Course of
Digital Management Consulting

Structured implementation

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Agenda

➢ Consultants and change;

➢ From recommendation to implementation;

➢ Roles of management consultants during implementation

➢ Solution development & Solution implementation;

➢ Integrated, iterative and structured approaches;

➢ Why some implementation projects may fail;

➢ Evaluations of the implementation.

Consultants and change

Management consultancy's reason for existence is helping a client to change, whether **through advice on change** (narrow definition) or **through advice and implementation** (broad definition).

A critical success factor is the **feasibility of the implementation** of that advice. Moreover, the *client* have to accept the solution, support its implementation and it needs the resources and capabilities to implement the solution.

Client top management may *delegate the execution* of the change to their lower management and employees. Alternatively, the client may *hire the same consultancy firm* that developed the solution to implement the advice.

Client top management is responsible for managing implementation and for decision making.

Different types of change

Changes may vary along different dimensions, such as the subject of change, the scope of change, and the timing of change. The **McKinsey 7-S framework** provides an overview of the interconnected elements of organizational change. An integral change project compiress all seven S's.
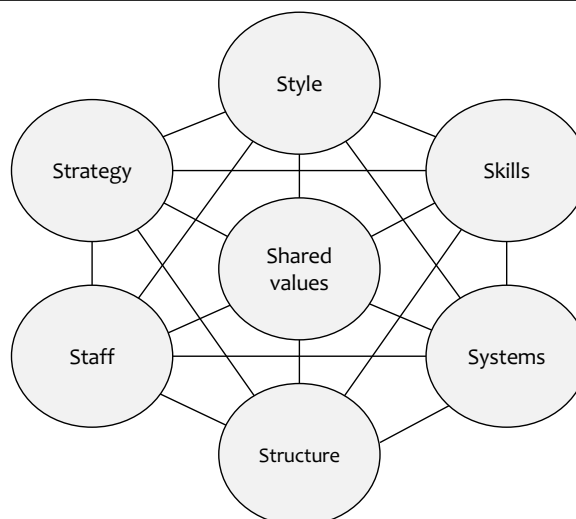
From recommendation to implementation

A recommendation is no guarantee for results. Implementation may fail to produce the desired result because the recommendation is *flawed* or because of *difficulties in the implementation* of the recommendation.

Clients usually hire consultants to implement solutions because:

- They want **results instead of reports**;

- They don't want **solution developers and solution implementers blame each other**.

In a few cases, the client may go even further and ask the consultancy firm to manage the redesigned processes as an outsourcer!

Roles of management consultants during implementation

Consultancy type	Consultancy by rhetoric (critical view)	Expert consultancy	Doctor-patient consultancy	Process consultancy
Consultant's role	Consultant sells management fashion, creates impression that clients receive value	Consultant provides expertise for implementation	Consultant implements the solution that they developed in previous stage	Consultant helps client to implement solution by providing a process
Client's role	Client is passive, and is manipulated	Client implements and uses consultants' expertise as input in the process	Client is passive, and undergoes the implementation	Client implements with the help of consultant (co-creation)
Consultant-client relationship	Powerful, persuasive consultant	Powerful client, consultant respected for expertise	Powerful consultant respected for competences	Equal relationship

Clients and change

Most client organization are not good at managing change, because they are built on **stability and routine.** Clients have developed routines for their current business. Clients do not like to change a successful business because of the <u>risk of losing that success</u>.

Moreover, <u>Client employees may resist change</u>, even more when change is proposed by consultants especially because **change implies the risk that consultants' recommendation may not work** or that it may be **wrongly implemented** or because **change implies additional effort** (and the the manager might not have the resources or the commitment for such an extra effort) .

Moreover as a result of change, people may need to unlearn old behaviour and learn new behaviour instead (double loop learning).

## Different pressures within the client organization

The client consists of different factions with different interests (top and middle management and professionals).

- **Top management** is usually under pressure from the company's stakeholders; top managers usually have *financial incentives* that stimulate change in the business in order to *prove their success* and their worth.

- **Middle management and professionals** are usually the subjects or victims of change plans, they usually have to change. But sometimes, change might be for them an opportunity to show how much they can contribute to the company success!

Consultants have to be change agents. It is their business!

