

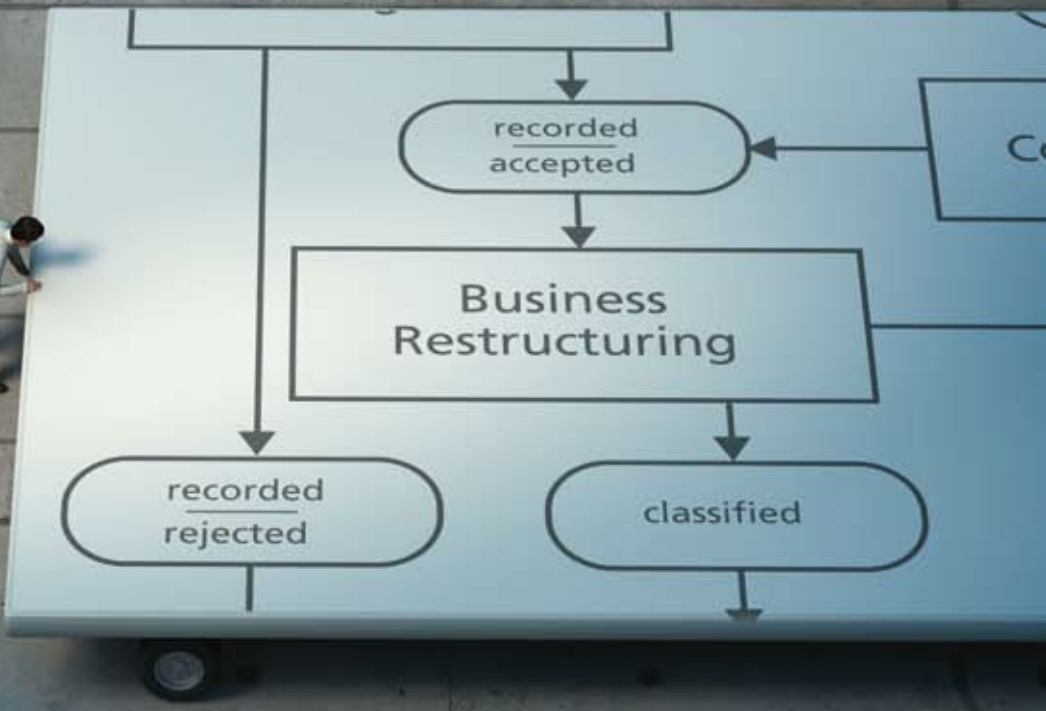
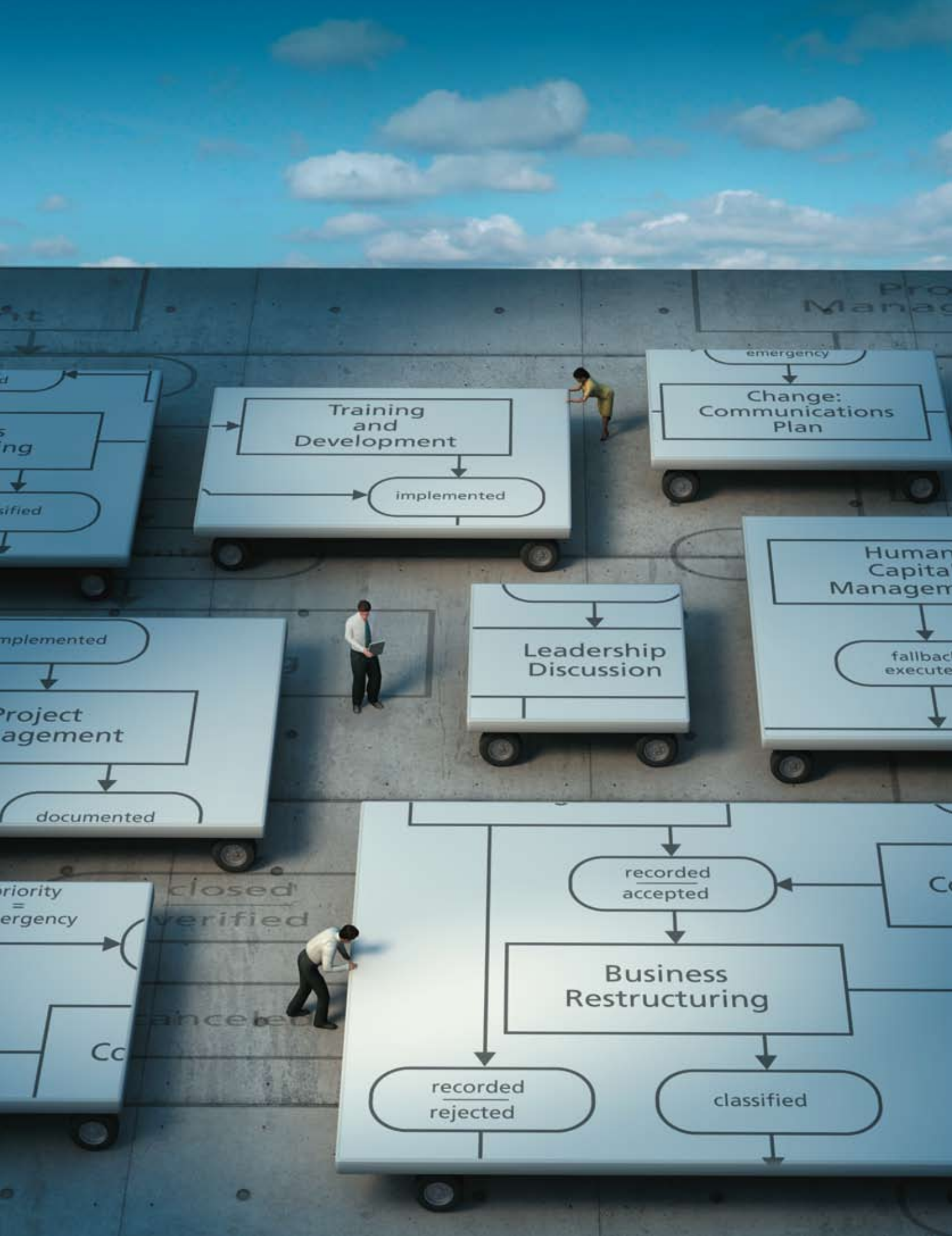
The Business of Change

