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Changing change management

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Research tells us that most change efforts fail. Yet change methodologies are stuck in a predigital era. It's high time to start catching up.

Change management as it is traditionally applied is outdated. We know, for example, that 70 percent of change programs fail to achieve their goals, largely due to employee resistance and lack of management support. We also know that when people are truly invested in change it is 30 percent more likely to stick. While companies have been obsessing about how to use digital to improve their customer-facing businesses, the application of digital tools to promote and accelerate internal change has received far less scrutiny. However, applying new digital tools can make change more meaningful—and durable—both for the individuals who are experiencing it and for those who are implementing it.

The advent of digital change tools comes at just the right time. Organizations today must simultaneously deliver rapid results and sustainable growth in an increasingly competitive environment. They are being forced to adapt and change to an unprecedented degree: leaders have to make decisions more quickly; managers have to react more rapidly to opportunities and threats; employees on the front line have to be more flexible and collaborative. Mastering the art of changing quickly is now a critical competitive advantage.

For many organizations, a five-year strategic plan—or even a three-year one—is a thing of the past. Organizations that once enjoyed the luxury of time to test and roll out new initiatives must now do so in a compressed period while competing with tens or hundreds of existing (and often incomplete) initiatives. In this dynamic and fast-paced environment, competitive advantage will accrue to companies with the ability to set new priorities and implement new processes quicker than their rivals.

The power of digital to drive change

Large companies are increasingly engaged in multiple simultaneous change programs, often involving scores of people across numerous geographies. While traditional workshops and training courses have their place, they are not effective at scale and are slow moving.

B2C companies have unlocked powerful digital tools to enhance the customer journey and shift consumer behavior. Wearable technology, adaptive interfaces, and integration into social

platforms are all areas where B2C companies have innovated to make change more personal and responsive. Some of these same digital tools and techniques can be applied with great effectiveness to change-management techniques within an organization. Digital dashboards and personalized messages, for example, can build faster, more effective support for new behaviors or processes in environments where management capacity to engage deeply and frequently with every employee is constrained by time and geography.

Digitizing five areas in particular can help make internal change efforts more effective and enduring.

1. Provide just-in-time feedback
The best feedback processes are designed to offer the right information when the recipient can actually act on it. Just-in-time feedback gives recipients the opportunity to make adjustments to their behavior and to witness the effects of these adjustments on performance.

Consider the experience of a beverage company experiencing sustained share losses and stagnant market growth in a highly competitive market in Africa. The challenge was to motivate 1,000-plus sales representatives to sell with greater urgency and effectiveness. A simple SMS message system was implemented to keep the widely distributed sales reps, often on the road for weeks at a time, plugged into the organization. Each rep received two to three daily SMS messages with personalized performance information, along with customer and market insights. For example, one message might offer feedback on which outlets had placed orders below target; another would alert the rep to a situation that indicated a need for increased orders, such as special events or popular brands that were trending in the area. Within days of implementing the system, cross-selling and upselling rates increased to more than 50 percent from 4 percent, and within the first year, the solution delivered a $25 million increase in gross margin, which helped to swing a 1.5 percent market-share loss into a 1 percent gain.

2. Personalize the experience
Personalization is about filtering information in a way that is uniquely relevant to the user and showing each individual's role in and contribution to a greater group goal. An easy-to-use system can be an effective motivator and engender positive peer pressure.

This worked brilliantly for a rail yard looking to reduce the idle time of its engines and cars by up to 10 percent. It implemented a system that presented only the most relevant information to each worker at that moment, such as details on the status of a train under that worker's supervision, the precise whereabouts of each of the trains in the yard, or alerts indicating which train to work on. Providing such specific and relevant information helped workers clarify priorities, increase accountability, and reduce delays.

3. Sidestep hierarchy

Creating direct connections among people across the organization allows them to sidestep cumbersome hierarchal protocols and shorten the time it takes to get things done. It also fosters more direct and instant connections that allow employees to share important information, find answers quickly, and get help and advice from people they trust.

In the rail-yard example, a new digital communications platform was introduced to connect relevant parties right away, bypassing middlemen and ensuring that issues get resolved quickly and efficiently. For example, if the person in charge of the rail yard has a question about the status of an incoming train, he or she need only log into the system and tap the train icon to pose the question directly to the individuals working on that train. Previously, all calls and queries had to be routed through a central source. This ability to bridge organizational divides is a core advantage in increasing agility, collaboration, and effectiveness.

4. Build empathy, community, and shared purpose

In increasingly global organizations, communities involved in change efforts are often physically distant from one another. Providing an outlet for colleagues to share and see all the information related to a task, including progress updates and informal commentary, can create an important *esprit de corps*.

Specific tools are necessary to achieve this level of connectivity and commitment. Those that we have seen work well include shared dashboards, visualizations of activity across the team, "gamification" to bolster competition, and online forums where people can easily speak to one another (for example, linking a Twitter-like feed to a work flow or creating forums tied to leaderboards so people can easily discuss how to move up in the rankings).

This approach worked particularly well with a leading global bank aiming to reduce critical job vacancies. The sourcing team made the HR process a shared experience, showing all stakeholders the end-to-end view—dashboards identifying vacancies; hiring requisitions made and approved; candidates identified, tested, and interviewed; offers made and accepted; and hire letters issued. This transparency and openness built a shared commitment to getting results, a greater willingness to deliver on one's own step in the process, and a greater willingness to help one another beyond functional boundaries.

5. Demonstrate progress

Organizational change is like turning a ship: the people at the front can see the change but the people at the back may not notice for a while. Digital change tools are helpful in this case to communicate progress so that people can see what is happening in real time. More sophisticated tools can also show individual contributions toward the common goal. We have

seen how this type of communication makes the change feel more urgent and real, which in turn creates momentum that can help push an organization to a tipping point where a new way of doing things becomes the way things are done.

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Digital tools and platforms, if correctly applied, offer a powerful new way to accelerate and amplify the ability of an organization to change. However, let's be clear: the tool should not drive the solution. Each company should have a clear view of the new behavior it wants to reinforce and find a digital solution to support it. The best solutions are tightly focused on a specific task and are rolled out only after successful pilots are completed. The chances of success increase when management actively encourages feedback from users and incorporates it to give them a sense of ownership in the process. ☐

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