Solution development & Solution implementation
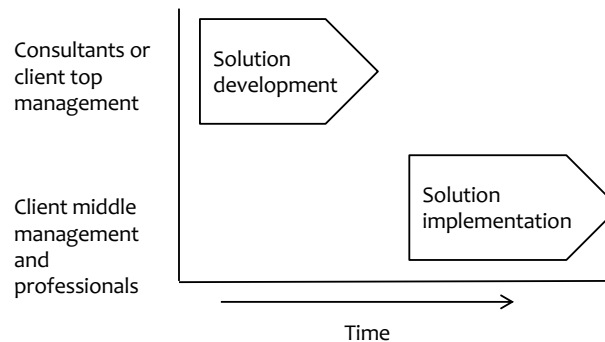
Instead of the traditional approach of separating the roles of development and implementation of solutions, more sophisticated approaches may try to **integrate development and implementation**.......

Integrated approach
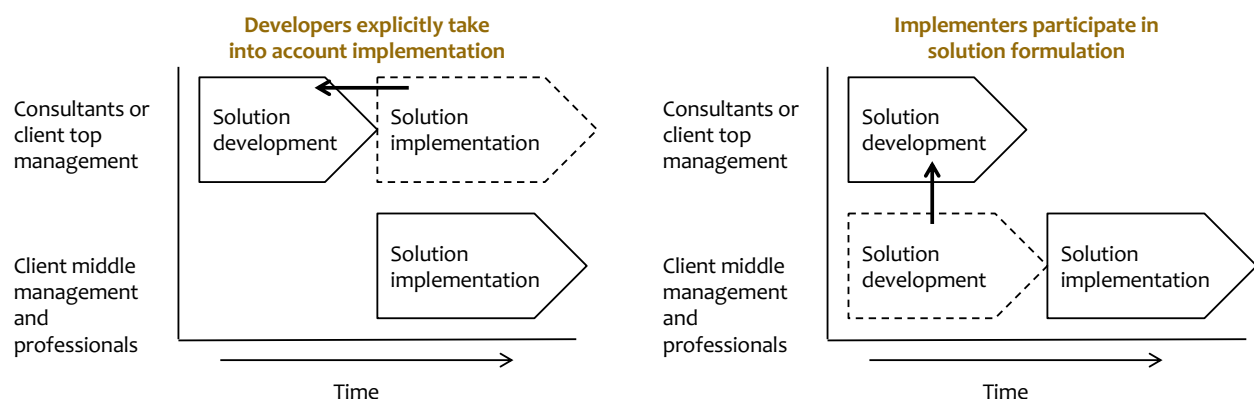
In this approach, the developers consider implementation when developing a solution.

People involved in implementation participate in the development process. This may lead to better quality solutions and increase the acceptance and support for the solution.