By Chris Blose

A new executive education program — **the first of its kind** — puts the pieces of change management together.

For a change management consultant dealing with government agencies, the ideal situation is this: You walk in on day one, and everyone welcomes you with open arms. The leaders are gung-ho about the task at hand — whether it be installing a new technology system, merging two disparate cultures, or completely overhauling the organizational structure.

The employees are equally enthusiastic. They chat over coffee and donuts about just how excited they are by the change, which is laid out in clear and understandable terms for all. You, the consultant, are given complete access to all the resources, space, and people you need to get the job done.





Jim Milne, Nicole Vichi, and Kristopher Campbell of Booz Allen Hamilton were among the first graduates of the new change management program.

Contrast that with a more typical scenario: You come into an organization and have to execute damage control on day one. You are offered a spot in a basement office — out of sight, out of mind. The leader is a political appointee whose days are numbered. The employees have not heard anything about the realities of the change or what it means to their careers, so they gossip around the water cooler and imagine the worst. And to top it all off, Congress is publicly thrashing your client.

Where does that leave you? If you have participated in the new Change Management Advanced Practitioner (CMAP) program, offered by Georgetown University's McDonough School of Business and consulting firm Booz Allen Hamilton, you are in good shape. You will be prepared to apply the various tools of change management to the case in front of you, whether it falls in the realm of the ideal, the chaotic, or anywhere in between.

Kristopher Campbell, a Booz Allen

Hamilton associate and one of the CMAP program's first graduates, says change can come from a number of drivers, but the goal of change management is always the same.

"It could be an organizationwide transformation or one subset," Campbell says. "It can be driven by legislation, new technology, or new leadership. It's really the practice of creating an organized and logical way to bring an organization from point A to point B."

Broadly defined, change management is



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management — to create a desired effect. It takes the right blend to make change really stick, to make it real.”

Theory Meets Practice

“There is no *Change Management for Dummies*,” says Brooks Holtom, an associate professor and academic director for the CMAP program.

Holtom notes that change management is a complex process that requires a solid grasp of both theory and practice. Although many academics and practitioners have written about change management, few have attempted to bring all the literature and practical lessons together in one place.

That was Booz Allen Hamilton’s goal when it first developed the idea for CMAP. After a competitive process, the firm chose to partner with Georgetown’s McDonough School of Business Executive Education program because of the school’s reputation and relationships in Washington, D.C., and assets in the realm of change management.

