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Change That Works

How to Make Transformation Happen

Editor's Note

Some might wonder in today's fast-changing world: why write a book on change and transformation? Won't its contents be outdated as soon as it has been printed? And do those who lead change in organizations even have the time to read such a book? We thought about these questions as well when we began this journey more than a year ago. Yet, more than ever, we now believe that this book was worth the while—and here is why:

First, let's talk about ourselves, the authors. We are all part of the Integrated Consulting Group, a European consultancy that originated in Austria and now has offices in ten countries and a rich 40-year-long history. Our group of more than 40 authors shares a strong passion for effective, hands-on, people-centric consulting. Learning together is very important to us. This book serves as a reflection of our combined knowledge and experiences. Writing it was a must for us and will be of help for those who join our ranks, for them to seamlessly understand our approach.

Throughout our journey, we realized that we had multiple motivations for this book. Change management and transformation—terms we use interchangeably—have historically been a breeding ground for fads and fashions. While each trend brought elements of growth to the field, we were astounded by the foundational principles that remained timeless and guiding. This book does not boast novelty; instead, it aims to crystallize tried, tested, and impactful knowledge.

Further, our evolution as consultants has been shaped significantly by insights from living systems theory, organizational sociology, psychology, and especially neurobiology. They have not only helped shape our thinking but made our approaches more effective and brain-friendly. Add to this the remarkable practical evolutions like Lean, Agile, Design Thinking, New Work, Holacracy, Effectuation, and many others, and you find a variety of thoughts that have left their mark on us. Tools and models, however effective, can falter if applied without considerations of specific context conditions. Our engagement with these has refined our core strength: working responsibly with context, the true determinant of human action.

Ultimately, this book allowed us to revisit our foundational beliefs about humanity, organizations, and that which truly motivates and aids people, particularly during transitions. To us, effective consulting mirrors good design: it demands masterful craftsmanship but remains an art form. It is about navigating the known, embracing the unknown, and creating a path as we go.

Dear reader, this book aims to share our experiences in a practical and useful way. You will find many step-by-step guides, practical tips, and tools here. Please always remember, however, the real world can be (and mostly is) more complex than any theory.

We hope this book gives you not just guidance for the plannable side of your ventures but also the bravery to explore uncharted waters. If we achieve that then writing this book was indeed a purposeful journey.

March 2024. Michael Faschingbauer, Carola Gasser-Trinkl, Manfred Höfler, Kurt Mayer, and Franz Schwarenthorer

How to Navigate This Book

Dear reader, this book was not written from front to back. We also do not expect you to read it in that order. How to best navigate through the book strongly depends on who you are. The following event-related tips should help you with that (and especially with getting started):

Help, change is at the door!

You are a leader or otherwise tasked with shaping a change initiative in your organization? You are turning to this book to prepare for tomorrow's meeting with the steering team? Jump to section "Driving Transformation Across Domains" and check which chapter best fits your specific case. There, we have condensed the essence of change design topics such as strategy, steering, culture, intrapreneurship, innovation, sustainability, and more on 20–30 pages each. From there, you can delve into specific aspects of your journey in the section "From Concept to Action," like communication, sprint approaches, or the appropriate learning settings.

I am taking my time to get up to speed with change!

You are a leader or internal consultant and want to get a comprehensive understanding of organizational change work? Start with "Setting the Stage for Change." Here, you will get to know our ways of working with the aid of models and principles. In brief, you will also learn about the challenges of change and change work regarding humans and how to best facilitate this process for them. We particularly benefited from recent neuroscientific insights.

Afterward, you might want to delve deeper into the heart of these models. In the section "Timeless Foundations of Change," we offer insights into our material views on individuals, groups, teams, and organizations. After this, you will have a solid basis for the exploration of the rest of the book depending on your interests.

Change is my world. I want to stay up-to-date!