Iterative approach

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┌─────────────┐    ┌─────────────┐    ╭─────────╮   Yes   ┌──────────────┐
│ Development │───▶│Implementation│──▶│ Success? │───────▶│ Develop the │
│of a small step│  │  of step    │    ╰─────────╯         │  next step  │
└─────────────┘    └─────────────┘         │              └──────────────┘
      ▲                                     │ No
      │                                     │
      └─────────────────────────────────────┘
          Develop an alternative step
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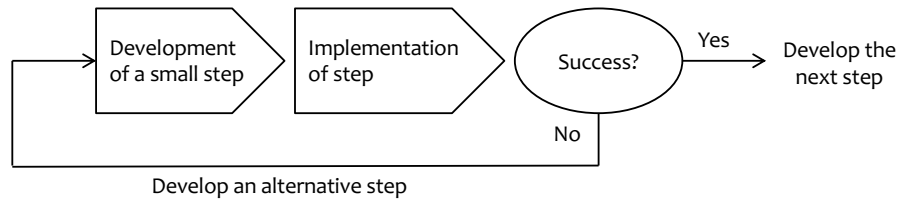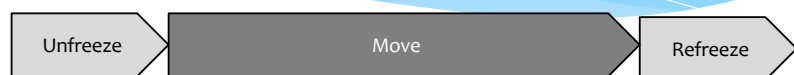
In case of <u>high levels of uncertainty</u>, the *integrated approach may fail* and it is not realistic to assume that a solution can be found in one single attempt.
An **iterative approach** with *small steps* may work better.
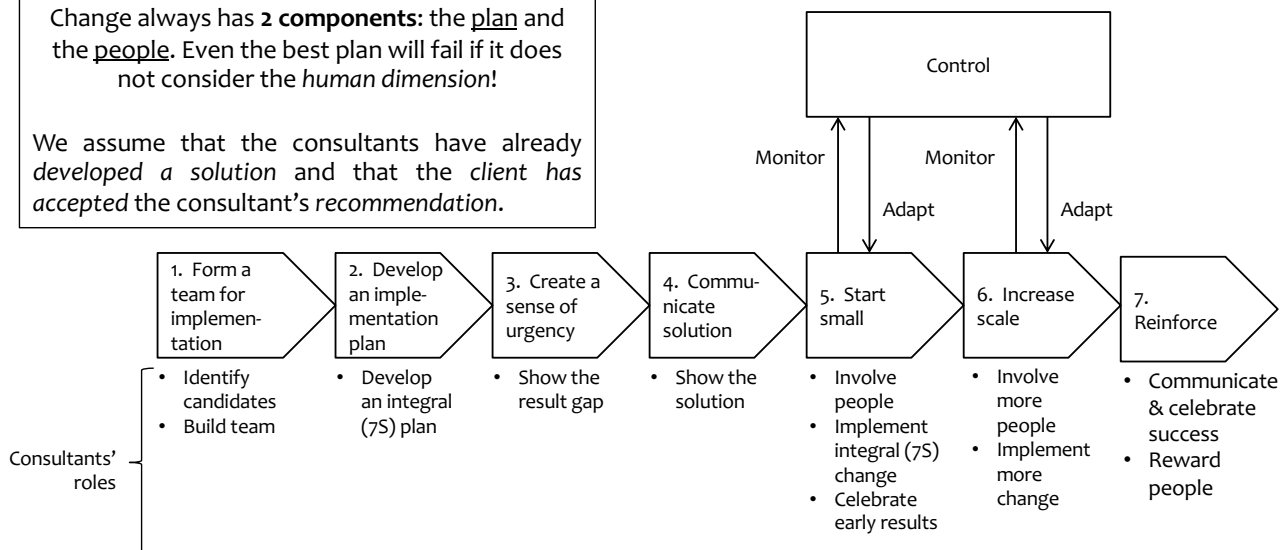This is a <u>trial-and-error approach</u>. The client and the consultant learn by doing.

Structured implementation

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┌──────────┐┌─────────────────────────┐┌──────────┐
│ Unfreeze ││         Move            ││ Refreeze │
└──────────┘└─────────────────────────┘└──────────┘
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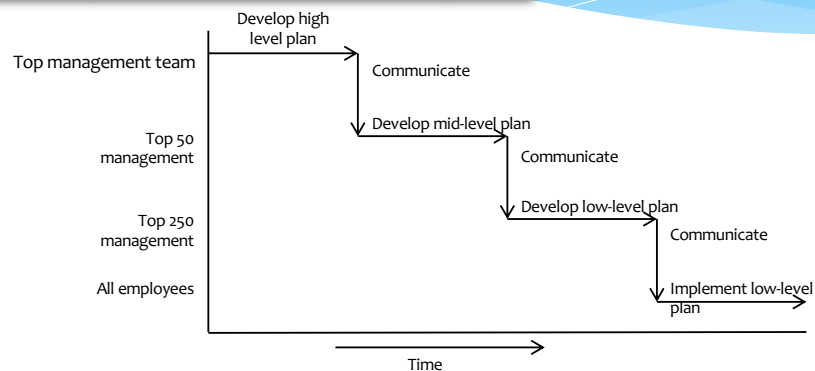
Change always has **2 components**: the <u>plan</u> and the <u>people</u>. Even the best plan will fail if it does not consider the *human dimension*!

