outside community and world? What potential crises do we see looming on the horizon?
5. Identify the major opportunities for faith formation that the parish has not acted on yet? What are the positive forces that the parish needs to build on? What are positive trends that could dramatically affect the quality of faith formation?

2. Creating the Guiding Coalition/Team

A strong guiding coalition or team is always needed—one with the right composition, level of trust, and shared objective. Building such a team is always an essential part of the early stages of any change effort.

The two major tasks involve:

- Assembling a group with enough power to lead the change effort.
- Encouraging the group to work as a team.

Because you are likely to meet resistance from unexpected quarters, building a strong guiding coalition or team is essential. There are three keys to creating such alliances.

- *Engaging the right talent*. The most effective team members usually have strong position power, broad experience, high credibility, and real leadership skill.
- *Growing the coalition/team strategically*. An effective guiding coalition needs a diversity of views and voices. Once a core group coalesces, the challenge is how to expand the scope and

complexity of the coalition. It often means working with people from across the whole parish community.

- *Working as a team, not just a collection of individuals*. Leaders often say they have a team when in fact they have a committee or a small hierarchy. The more you do to support team performance, the healthier will be the guiding coalition and the more able it will be to achieve its goals. Especially during the stress of change, leaders throughout the enterprise need to draw on reserves of energy, expertise, and, most of all, trust. Real teams are built by doing real work together, sharing a vision, and commitment to a goal.

Establishing a Guiding Coalition/Team:

1. The **Core Team** of parish staff and parish leaders guide the curriculum design process—fashioning a curriculum, implementing a curriculum, and evaluating the curriculum.
2. The **Design Team** creates the preparation programs, home activities, and reflection activities for each event.
3. The **Implementation Team** are all of the leaders who conduct preparation programs.
4. **Ministry Partners** from other parish ministries and programs collaborate with the core team on specific projects that involve their particular ministry. Ministry Partners serve as resource people in the design and implementation of a learning plan.

3. Developing a Vision and Strategy

Vision refers to a picture of the future with some implicit or explicit commentary on why people should strive to create that future. A good vision serves three important purposes. First, by clarifying the general direction for change, it simplifies hundreds of more detailed decisions. Second, it motivates people to take action in the right direction, even if the steps are personally painful or not in people's short term self-interests. Third, it helps coordinate the actions of different people in a remarkably fast and efficient way. Vision helps align individuals for action.

How do you actually build a vision? Because it relates to the future, people assume that vision building should resemble the long-term planning process: design, organize, implement. I have never seen it work that way. Defining a vision of the future does not happen according to a timetable or flowchart. It is more emotional than rational. It demands a tolerance for messiness, ambiguity, and setbacks, an acceptance of the half-step back that usually accompanies every step forward.

The two major tasks involve:

- Create a vision to help direct the change effort.
- Develop strategies for achieving that vision.

Characteristics of an Effective Vision

1. **Imaginable**: Conveys a picture of what the future will look like.
2. **Desirable**: Appeals to the long-term interests of staff, leaders, parishioners, and others who have stake in the parish.
3. **Feasible**: Comprises realistic, attainable goals.
4. **Focused**: Is clear enough to provide guidance in decision-making.
5. **Flexible**: Is general enough to allow individual initiative and alternative responses in light of changing conditions.
6. **Communicable**: Is easy to communicate; can be successfully explained within five minutes.

4. Communicating the Vision

A great vision can serve a useful purpose even it if is understood by just a few key people. But the real power of a vision is unleashed only when most of the people involved in an enterprise or activity have a common understanding of its goals and direction. That shared sense of desirable future can help motivate and coordinate the kinds of actions that create transformations.

The two major task involves:

- Use every vehicle possible to communicate the new vision and strategies.
- Teach new behaviors by the example of the guiding coalition.

Key Elements in the Effective Communication of Vision

1. **Simplicity**: All jargon must be eliminated.
2. **Metaphor, analogy, and example**: A verbal picture is worth a thousand words.
3. **Multiple forums**: Big meetings and small, memos and newspapers, formal and informal interaction—all are effective for spreading the word.
4. **Repetition**: Ideas sink in deeply only after they have been heard many times.
5. **Leadership by example**: Behavior from important people that is inconsistent with the vision overwhelms other forms of communication.
6. **Explanation of seeming inconsistencies**: Unaddressed inconsistencies undermine the credibility of all communication.
7. **Give-and-take**: Two-way communication is always more powerful that one-way communication.