“We were able to apply and integrate our faculty’s expertise in the areas of leadership, culture, human capital management, strategy, and operations management into a comprehensive, graduate-level change management program,” says Gordon Swartz, associate dean for executive education.

Working together, Georgetown faculty and Booz Allen Hamilton practitioners performed an extensive review of the available literature, delving into standards such as John P. Kotter’s *Leading Change* and popular fare such as Malcolm Gladwell’s *Blink*. They also called on internal expertise and lessons

just that: broadly defined. Consultants have been involved in change work for years, though often with a narrower focus on individual areas such as communications, project management, IT consulting, training and development, business restructuring, or workforce planning. The CMAP program was born in part out of the recognition that the best practitioners understand how all of these pieces fit together as a whole.

“To me, change management is like

conducting an orchestra,” says Maria Darby, a vice president at Booz Allen Hamilton who has led large-scale transformations for high-profile clients such as the U.S. Department of Homeland Security and the IRS. “The conductor draws upon the various instrumental sections to create a certain musical effect. Similarly, the change management practitioner draws upon a diverse set of disciplines — business process, human capital strategy, strategic communications, learning, performance

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learned from past change management projects, and then put together a curriculum for the CMAP program. The first cohort of 25 Booz Allen Hamilton employees finished in August, and the program will educate 100 by the end of the year. The goal is to triple that number in 2010.

Increasing credibility for the field is one of CMAP's priorities. "I think there are a lot of people selling snake oil," Holtom says. "They say they do change management, and maybe they do a piece of change management, like human capital consulting or change communications, but they don't do all that is involved in large-scale transformation. It is important to recognize that there are some people doing comprehensive change management well."

Official recognition is only one goal of the program, however. Research shows that 70 to 80 percent of major change efforts fail. CMAP looks at why they fail — and how to help clients fall among the 20 to 30 percent that succeed — by taking a comprehensive look at transformation.

To reach that goal, the CMAP program examines the top thinkers and models in the field using an academic approach, and then marries theory to practice. Georgetown faculty and Booz Allen Hamilton leaders such as Darby and fellow vice president David Humenansky draw on their years of

experience helping high-profile government clients navigate drastic transformations. For example, Dave Mader, now a vice president, was a key executive during the IRS transformation and brings his real-world experience to the classroom.

Bringing theory and practice together is crucial, Campbell says: "Theory is just theory if clients don't buy into it. I can sit in front of a client all day long and tell them that this is what a bunch of Harvard and MIT experts say you should do, but that doesn't mean anything unless there's a practice approach to back it up."

And when it comes to both practical approaches and theoretical models, one size does not fit all. When Nicole Vichi, a Booz Allen Hamilton associate and graduate of CMAP, first heard about the program, its comprehensive nature appealed to her.

"What works will vary so much from client to client," Vichi says. "It's great to be able to hold these models and approaches up side by side to compare and contrast them, and to see the thought processes involved."

The primary goal is to give practitioners an expansive set of tools so they can assess and apply the ones they need to work in any given situation. Such flexibility is crucial to Booz Allen Hamilton employees, whose clients exist in the government realm, which

is constantly in flux with changing political priorities, appointed officials, and policies.

Humenansky describes change management as both a science and an art. It's more than following a checklist, as would a systems engineer; you must be able to read the people and culture around you and figure out which combination of techniques will work there.

Providing a broad range of techniques has another benefit, too, Humenansky says. If one idea does not work, a skilled practitioner can move on to another.

"One of the critical success factors for a change program is active leadership engagement, support of the top dog," Humenansky gives as an example. "Well, what do you do if it's not there? Give up? What are the techniques you bring to bear? That's what this course is about."

Constants of Change

Regardless of the model or approach, a few constants exist in change management. Humenansky alluded to one of the most crucial: leadership.

Jim Milne, another Booz Allen Hamilton senior associate and CMAP graduate, has seen both the worst kind of leadership — dictatorial, isolated, not seeking or accepting employee input — and, in a current project, the best kind. He is working with an intelligence organization fusing two missions and cultures into one. The task is tricky, but the leadership factor is working in the group's favor.

"It's ideal because we have tremendous leadership support and advocacy, first and foremost," Milne says. "No strategy effort can be effective without it. We have clear, documented mandates, so there's absolute urgency for them to figure this out."