We assume that the consultants have already *developed a solution* and that the *client has accepted* the consultant's *recommendation*.

```
                          ┌─────────────────────────┐
                          │         Control         │
                          └─────────────────────────┘
                           ▲   │          ▲   │
                   Monitor  │   │  Monitor │   │
                            │   ▼ Adapt    │   ▼ Adapt
```

1. Form a team for implemen- tation	2. Develop an imple- mentation plan	3. Create a sense of urgency	4. Commu- nicate solution	5. Start small	6. Increase scale	7. Reinforce
• Identify candidates • Build team	• Develop an integral (7S) plan	• Show the result gap	• Show the solution	• Involve people • Implement integral (7S) change • Celebrate early results	• Involve more people • Implement more change	• Communicate & celebrate success • Reward people

Consultants' roles

Structured implementation – *Step 1*

Develop high
level plan

Top management team

Communicate

Top 50
management

Develop mid-level plan

Communicate

Top 250
management

Develop low-level plan

Communicate

All employees

Implement low-level
plan

Time

Consultants may need to **involve people at all hierarchical levels** of the client organization as well as external stakeholders. Consultants must ensure that the <u>top of the client organization acts as a role model for change</u>. Consultants create a coalition of client organization members and other stakeholders.
Change cannot be forced beyond a certain level.
The consultants' capacity to transform the client organization depend on the **quality of the participants in their coalition**: it needs sufficient <u>hierarchical power and competence</u>.
The coalition does the actual implementation work.
If the client top managers are unwilling or unable to improve their performance, the option is *replacement* (consultants may only advise it). The coalition acts as a catalyst to spark change in the client organization. Consultants may use a *cascade model* to mobilize the organization.
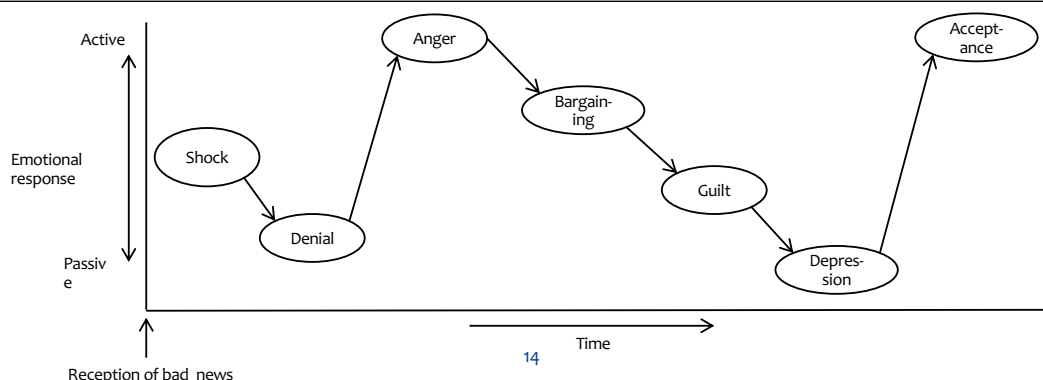
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Structured implementation – *Step 2 & Step 3*

Step 2: The implementation plan is a **co-creation of the consultants and the client coalition.**

Step 3: Without awareness of the need for change, any attempt to launch a change plan will meet resistance. *Consultants should arouse anxiety and dissatisfaction* as a precondition for change. **Consultants need to confront these people with the problem.** To disturb the status quo, they need to <u>show the result gap</u>. Sometimes is better if consultants bring the *bad news!*
The figure visualizes *how most people commonly respond respond to bad news.*

Active

Anger

Accept-
ance

Emotional
response

Shock

Bargain-
ing

Guilt

Passive

Denial

Depres-
sion

Time

Reception of bad news

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Structured implementation – *Step 4*

After the consultants have created awareness,
the client employees and other stakeholders **should be open to (more) change**.

The client employees and other stakeholders need to be informed upfront about the implementation.
Consultants **design the communication of the solution and its implementation plan**.
Consultants should **provide guidance and motivation** to the client organization and stakeholders.

A shared vision across the client members is essential for a successful implementation.

The **individual** needs to know how they personally will be affected by the change and what they specifically need to do.
When *scepticism* is a shared feeling across employees and stakeholders, **client top management may need to support the consultants**! Moreover, consultants achieve the client's organization acceptance and commitment by **workshops** in which *employees* may raise questions and receives answers and *consultants* may solicit suggestions and feedback.

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Structured implementation – *Step 5*

Step 5: Consultants may start the **implementation on a small scale,** that serve as a *pilot test* for the organization-wide implementation.

Consultants because need to involve the client members, have to **empower the individuals** for implementing the change. To do this, consultants design *new roles and suggest new responsibilities* to particular client employees.

Implementation is a project which needs to be controlled. Consultants may monitor the progress of the implementation project and analysing data.