5. Empowering Others to Act on the Vision

Effectively completing stages 1 through 4 of the transformation process already does a great deal to empower people. But even when urgency is high, a guiding coalition has created an appropriate vision, and the vision has been well communicated, numerous obstacles can still stop leaders from creating needed change. The purpose of stage 5 is to empower a broad base of people to take action by removing as many barriers to the implementation of the change vision as possible at this point in the process.

The three major tasks involve:

- Get rid of obstacles to change.
- Change systems or structures that seriously undermine the vision.
- Encourage risk taking and nontraditional ideas, activities, and actions.

Empowering People to Effect Change

1. **Communicate a sensible vision to leaders:** If leaders have a shared sense of purpose, it will be easier to initiate actions to achieve that purpose.
2. **Make structures compatible with the vision**: Unaligned structures block needed action.
3. **Provide the training leaders need**: With the right knowledge, skills, and attitudes, people feel empowered.
4. **Align information and personnel systems to the vision**: Unaligned systems also block needed action.

6. Planning for and Creating Short-Term Wins

Major change takes time, sometimes lots of time. Zealous believers will often stay the course no matter what happens. Most of the rest expect to see convincing evidence that all the effort is paying off. They want to see clear data indicating that the changes are working and that the change process isn't absorbing so many resources in the short term as to endanger the organization.

The three major tasks involve:

- Plan for visible performance improvements.
- Create those improvements.
- Recognize leaders involved in the improvements.

A good short-term win has at least these three characteristics:

1. It's visible; large numbers of people can see for themselves whether the result is real or just hype.
2. It's unambiguous; there can be little argument over the call.
3. It's clearly related to the change effort.

The Role of Short Term Wins

1. **Provide evidence that sacrifices are worth it:** Wins greatly help justify the short-term costs involved.
2. **Reward change agents with a pat on the back**: After a lot of hard word, positive feedback builds morale and motivation.
3. **Help fine-tune vision and strategies:** Short-term wins give the guiding coalition concrete data on the viability of their ideas.
4. **Undermine cynics and self-serving resisters:** Clear improvements in performance make it difficult for people to block needed change.
5. **Keep key leaders and councils on board:** Provides those in leadership positions in the organization with evidence that the transformation is on track.
6. **Build momentum:** Turns neutrals into supporters, reluctant supporters into active helpers, etc.

7. Consolidating Improvements and Producing More Change

When a project is completed or an initial goal met, it is tempting to congratulate all involved and proclaim the advent of a new era. While it is important to celebrate results along the way, kidding yourself or others about the difficulty and duration of organizational transformation can be catastrophic. People look forward to completion of any task. The problem is, the results of a change vision are not directly proportional to the effort invested. That is, one-third of your way into a change process, you are unlikely to see one-third of the possible results; you may see only 1/10th of the possible results. If you settle for too little too soon, you will probably lose it all. Celebrating incremental improvements is a great way to mark progress and sustain commitment—but don't forget how much work is still to come.

There is one cardinal rule: *Whenever you let up before the job is done, critical momentum can be lost and regression may follow*.

The three major tasks involve:

- Use increased credibility to change systems, structures, and policies that don't fit the vision.
- Develop leaders who can implement the vision.
- Reinvigorate the process with new projects, themes, and change agents.

What Stage 7 Looks Like in a Successful, Major Change Effort

1. **More change, not less**: The guiding coalition uses the credibility afford by short-term wins to tackle additional and bigger change projects.
2. **More help**: Additional people are recruited and developed (trained) to help with all the changes.
3. **Leadership from senior management (parish staff/core team)**: Leaders focus on maintaining clarity of shared purpose for the overall effort and keeping urgency levels up.
4. **Project management and leadership from other leaders and teams (Implementation Teams and Ministry Partners)**: Those involved in development and implementation of change efforts (e.g., programs) provide leadership for specific projects and manage those projects. [Empowerment]

8. Anchoring (Institutionalizing) New Approaches in the Culture

Culture refers to norms or behavior and shared values among a group of people. *Norms of behavior* are common or pervasive ways of acting that are found in a group and that persist because group members tend to behave in ways that teach these practices to new members, rewarding those who fit it and sanctioning those who do not. *Shared values* are importance concerns and goals shared by most of the people in a group that tend to shape group behavior and that often persist over time even when group membership changes.

