

# Leading Large-Scale Transformation

At Criticleye's fourth Human Resources Director Retreat, leaders discussed the challenges of implementing complex business transformation

In association with



A logical business case for large-scale transformation doesn't guarantee its success. However, a good starting point for that uplift in business performance is when a CEO sets consensus in the top team about how to execute the changes.

Without that agreement, fault-lines will rapidly appear. In a recent survey conducted by Criticleye, 73 per cent of respondents said they would be involved in large-scale change over the next 12 to 18 months,

however just over a third (35 per cent) felt the CEO, CFO, Chairman and HRD were in full agreement about how such transformation was to be implemented.

**Andrew Minton**, Managing Director of Criticleye, believes that when restructuring an organisation, there must be consistency, clarity and a sense of urgency. "The difference between success and failure when leading transformation often lies in

the CEO's ability to create a burning platform. It galvanises people, enabling them to clearly understand that the business may not have a future unless significant changes are made."

For **Andy Doyle**, Chief HR Officer at Worldpay, the trick is in positively spinning that message – no matter how heated the burning platform gets: "Transformation is hard, therefore you've got to give people a positive reason to >



change. You can't just say: 'If we don't, we'll die.' I think it's got to be optimistic, visionary and hopeful – not negative."

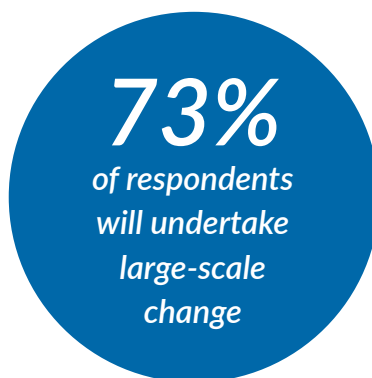
## Tough Calls

While the overall rationale has to be constructive, there are often difficult conversations about pay-cuts and redundancies.

**Lynne Embleton**, who was recently appointed CEO of IAG Cargo from her previous role as Managing Director for Gatwick at British Airways, recalls the dramatic impact low cost carriers had on BA's business model. "Competitors came on the scene with lower costs, new technology, better prices and they were taking market share. We had to change and adapt and that was going to affect everyone in the business.

"It was crucial that our people understood the new reality and so we had to engage in honest conversations. It's simple to go out and talk to staff when you have good news stories and you're hitting targets. Actually, when you're trying to change their jobs, that's when you really need to get in front of them," she says.

It's a skill to understand and manage the emotions that bubble-up when an organisation is restructured. **Roger Bayly**, Managing Director at professional services firm Alvarez & Marsal, comments: "You need people who, when everything is going wrong, can pick everyone up again. You need those who can communicate clearly and simply about why the changes are happening; who are prepared to go to the frontline and have those conversations. However, not everyone who walks the leadership corridor is capable of doing that."



At E.ON UK, the company is adapting to distributed-energy solutions and shifting customer needs. The company's CEO, **Tony Cocker**, feels it's been vital to have a solid relationship with his Human Resources Director. In particular, it provides crucial feedback on how employees are responding to the period of transformation.

"A leader may not have the full picture, so it's the HRD's responsibility to bring his or her perspective. So, what do I mean by that? When going through change, people may be reluctant to highlight concerns to the CEO – even the most down to earth and accessible ones – but they may be more willing to highlight them to the HRD or others," he says.

A HRD must provide important information on people and performance. **Tony** explains: "If you're undertaking a change programme, you want to know how many people it will impact and at what number of locations. You will also need to know how many jobs are under threat. You expect it, as do your people and the trade unions."

If there is a common factor in successfully executing large-scale change, it's that the leadership team understand the bigger picture. **Roger**

says, "Really good transformations engage with each one of the key stakeholders: customers, shareholders and suppliers are all involved and make a contribution to fixing the problem.

"Sometimes transformations can become very internally focused – it's all about what 'we're doing', or that 'we need to change', but the partners, suppliers and other stakeholders have an important role to play." ■

Read the full research findings from our HRD Retreat 2017 by [clicking here](#)

These views were shared at Criticleye's fourth Human Resources Director Retreat, in association with Legal & General Investment Management (LGIM). Find out more [here](#).

### Featuring Commentary From:



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