Start with the section "Change in a Changing Landscape." We have summarized the conditions and challenges for change in the 2020s. Against this backdrop, we explain the aspects that need consideration for responsive and future-proof organizations. This section culminates in a concise overview of trends and innovations in change, essential for everyone who wants to stay on top of the game in the field. After this introduction, dear reader, you might want to put your newly found knowledge into context with the section "Insights from Thought Leaders." Therein, we assembled interviews with change pioneers such as John Kotter, Edgar Schein, and Ruth Seliger. After that, it is fully up to you to browse through the chapters based on your interests. We have endeavored to spice up the book with ample visual and textual anchors to invite exploration and reflection.

I do not fit with any of the personas above.

That is absolutely fine with us. So, go ahead and find your own path through the book. Maybe you are first drawn to Tex Rubinowitz's comics? Understandably so. For many years now, Tex has been a renowned artist in the German-speaking world, and we are incredibly humbled by the fact that he has dived into the world of change management with us. His work exhibits a certain playful touch, which, we believe, aligns well with our roles and mindsets as change consultants. It is definitely one of our success recipes that we tend to take ourselves with a pinch of humor and self-reflection.

And yes, of course, you can also read this book from start to finish. As the editorial team, we have done so multiple times to ensure that the content lines up—and we thoroughly enjoyed doing it. We hope, dear reader, so will you!

A Note on the Visuals

To enhance our narrative, we've included a series of original and borrowed illustrations. Unless an attribution is given directly next to the image, please recognize it as ICG's original contribution.
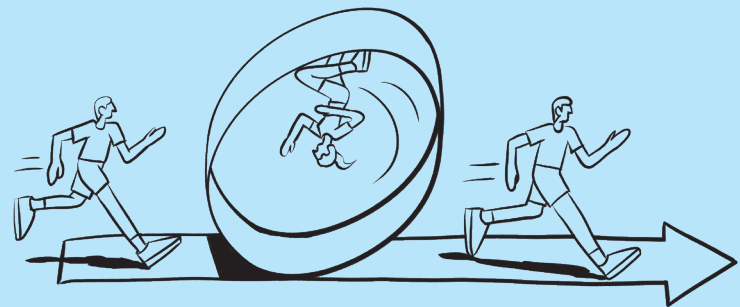
Content

TRANSFORMATION AS A FIVE-STAGE JOURNEY

A journey toward new behavior

Change is neither a project nor a program—change is
a challenging and exciting journey. It is not a package
tour that can simply be booked through a travel agency
or booking platform, with everything being planned out.
Instead, a transformation journey is more like an expedition
or adventure into uncertain territory, with unknown weather,
terrain, and people as both stressors and inspirations. And
despite all the imponderables, there are already many who
have gone through a similar journey. From their practice,
blueprints for certain travel stages can be worked out, the
necessary tools and equipment are introduced in books
and on many websites, also advisors or guides offer their
expertise as travel guides. So, some routes already have
excellent hiking trail markers.

In our journey description, we have explained to you the
five typical stages of a transformation or change initiative
in more detail and, in addition, summarized impulses for
leading the journey and its effective communication.

