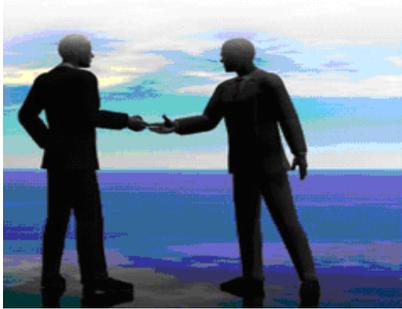# Enabling Organizational Change

Our *CALM*™ solution helps organizations create, validate, and execute strategies for transformational changes such as mergers, re-engineering business processes, or introducing new enterprise software systems. CALM is effective because it explicitly addresses the social, cultural, and psychological dynamics that drive organizational and workforce responses to complex changes.

Problem: Conventional Change Management Is Costly and Ineffective

Most organizations understand that transformational changes upset the status quo, causing employee uncertainty, fear, resistance, reduced focus and performance. US corporations spend over $50 billion annually on Change Management (CM) consulting services, in attempts to forestall these anticipated disruptions by improving communications, modifying compensation or workforce structures, and so on. Unfortunately, over 70% report that their change management efforts fail! Government agencies report comparably high expenditures and low success rates.

These dismal results trace back to low levels of employee trust and other chronic problems with work environments. Conventional CM methods focus on the *tactical* level – the specific change that is imminent; tangible issues such as organizational policies, structures, and technology platforms; and well-established project management techniques such as allocating resources and scheduling tasks. However, organizational change differs from new product development or systems integration. For example, you can educate employees to use new systems or processes; but no amount of training can ensure that workers will accept them, much less apply them productively. Individuals and groups *cannot be forced* to cope effectively with transformational changes, and certainly not according to mandated timetables or budgets. Instead, change is *enabled,* through sustained attention to critical qualitative social, cultural, and psychological dynamics that drive organizational and personal behaviors.

Problem: Enabling Change Is More Than a Numbers Exercise

Strategies to enable change must be planned, tested, refined, and monitored to ensure success. However, conventional decision support tools lack the necessary horsepower to address these needs effectively. Spreadsheets and other simulators excel at manipulating numerical data and projecting quantitative trends. However, they fall short in modeling and reasoning about qualitative factors and interactions, uncertain and rapidly changing information, and disruptive events. More importantly, they fail to provide insight into personal and social dynamics − how people and groups are likely to perceive and respond over time to alternate change initiatives. Unfortunately, these critical behavioral dynamics are too complex to think through in our heads because they involve too many "moving parts".

Our Solution Approach: Practice Change Strategies and Measure Readiness Results

In contrast, we view readiness to change as a persistent *strategic* issue that requires a deep "organic" understanding of organizational dynamics and cognitive psychology to address effectively. **CALM** stands for Change, Adaptation, and Learning Model. **CALM** defines a methodology and supporting software system that enable you to:

- Estimate your organization's initial readiness to respond to change
- Identify a target readiness state likely to ensure a successful transformation
- Simulate progress from the initial state towards that goal state under different scenarios about future conditions and alternate change strategies
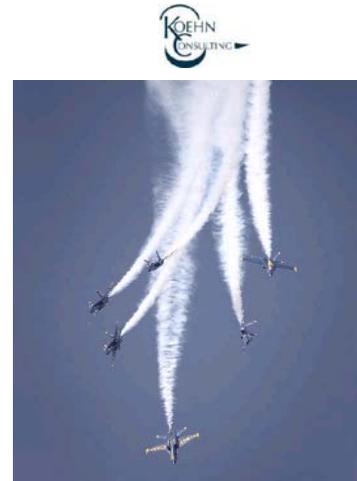
CALM enables you to practice and compare alternate change strategies. These "dry runs" enable you to identify gaps in your plans and learn from errors at minimal cost: Mistakes in CALM exercises are virtual: they cause no actual blood, tears, or failures.

Track Execution Results & Adapt if Necessary

Once you have developed a robust change strategy, you must still execute it successfully. **CALM** was designed to operate not only at the point of decision but throughout the execution "lifecycle", enabling a "sense and respond" approach. This is critical because while you execute your transformation and change strategy, your environment invariably continues to evolve, and your stakeholders respond and adapt to those changes and to your strategy. In execution monitoring mode, **CALM** acts as an Early Warning System, helping you to detect problems promptly, diagnose them, and make effective mid-course corrections to ensure success.

Model Quickly and Easily with Pre-Defined Building Blocks

CALM provides a library of pre-defined components for building change scenarios quickly. You can populate these templates to:

- Describe your organization and estimate its current (and goal) readiness levels
- Pending transformations
- Environmental forces and anticipated events
- Proposed change initiatives to help your organization accept and embrace change

CALM helps you assess conventional "infrastructure" readiness factors, such as business performance, processes, and technical capabilities. It also introduces metrics for explicitly estimating readiness to change along organizational and individual "dimensions," measuring key success factors such as cultural alignment and teaming, employee self-confidence, emotional intelligence, and adaptability. **CALM** also provides a library of pre-defined Change Initiatives, such as improving communications, modifying compensation programs, and recruiting and training "change agents". **CALM** Forces and Events include internal and external factors such as economic conditions, new regulations, and leadership that are likely to impact your organization and workforce while they are trying to accept and adapt to the pending transformation. This is critical because success is a moving target – your organization and its environment invariably evolve while you are attempting to process transformations.

Uniquely Realistic Models Backed by Change Experts

CALM exploits "new science" theories such as system dynamics and adaptive agents to model how social and psychological readiness metrics change over time. These dynamics are pre-defined within **CALM** force and change initiative library elements, but can be easily adapted to fit your specific situation. CALM can also simulate disruptive events such as mergers or changes in policies, political or economic conditions, allowing change strategies to be assessed for robustness against alternate assumptions about the future

"Test Drive" Your Change Strategies

CALM drives a Six Sigma "design of experiments" approach to designing change strategies and projecting their likely impacts on organizational readiness. The **CALM** methodology and software are scalable, and can be applied across organizational sizes, structures, and types of change.

Bottom line:

CALM's ability to quantify and model qualitative organizational dynamics and environmental factors and leads to reduced risk and increased confidence and consistency in responding effectively to transformational change.

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