The fact that Milne's client has clear mandates leads to another pillar of change management: communication. In the ideal setting, every person affected by change has a thorough understanding of that change, understanding that can be gained only through effective, strategic communication.

But many cases are not as ideal as Milne's, says Campbell. "What ends up happening, if you fail to communicate, is you get the water cooler talk of what's going on here and what's going on there," he says. "If you don't do good corporatewide communications, it negatively impacts morale. People start getting the wrong information, if they get any information at all."

A good communications plan is often the first step in a transformation, especially given how crucial it is to create employee buy-in. For change to work, you have to persuade as many employees as possible to believe in its benefits, both for the company and for them on an individual “What’s in it for me?” level.

As pervasive and important as strong leadership and effective communication are, change encompasses much more. A change management practitioner needs to understand human capital, particularly as it relates to the flow of talent and skills in and out of an organization. Who stays? Who goes? Who has the skills to work in the organization as envisioned after the change? The latter question then leads to training and development needs, business

restructuring, and other important aspects of the field.

Therein lies the strength of the CMAP approach, Milne says. He entered the program with strengths already well developed in strategic planning and communication, plus performance management. “Coming out of this course, I built greater depth in those areas and learned more about all of the other facets of change management,” he says, “how interdisciplinary it is, and how all the moving parts work together.”

Vichi and Campbell both echo Milne’s assessment. In the past, Campbell focused mostly on performance management, but now he thinks about other pieces of the puzzle, such as human capital.

“We all manage change,” Vichi says, “but there is something to be said for someone who has really studied all the different tools and theories, really understands the different nuances and differences between them, and is able to work with other experts to cover all the different implications. This program provides practitioners with a really well-rounded toolkit.”

Learning While Doing, Doing While Learning

The CMAP program also provides students with a room full of other experts — fellow students — from whom and with whom to learn.

The course takes advantage of this group’s knowledge through an “action-learning project,” a centerpiece problem based in reality and practicality. Holtom describes it as a “Skunk Works” project.

Students divide into five teams of five — named Booz, Allen, Hamilton, Hoya, and Saxa, affectionately. Each person in each group brings a proposal from a real-life client problem, and the team decides together which problem to tackle.

“We ask, ‘What is the biggest, hairiest, most challenging aspect of this engagement, and what could we gain by examining theory and best practices in this project?’” Holtom says.

Vichi’s group chose her proposal for its action-learning project. It deals with the Federal Aviation Administration’s (FAA) implementation of a system safety approach to regulatory oversight, which is spurred by a number of drivers, including new international regulations and safety requirements, recent concerns over airline safety, and an increasing number of travelers flying in a fixed amount of airspace.

Holtom uses a particularly apt metaphor for this project: “There is a simultaneous challenge of flying an airplane while rebuilding it,” he says. “That’s exactly what is happening when you’re a government agency providing services, and you are asked to transform.” With the FAA, there will be zero tolerance from the government or the public when it comes to making mistakes while the change is in process. Even as the agency overhauls itself, every plane still has to get where it is going safely.

With that in mind, Vichi and her teammates applied freshly learned or honed skills to a real-time problem. “We sat down, looked at the problem statement, and used tools from the class to prioritize focus areas that needed to be addressed for transformation to be seamless and effective. Knowing where they needed to go, we said, ‘In order to get them there, we must address these things first.’”

Communication became a top priority. The FAA’s change is almost a paradigm shift for much of the workforce doing safety oversight, Vichi says, so communication is essential to creating buy-in.

To begin to do that, Vichi and her teammates examined tools from the CMAP course, including the Patterson-Connor Commitment Curve, which tracks where people are in terms of commitment to the new way of doing business. Vichi and her teammates learned from a real example during the project, and, in turn, Vichi has made viable communication recommendations to the client.

Likewise, Milne says he has taken lessons learned directly from the program into his day-to-day work with his client, the intelligence organization that is trying to merge two cultures. “The course has really informed my thinking about how to do the heavy lifting around the cultural change, which is a deal breaker for this particular organization,” he says.

The biggest value of the program to Campbell is the all-encompassing and flexible set of tools it provides.

“Prior to this class,” he says, “I never thought about change management the way I’ll think about it now. It was always some specific aspect. We were going to be technology consultants, or human capital consultants, or strategy consultants. Now I see the holistic approach to change management. That’s where we can now add a lot of value for our clients.”



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PHIL HUNNICKY

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