by Franz Schwarenthorer and Manfred Höfler

The Journey

5

Anchoring the change

4

Scaling the change

3

Prototype changes

1

Initiating the change

2

Awareness and setting the course
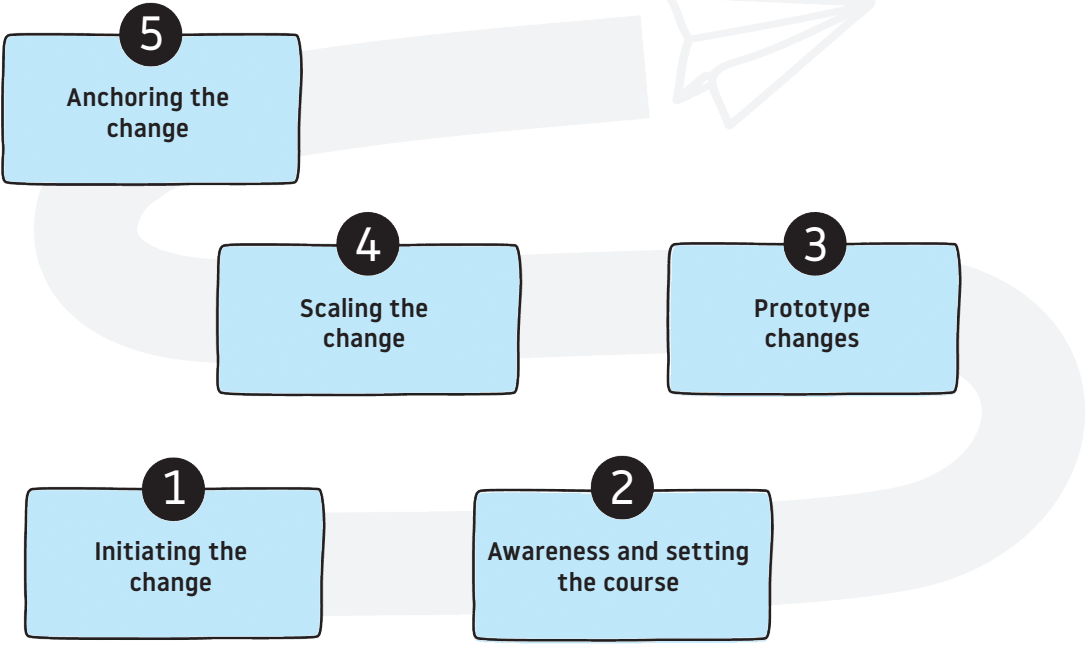
Accompanying tasks during the entire journey

Lead the journey

Communicate about the change

In the following, the most important pieces of equipment for each stage are briefly introduced, with an added link to our online toolbox, where our experiences and practice know-how is readily available to you when you want to prepare for a journey or are currently in the midst of it. Though, we do not offer ready-made itineraries, recipes or "all-inclusive" programs. Every transformation journey is unique and needs to be tailor-made to its specific context. However, we have compiled 14 different examples of change initiatives in section "E."

1 **Initiating the change**

Getting clarity about the ambitions of the transformation initiators. Working out its "Why," finding first pioneers who will contribute to the transformation, and creating the first version of a joint vision is the base for the set-up of a transformation roadmap and an official start with the first communication instances.

2 **Awareness and settting the course**

Creating a common view on the current situation by involving key people like managers, employees, works council, and internal/external customers as a base for development. Getting external inspiration through learning journeys, research, or by inviting speakers. Developing a shared attractive vision for a movement.

3 **Prototype changes**

Trying out, succeeding, and sometimes failing at a smaller scale can give valuable experiences. It is important to create spaces and frameworks for experiments, to mobilize and reward those who are ready to try out the "new." Learnings from experiments help develop competencies at individual, team, and organizational level. The smaller scale and the deliberate experimenting eases participation, so the group committed to the transformation grows.

4 **Scaling the change**

Institutionalizing successful patterns in the structures, roles, systems, and regular processes. It is also crucial for learning and readjustments to have reflection processes in place. Living out controversies, eliminating obstacles, and moving people into new roles is also very supportive of dealing with the new.

5 **Anchoring the change**

The new structures, processes and roles have now moved to the line. This does not necessarily mean that the change is complete. Leadership is now especially important—as a role model and as a corrective. It is crucial to keep a close eye on team performance and collaboration, to anchor the change in the culture.

Accompanying measures

Leading the journey

Leadership now needs to set the course, keep the transformation in focus, make decisions, remove obstacles, and act as role model. Leadership teams as learning communities can contribute significantly to the overall success of the transformation.

Communicate about the change

Informing and involving people with dialogue formats, co-creating a change story, communicating the key questions to all affected persons—all that ensures a good understanding of the direction and background. Celebrating successes brings energy, encourages openness, and increases involvement.