Culture is not something that you can manipulate easily. Attempts to grab it and twist it into a new shape never work because you can't grab it. Culture changes only after you have successfully altered people's actions, after the new behavior produces some group benefit for a period of time, and after people see the connection between the new actions and the performance improvement. Thus most cultural change happens in stage 8, not stage 1.

The two major tasks involve:

- Articulate the connections between the new behaviors and organizational success.
- Develop the means to ensure leadership development and succession.

Anchoring Change in a Culture

1. **Comes last, not first**: Most alterations in norms and shared values come at the end of the transformation process.
2. **Depends on results**: New approaches usually sink into a culture only after its very clear that they work and are superior to old methods.
3. **Requires a lot of talk**: Without verbal instruction and support, people are often reluctant to admit the validity of new practices.
4. **May involve turnover**: Sometimes the only way to change a culture is to change key people.
5. **Makes decisions on leadership development and succession crucial**: If the development of new staff and new leaders are not changed to be compatible with the new practices, the old culture will reassert itself.

Planning for the Eight Steps of Change

1. Establishing a Sense of Urgency

- How can you begin or continue to help people feel a sense of urgency about the change?

2. Creating a Guiding Coalition

- Who is or will be on your team? Do you have the key leaders who can guide the change initiative?

3. Developing a Vision and Strategy

- What is your parish's vision and plan for lifelong faith formation?
- How will you develop this vision and plan? OR How can you keep the vision fresh?

4. Communicating the Vision

- How, when, to whom, how often, and in what forms will you begin or continue to communicate the vision to the parish?

5. Enabling Others to Act on the Vision

- How will you empower and equip leaders, in a variety of roles, to implement the vision (e.g., design team, logistics teams, implementation teams)?

6. Planning for and Creating Short Term Wins

- How will you use what you are learning from implementing lifelong faith formation to continuously improve what you are doing? How have you or will you celebrate short term wins and how will you use short term wins to promote greater ownership in the change and greater participation of the parish community.

7. Consolidating Improvements and Producing New Change

- How will you ensure that there is no "letting up" as you implement the vision and plan? How will you produce new change? What areas are in need of improvement?

8. Anchoring New Approaches in the Culture

- What are you doing to anchor the change in your parish's culture?

Sustaining the Change and Momentum

The Heart of Change Field Guide, Dan Cohen, Harvard Business School Press

Approach

1. **Leverage** the momentum and credibility gained from short-term wins to consolidate gains, to learn what's working, to further refine and coordinate different aspects of the effort, and then move on to bigger parts of the change. What lessons did we learn from the short-term wins? How can these lessons influence the future direction of change?
2. **Align** and monitor key organizational areas. Change all systems that don't fit the new vision. Focus on the issues that are more difficult, lengthy, and risky, but that will produce more fundamental changes to the organization, such as: How should processes, work practices, procedures, and policies be changed to the fit the vision? What accountabilities need to be realigned with the new processes?
3. Get the **people part** of the equation right in order to maintain the momentum of the change.
4. Ensure the change is reaching all levels in the organization and seek feedback on its effectiveness.
5. Sustain the involvement and support of leaders.
6. Coordinate the changes to make them "fit together."

Sustaining

1. **Maintain the sense of urgency:** Explore new ways to reinforce the case for change can help strengthen the desire to achieve the stated goals. Use short-term wins to demonstrate the potential benefits of the overall change.
2. **Promote visibility of the change effort and its successes:** Remember, your actual progress may not matter unless people know about it. Communicate broadly the progress and results of the change.
3. **Show commitment and support for the change through actions**: You must remain ever mindful of the need to walk the talk, ensuring that your actions are consistent with the vision.
4. **Ensure that those implementing the change remain in touch with the true purpose of the change:** It's important to occasionally hit the reset button and remind people of the rationale for change. Conduct focus sessions and informal conversations to learn the perceptions of stakeholders and provide feedback to the team.
5. **Build commitment by connecting to critical stakeholders:** They are the people who can make or break the process. Keep everyone informed of successes and challenges. Look for informal opportunities to get opinions.
6. **Listen closely to people through the organization:** Collecting data provides crucial input regarding the issues and barriers to change. Conduct short surveys and focus groups.

Don't Let Up

1. Monitor and measure the progress of the change.
2. Launch new projects and initiatives to continue the change.
3. Develop new leaders.
4. Talk about the progress and the successes of the change.
5. Remain active in clarifying priorities to achieve the desired change.
6. Remain emphatic, even passionate, in your determination to see the vision become a reality.
7. Support leaders during the transition.