

## How Effectively Does Your Company Deal with Change?

The willingness and ability to change quickly and decisively is a necessary attribute of most successful organizations. It helps your company get out in front and stay there when everything is working ideally. It helps you catch up quickly when you're overcoming difficulties. It can help you compensate for less than adequate planning and other, hopefully, temporary deficiencies,

In our practice, we've found that insurance companies that understand the need for change and that are effective in dealing well with change generally fall into three categories. I'll describe them in their order of effectiveness and success.

The first category or level is where every company starts. It has effectively communicated the need for change and has several change champions who understand how to get things accomplished quickly and effectively. The rest of the employee population generally accepts change as something that the company is encouraging but their involvement is usually passive. They cooperate when asked but infrequently take the lead. Companies in this level are making a good start.

Companies in the next level are significantly more effective. These are companies where there truly is a culture that accepts change as necessary and where most of the people in the company want to make improvements. Changes and improvements are a frequent part of their professional conversation. Change occurs at all levels of the organization, not just from people at the top. People have the skills to manage change, understand how to do cost/benefit analyses and how to implement improvements. Companies in this level do an excellent job.

But their results pale when compared to those in the third level. These are companies that no longer focus on change. They understand change and how to make improvements. They've done that, been there and perhaps even have the tee-shirt. Instead their focus is on results and attaining goals that are far beyond what even they ever considered possible or even reasonable.

This transition from the first and second levels of change to the third is very similar to learning how to play a musical instrument. You have to start by focusing on the details . . . where you put your fingers, or how you create the various notes and chords, how to transition and how to do a million other technical and very important things. But at some point, you become a musician and stop thinking about the technical things and start focusing on the music and the feelings you are creating. This is what happens when a company reaches this third level of change. They stop thinking and talking about how to create change and start focusing on the results they need to accomplish. Change becomes their tool as they focus on their business and the things they need to accomplish to be successful.

When this happens we call it becoming a "naturally effective organization." Change occurs regularly and naturally, without challenge and with minimal disruption. To them, change *is* the norm. Characteristics of these companies include:

- Being organized to ensure that accountability for critical business results is not shared. This establishes an external focus on the customer and a keen awareness and ownership of the issues and challenges that must be faced to keep them happy.
- These companies also have uniquely designed success measures for each area that maintain this focus and awareness. Employees know what they must do to fulfill the organization's expectations of them, and embrace the challenge because
- It's in their self-interest to do so. That's right. They benefit from the changes they make and the improved business results that precipitate from them. They're not focused on change. They may not even talk much about it. Instead, they're focused on results. Change is just something that happens along the way to getting them.

If you'd like to be a Level III company, give me a call. We know what it takes and how to create it. It's what we do. Also, feel free to check our website ([McDonaldConsultingGroup.com](http://McDonaldConsultingGroup.com)) for other topics of interest.