Stage 1: Initiating the Change

From the need of action to a vivid vision

The first step for initiators is to articulate their ambitions and desired outcomes clearly and to highlight the reasons behind the change. With a compelling, clear vision, initiators inspire others and create a sense of urgency, motivating them to embrace the transformation process. Initiators must thoroughly analyze and refine the need for action. This involves assessing the current state, identifying challenges and opportunities, and defining the benefits of transformation. By clearly illustrating the potential risks of inaction and the rewards of change, initiators create a strong case for organizational endorsement and support. This includes a vivid picture of the future and its tangible benefits, inspiring confidence, and helping stakeholders to visualize the positive outcomes of the transformation.

Building a coalition of intrinsically motivated pioneers is crucial in the early transformation stages. Initiators should identify and engage individuals who share their vision and have the passion and drive to lead change. They can serve as a support system that can champion the transformation efforts, inspire others, and create momentum for change. Initiators must assess the feasibility of the transformation, identifying potential barriers and available resources. Understanding the challenges ahead and leveraging available assets, helps initiators create effective strategies to overcome obstacles and ensure a successful implementation of the envisioned roadmap.

Setting up a transformation roadmap

To ensure progress and maintain focus, initiators must establish clear and measurable goals for both the business and the transformation process itself. These goals should be realistic, attainable, and aligned with the overall vision. By defining specific milestones, initiators enable stakeholders to track progress and celebrate achievements, fostering a sense of accomplishment and motivation.

Based on this clear vision, support from allies, outlined solutions, defined goals, and a feasibility assessment, initiators can design a comprehensive transformation.

Setting up transformation structures (e.g., initiator, steering committee, change team, projects teams) is the basis for the selection of key people and for a kickoff.

Key people should have a fundamental understanding of transformation models and tools. Providing training and support fosters a sense of empowerment, and this equips individuals with the necessary skills and tools to contribute to the transformation effectively.

Effective communication is vital throughout the entire transformation process, helps manage expectations, and enables stakeholders to stay aligned and invested in the transformation's success. In this phase, a communication plan is crucial for a free and transparent flow of information.

1 | Driver Statement
Focused description to get a common understanding of current state and ambition for the change issue

2 | Stakeholder Portfolio
Structured assessment of relevant stakeholders, their interests and influence, and potential interventions

3 | Change Project Inventory
Compact canvas with all relevant aspects for the plan of a change initiative, including facts and emotional perspectives

4 | Change Biography
Personal history of key people, especially their experience with change in professional contexts to sharpen awareness about personal patterns

5 | Change Architecture Template
Structured description of transformation phases, processes, and key activities to increase certainty about the change process for all stakeholders

6 | Exploration Interviews
Set of questions using systemic perspectives to run explorative interviews with key people to get a better understanding of the status quo

7 | Change Initiative Set-Up
Structures, roles, working principles, and responsibilities for a "second operating system" for the transformation

8 | Purpose Quest
Set of questions and powerful process to create awareness for the purpose of an organization or a change initiative

9 | Evolving Perspectives
Structured evaluation of change-critical aspects looking at the past, current state, and potential future scenarios as basis for finding hot issues

10 | Developing Hypotheses
Structured documentation of strengths and weaknesses, using the systemic triangle of organizations

MEET THE AUTHORS

© Johannes Gellner | Maria Kanizaj | Rami Laine | Lukáš Potůček | Valokuvaamo Luova

The authors of this book are all part of ICG Integrated Consulting Group, a European consultancy that originated in Austria. We are based in ten countries and look back on a rich 40-year history. Our team of over 100 consultants shares a passion for effective, hands-on consulting that puts people first. To ensure sustainable change, we approach processes "inside and outside the skin," integrating both facts and emotions. This way, we strive to contribute to what we call "meaningful organizations" in which people can reach their full potential. Over the years, we have engaged in numerous change processes across various sectors—from international corporations to public organizations and family-owned businesses. Taking co-creating and working on an equal footing with our clients seriously, we faced many unique challenges. In this book, we capture our collective knowledge. Meet the 40+ authors who have brought our shared insights to these pages.

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Cartoonist

Tex Rubinowitz is a well-known German illustrator, painter, cartoonist, singer, actor, travel journalist, playwright, and writer.
He lives in Vienna since 1984.