OpenED course

Module 5 P3: Change management.

Module Chair: George Alexakis

Activity 1: strategic view on the contemporary changes

Prepared by: Titsa Kioussi

Case Study 1: Stepping on two boats.

As key words we could mention the following:

- ü middle sized, family business,
- ü large multination company,
- ü restructuring,
- ü negotiations on a good path,
- ü unclear information,
- ü worry,
- ü employment positions will be reduced,
- ü overlapping employment posts,
- ü several will be fired,
- ü new CEO,
- ü organize,
- ü reducing 20 people,
- ü strict but fair,
- ü minority shareholder,
- ü difficult position,
- ü ''fluid'' management,
- ü serve the needs,
- ü feel ''the pressure'',
- ü perspective.

In order to achieve a smooth transition from the old to the new scheme, I would proceed with the following strategy:

1) I would talk firstly with the old CEO and after his approval we would arrange a ''day-event'' with all the employees in order to inform them t the necessity of this change. At this meeting I would ntion them the following:
   a) the reason of this transition is the viability of the company. Both, company and employees will have benefits: new investments, increase of the market share for the one hand and a new multinational environment, additional packages for the other hand.
   b) we include at the negotiations the rights of the employees,
   c) I would ask them for their feedback, giving them the opportunity to make comments, criticism and suggestions from their side,

d) I would mention them the adaptation need at a multinat working environment.

2) Immediately, after this ‘’day-event’’ I would arrange a meeting with the old CEO and the Directors of the Sales and Accounting departments, in order to inform them about the possible scenario of employees reduction due to the fact of overlapping posts.

3) I would organize a training for all managers which will participate at this transition, in order to be well prepared, organized and members of a team with positive ‘’team spirit’’. At this training I would inform them that they will be a ‘’part’’ of this project and that they will participate for the implementation of the new processes.

Case Study 2: Reform or revolution?

The biggest mistake of Nick was that he tried to apply in a large scale the business process reengineering model in a short period. Additionally, we could mention that he didn't count the environment that he tried to apply this model. As a result, the implementation of this model hadn't any success.

He had to analyze the environment, taking into consideration the following factors:

a) The experience of his father,
b) Communicating the changes to the managers, mentioning m the targets and the benefits of such strategy,
c) Receiving frequent feedback by them, making the necessary corrections/adaptations,
d) He should train accordingly all the managers and participate them at any change,
e) Ha had to make sure that the managers would support him,
f) He had to mention them clear the targets, the advantages and the possible benefits of such process reengineering.

We could say that a success change could be achieved under the following conditions:

A healthy company with a success history (like Nicks' father company), maybe doesn't need changes with such ''speed'' like Nick tried to implement at his one. He should check firstly, which areas need changes or adaptations and to give priority on these. With this way he should have the time to make any corrections in order to achieve the targets.

What I learn for the above case study?

- the studies are not enough in order to improve the business. You need experience as well, or both in best cases.
- you have to define SMART targets,
- you have to proceed with changes step-by-step making the necessary corrections,
- we must follow the Chinese ''KAIZEN'' method, meaning: plan, do, check and act.