By starting on a small scale allow to realize results sooner than when starting on a large scale, that infuse hope and confidence. **Short-term gains may infuse hope and confidence in the stakeholders.**

Consultants recognize and reward people who achieve early wins!

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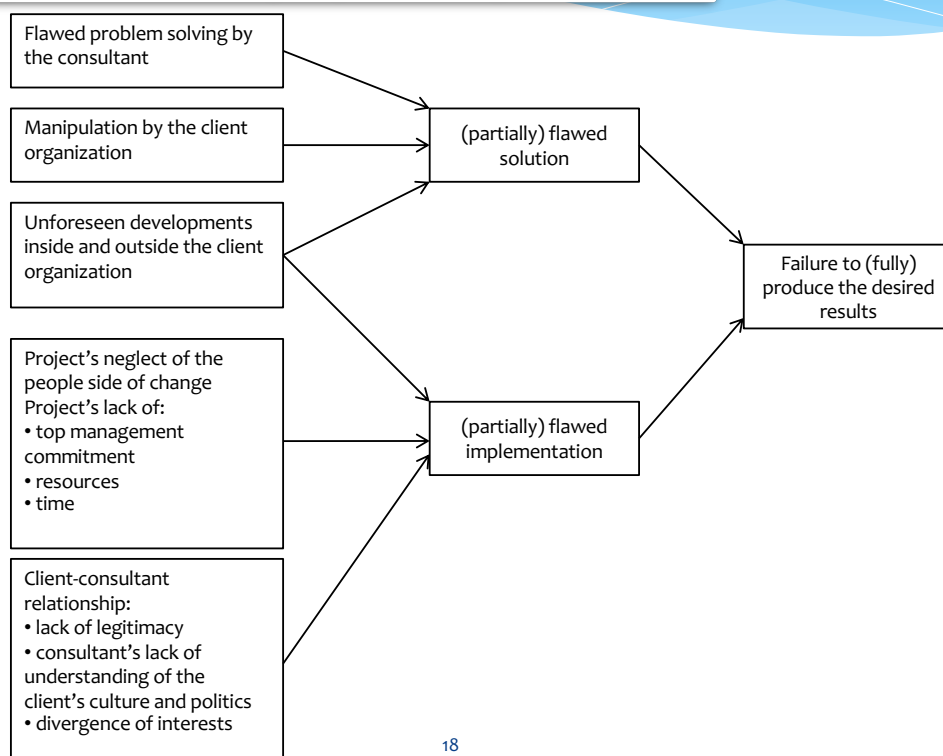## Structured implementation - *Step 6 & Step 7*

Step 6: After the first change has been realized, consultants **spread the change to other business units and departments**. Implementation may lead to *conflicts* that have to be managed *by confrontation*.

Step 7: Consultants need to **reinforce the new behaviour** by client members. This new behaviour needs «*refreezing*». Consultants may refreeze the new behaviour into <u>formal structures, systems and processes</u> and they should to communicate to the client members the benefit of the new behaviour to reinforce this behaviour.

Members who behave in the intended way *receive a reward and recognition.*

Why implementation projects may fail

Flawed problem solving by the consultant	
Manipulation by the client organization	→ (partially) flawed solution
Unforeseen developments inside and outside the client organization	
Project's neglect of the people side of change Project's lack of: • top management commitment • resources • time	→ (partially) flawed implementation
Client-consultant relationship: • lack of legitimacy • consultant's lack of understanding of the client's culture and politics • divergence of interests	→ Failure to (fully) produce the desired results

Evaluate the implementation

Evaluate of the implementation project takes place at <u>several moments </u>in time during the execution of the project. There are three features to be evaluated:

- **The project outcome**: if the project <u>achieved its objectives</u>, but some effects need a *long time to materialize*;
- **The consultants**: it is important to <u>determine the fee</u>, or the effect of <u>the contribution of the consultants </u>or within the MC firm to <u>evaluate the performance of the consultancy team;</u>
- **The process:** evaluation may assess the <u>cooperation</u> between client and consultants during the project;

It's <u>hard to evaluate the success of a project</u>. Cost reductions are easier to relate to an implementation project than revenue increases. It is essential that *before the start* of the project, the client and the consultants agree upon the **set of evaluation criteria.**

After the evaluation, the consultants will produce a **closing report** for the client and also an internal report (and an internal debrief).