



CRITICALEYE



# A Burning Platform

*A good CEO may have to turn the heat up in an organisation to bring about change. Criticleye examines how leaders set about making it happen*

A burning platform for change gives senior executives the chance to explain a crunch point in simple terms: either the organisation adapts or it pays the ultimate price.

Yet staff can be resistant to change, viewing it as a direct threat to their future. The challenge is to sell them the positives.

Criticaleye spoke to a range of business leaders to find out the different contexts for change and the approaches that can be taken.

## 1 BUILD A NARRATIVE

Identifying the reasons for transformation and the narrative you're going to wrap around it is essential. **Gary Kildare**, Chief HR Officer at IBM Europe, comments: "The biggest support for change is recognising the need to do it. If you have a burning platform, it means something is fundamentally wrong and you are compelled as a leader to address that urgently – you've simply got to make a shift."

**David Johnson**, Chief Operating Officer at engineering concern Meggitt, agrees: "A significant event, such as a major economic downturn or loss of key customers, are obvious reasons for change."

In theory, it should be easier to gain alignment when there is a systemic shift in the marketplace. By contrast, it can be harder to do "when there's a slow decline in market share or competitors are slowly acquiring better technology," says **David**.

"That's when leaders need to create and communicate that compelling reason, that vision, for people to do something different," he continues. "To do this they

*“It's critical to get the leadership team standing shoulder-to-shoulder”*

need to ask themselves: 'why, what, how and when do we need to change?'"

## 2 CUSTOMERS AT THE CORE

One of the strongest reasons for transformation is that customers expect more and want a different kind of service. It presents an either/or scenario which is linked irrevocably with the future of the business.

**Naomi Gillies**, Head of Future Planning and Sustainable Development for retail group the John Lewis Partnership, comments: "If you take Jessops or HMV as examples, their customers were telling them something very different about what they wanted. You constantly have to listen to your customers."

According to **Charlie Wagstaff**, Managing Director of Executive Membership for Criticaleye, companies need better mechanisms for customer feedback: "The simple reality is: without customers, there is no business. Some leaders get so wrapped up in the day-to-day, they forget the customer should be at the heart of any dialogue or change agenda."

A similar point is made by **Ruth Euling**, Sales Director for Currency at De La Rue, a supplier of identity and product

authentication services to governments and multinationals: "Everything we do should be around making the customer experience better. How will this make customers want to buy or use our services more?"

Drawing on customer opinion will also make the changes more palpable. **David** says: "I would articulate the vision in terms of customer service, so I want us to be delivering at a particular level to customers and I want us to be doing it routinely. This would make the vision something tangible, rather than abstract."

## 3 CREATE ALIGNMENT

Before changes can be introduced, the leadership team must be united. **Ruth** says: "It's critical to get the leadership team standing shoulder-to-shoulder... Then you need to think about influencers throughout the organisation because, irrespective of hierarchy... it's important to recognise who they are and to use them."

If you don't identify and utilise the influencers, **Ruth** says the danger is that the proposals will get "frozen in middle management" and won't be embraced by the rest of the organisation.

**Steve Allen**, Managing Director for TfL (Transport for London), comments: "Leadership, in the sense of setting out a vision and communicating that clearly, is vital to any change, but it's also important to note that ambassadors at every level of the organisation can be equally important to the ultimate success of any change programme."

Once you have that alignment, communication across the organisation needs to be regular and consistent. ▶

**David** comments: “Many organisations launch with a lot of impact and then don’t communicate again for six months. You’ve got to have a proper communication plan in place.

“Get the message right, repeat it and communicate progress – it gives people the chance to hear the vision again, then leaders need to listen to feedback.”

#### 4 DEAL WITH RESISTANCE

Inevitably, some individuals will resist changes. **Mike Cutt**, Criticaleye Board Mentor and Non-executive Director for Russian mobile phone retailer Svyaznoy, comments: “Blockers are simply people who have different beliefs. They may be loyal to the organisation and they may be committed to doing a good job, but they haven’t bought into the change programme yet.”

It’s essential to understand why this might be the case. **Steve** questions: “Do they not understand the rationale? Do they think the response is wrong? Do they not buy into the vision or is there some other reason? The factors behind the resistance would require different responses.”

When job cuts and redundancies do have to take place, **David** from Meggitt urges transparency. “There’s no point of denying it. Be honest and give people reassurance where you can. And if there are any opportunities, communicate them.”

**Travers Clarke-Walker**, Chief Marketing Officer at Fiserv, says leaders need to think about how to deal with redundancies in advance. By way of example, he mentions the banking industry and its declining number of branches, and says one

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way to deal with ensuing job losses is to teach branch teams new skills.

“If you go to branch staff and say: ‘We’d like you to go on the shop floor with digital devices and help customers,’ some of those staff will become skilled in a new way,” he says. “You can consolidate them into a smaller network, move them to different parts of the company, or perhaps they’ll move elsewhere in the industry.”

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Ultimately, effective change comes down to good communication and knowing how to both dispel fears and manage expectations. **Naomi** says: “Leadership is one of the most important aspects of change. You need strong leaders who can set a really clear plan of where you’re trying to get to.”

**Ruth** comments: “As leaders we need to paint a picture of where we’re going... Think about that high level vision because it’s going to be very hard for people to go with you, if you don’t know where you’re going or why.”

Within this, it’s also crucial to have realistic goals. **Travers** says: “Sometimes failure

is interpreted because you didn’t get to the place you wanted to, or you didn’t get there as fast as you set out.

“If you set the targets too quickly, you will fail. If you set the targets over an appropriate timeframe, you’ll succeed.”

Whether it’s evolution or revolution, change is an ongoing challenge to leaders across organisations. Success will depend on your ability to get people to subscribe to your blueprint for the future. ■

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#### Featuring Commentary From:



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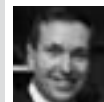
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