

Outperform in the Next Normal: Four Golden Rules for Successful Implementation of Change

As growth opportunities emerge, how will you lead change effectively?

As Boards and CEOs, the task is clear: To lead organisations – teams – that will outperform, whatever conditions are faced. Leaders know that an organisation that has succeeded previously has no given right to do so in a new situation. As fresh growth opportunities emerge – and some new threats appear – change will be required for success.

Previously, our Way Ahead series of articles addressed the most important questions for leaders analysing required changes to their organisation's structure, culture and leadership:

Organise to Be Ready for When the 'Next Normal' Arrives

Having answered these questions and determined what change is necessary, your leaders will need to decide and execute an effective change implementation. We all know from experience that implementation is the most common failure point in any change. To revitalise your organisation successfully – and take advantage of fresh opportunities – you will need to make the right decisions and have leadership that is willing and able to make it happen. **These four golden rules will steer you towards an effective implementation:**

1. Be guided by relevant data
2. Measure more frequently than before
3. Do much less, but better
4. Select more able leaders

The Way Ahead Series, by Mercuri Urval

Our team advise and support thousands of leaders across all sectors, as they find their organisations' Way Ahead. In this series of articles our CEO, Richard Moore, distils practical advice from real leader successes and challenges. Advice focussed on how leaders can ensure their organisations – teams – outperform, whatever conditions are faced.

1. Be Guided by Relevant Data

Effective decisions require data that you can use to make sound assessments and judgments. Often you can conclude on data yourself but sometimes it is important to get help from an expert. Balancing facts with your perceptions, to make objective decisions based on the most relevant possible data, is never easy. Even if avoiding personality derived preferences, existing group behaviours, flawed data skewed by reporting issues (and not real organisational problems) are obvious risks to write about, they are hard to avoid in practice.

- ✓ Make sure data is current and predictive – a leading indicator of what might come based on the latest possible insight
- ✓ Have the patterns in the data are assessed by leaders or independent experts with enough distance to be free of personal bias
- ✓ Be sure your interpretations are not personal, but rather factual

The most relevant and up to date data on your organisation's market context, structure, culture and leadership – objectively assessed – will form a compelling and logical chain of arguments for change. It will also scrutinise if a change is even needed – perhaps you have the right organisation set up already, but with the wrong leadership capabilities? Only by getting the analysis right, will leaders know precisely what to change, how much to change and how fast. **Be guided by relevant data (only).**

2. Measure More Often Than Before

To successfully adapt through periods of accelerated change, your leaders need to create a clear framework to measure your organisation more frequently. The most effective measurement approach will help you to the right analysis and regulate implementation speed, act as a communication tool and allow for both focus and course correction as needed. If the change you need seems hard to measure, it is even more important to find a way. It's time for leaders to think deeper about measurement methods and priorities. Measuring both leading indicators (that predict what might happen) as well as economic outputs (that ultimately prove success but may indicate a problem too late) is important. However, the commonly used structure for measuring strategy implementation – the balanced scorecard – needs careful design if implementation of change is to be measured more frequently. In rethinking what you measure in times of accelerated change, take care not to skew measures too much towards the economic – in most organisations, these lagging indicators are already well reported. Your leaders purpose in this setting is rather to measure the implementation of change and find reliable and stable measurements that look forward – measures that will prognose future results in the four key areas:

- ✓ Predictive **Economic** Measures: e.g. Effect of digitalisation on your future transaction costs or supply chain effectiveness
- ✓ Predictive **Customer** Measures: e.g. Effect of change in your customers future behaviour or on new growth opportunities
- ✓ Predictive **Internal Process** Measures: e.g. Effect of innovation or organisational adaptability on future results
- ✓ Predictive **People and Growth** Measures: e.g. Effect of the ESG agenda on your future attractiveness to employees

Whatever change you need, start with a clear picture of the new ways – and some old methods – that you will use to measure progress effectively. The next normal requires a new balance to leader's scorecards. More forward looking, and most importantly – as change is a process not an event, and as events turn faster – **measure more frequently than before**, or better still, measure continuously.

3. Do Much Less, but Better

Rather than an overarching strategic refresh to cope with new conditions, consider how to develop your organisation in singular and narrower focussed sprints. Do one thing at a time, quickly and for long enough that predictive measures indicate accomplishment – before taking more on. Your team's capacity to accept, adopt and succeed with change will be your limiting factor:

- ✓ Choosing what not to change becomes a vital leader performance area
- ✓ Whenever your leaders have a choice between being comprehensive or focussing on the vital few things that matter most, guide them to choose fewer
- ✓ Simplify change focus onto the fewest most important actions only. Teams will implement few things more effectively than if they try to make many changes at once
- ✓ If there is a performance problem but no clear data-based gap between the leadership you have and what you need, don't change it. Look at your leadership afresh – instead of your structure

In change the solution must obviously match the need – but just because change is needed does not mean it's the most important thing to act on. Think with care, and think continuously, about how much your people can absorb. Then put all your focus, most powerful resources and leadership effort into changing the fewest things that matter most. To achieve more, help leaders cut through the complexity, and **do much less, better.**

4. Select More Able Leaders

Your leaders have an existing organisation to protect, nurture and develop whilst they build new capabilities for the future and make change happen. It's a demanding task that underlines for itself why this implementation phase is the normal, familiar point in change. Right organisation and strategy, wrong leaders. So, when you know what organisation you need and how to measure it, and the change you will bring in is focussed, you are still only halfway to success – having effective leaders will now determine success. Leaders with the right capabilities won't be derailed. They will take care of your people and ensure what needs to be achieved is realised. And as the change you implement changes the work context for leader and colleagues alike, it's necessary to look afresh to predict if the leaders you have will succeed in their new task.

- ✓ Whilst success matters compete for attention, your leaders will define your success
- ✓ Securing leaders develop – and when needed bringing in new, sustainable leadership for a changed situation – is essential for success
- ✓ More frequently than before, make fresh decisions about the performance of your leaders and understand your internal and market talent opportunities. Consider immediate performance and longer-term potential

Making sure you have the most effective leaders in place, for a future that has yet to unfold, requires a solid prediction about what is required and who is able. To outperform, **select and re-select the most able leaders**, continuously.

In the coming articles of our series on your Way Ahead, we'll outline how to make more reliable predictions about the leaders you need.