

MANAGING STRATEGIC CHANGE: Moving Others from Awareness to Action

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“The new millennium is bringing turbulent times, and the first task of management is to make sure of the institution’s capacity for survival, to make sure of its structural strength and soundness, of its capacity to survive a blow, to adapt to sudden change, and to avail itself of new opportunities”. Peter Drucker, management guru

Strategic change is managed in different ways depending on the practice culture and the practice leadership; these are influenced by variations in organizational capabilities, behavior, values and traditions.

SOME BASIC TOOLS

Many people jump into Strategic Planning with single tool: a SWOT four-quadrant concept. First thing to know is that a Strategic Plan has a very limited life span, for three reasons: 1) any arbitrary assessment by management of the client relations aspects are very difficult to predict, 2) most players do not do their homework before entering the planning session, and 3) in most all cases, they ignore the need for a profession savvy futurist for discussion topics and prediction assessments.

Key elements include an understanding of PEST and SWOT tools, as well as who is selected as the veterinary savvy consultant to mentor the strategic assessment process. PEST analysis (Political, Economical, Social, Technological) can be useful before SWOT analysis because PEST helps to identify SWOT factors. PEST and SWOT are two different perspectives but can contain common factors. SWOT stands for strengths, weaknesses (internal to the organization), opportunities, threats (external to the organization).

- **POLITICAL - criteria examples include:** ecological/environmental, current legislation, future legislation, international legislation, regulatory bodies and Processes, government policies, government term and change, trading policies, funding, grants and initiatives, home market pressure groups, international pressure groups and wars and conflicts
- **ECONOMICAL criteria examples include:** home economy, economy trends, overseas economies, general taxation, taxation specific to product/services, seasonality issues, market/trade cycles, specific industry factors, market routes trends, distribution trends, customer/end-user drivers, interest/ exchange rates, international trade and, monetary issues

- **SOCIAL criteria examples include:** lifestyle trends, demographics, consumer attitudes and opinions, media views, law changes affecting, social factors, brand, technology image, consumer buying patterns, fashion and role models, major events and influences, buying access and trends, ethnic/religious factors, advertising and publicity ethical issues
- **TECHNOLOGICAL criteria examples include:** competing technology development, research funding, patents, associated/dependent technologies, replacement technology/solutions, maturity of technology, manufacturing maturity and capacity, information and communications, consumer buying, mechanisms/technology, licencing, technology legislation, innovation potential, technology access, intellectual property issues, global communications

The above elements are usually ignored by the neophyte planners, making their final SWOT assessments less than strategically meaningful. Beyond that shortfall:

- What does the organization know about effective change (e.g., transition management)?
- Has some event happened that has caused the need for a strategic assessment, and is that event significant enough to cause commitment to the transition process?
- What has been the practice's methodology for reaction to events and issues that spurs the practice team to deal with them effectively (waiting for the owner's decision is NOT beneficial to the strategic assessment process)?
- How does the practice management usually build momentum and garner psychological commitments to achieve transition actions necessary for change or to develop new strategies?
- Have past initiatives used brainstorming (e.g., mind mapping) techniques to get team buy-in as it relates to the practice's formal planning process?

IN MANGING CHANGE (and the transition process) – the major thrust must be on altering an organization's behavior, rather than defining an ideal, establishing long-range goals, or preparing a plan.

BASIC PROCESS ELEMENTS

There are three basic process elements that interact in defining and managing strategic change:

1. The *cognitive processes* of the participants on which an understanding of the organizational environment and perception of the signals for change are based. For a practice that has been ignoring their own core values, vision, and/or mission statement, the *cognitive processes* of the participants is most often "*me centered*" rather than "*we centered*", and thus makes the strategic assessment participants suspect at best.
2. The *social* and *organizational processes* by which these perceptions are channeled and commitments developed within the practice. In a practice where the Standards of Care (SOC) are ignored, or downplayed, the perceptions again are "*me centered*" rather than "*we centered*", and thus as above, makes the strategic assessment participants suspect at best.

3. The *political processes* by which consensus has been formed in the past, and the power to influence purpose and resources, has a significant effect on the strategic assessment process. A top-down decision tree, delegation of process rather than outcome, and lack of effective “training to a level of trust” during duty hours, automatically derails any team-based strategic planning process.

THE JOURNEY

In essence, strategic thinking involves the kind of clear, objective, hard-headed, logical thinking that most practice owners find inordinately difficult, mainly because of a lack of diversity and experience outside their own paradigms and lives. The road to implementation is NOT that easy. Consider a simple family road trip cross country; you get out the road maps (you need to ensure they are the most current), you look at the options (usually the family members have different, lodging, food, sight-seeing, etc.), you take the family car to the garage for a tune-up (they tell you the front tires need replacing). Trip preparation includes arguments, hurt feelings, and a significant outlay of hard cash. Then it comes to packing the car, including which bags need to be available to which family members on which evenings; departure time is seldom as planned, and tempers get short! The same is true for strategic assessment and strategic response; there are key pitfalls you must watch out for and avoid at all costs:

- **Pitfall One** (You cannot drive the car without a driver) – no plan, and no planning process, can work unless the concepts have complete commitment from the top. Nothing kills the incentive and participation as much as the staff members sensing the goal is not taken seriously by the boss. The history of “lip service” is a major challenge, and intimidation or indifference by the practice owner kills the practice-wide commitment.
- **Pitfall Two** (You cannot start until everyone is in the car) – bottom-up planning helps avoid this pitfall, but many practices only take the senior staff on a strategic planning retreat, by-passing the very people needed for practice success of any new program/concept. If the staff avoids accountability and/or responsibility because of ill-conceived timelines or measurements of success, the program(s) are never going to work!
- **Pitfall Three** (The plan is an end in itself, and the driver adlibs in route). Too many practice believe that having a Strategic Plan is enough (common with professional associations); it has a slick cover, it is bound well, and it fits on the shelf (or in the desk drawer) to be pointed at on some future date. A strategic plan without an action plan is merely a collective wish list, full of pious hopes and temporary resolves.
- **Pitfall Four** (The road without milestones) – any action plan must have milestones that can be celebrated as progress is recognized (check points are measured and achieved). Grabbing a strategic initiative starts a never-ending process; it become team-wide strategic thinking.
- **Pitfall Five** (You allow assumptions to become facts) – in reality, planning involves a great number of assumptions; it assumes issues about the marketplace, it assumes certain technology will become available, it assumes costs will stay on a predicted curve, yet it requires everyone to understand assumptions are not really facts! All assumptions must continuously be tested and retested, and when an assumption appears wrong, then the plan must be

amended (plan A and plan B, and maybe C D or E, should be in place before the trip even starts). On that family road trip, you make assumptions about road construction, lodging, food availability, and if the boulders fall onto the road, you will assume the kids will not kill each other in the back seat. Checking assumptions keeps your efforts flexible, and ensuring you update your data base frequently may even help by-pass the road blocks looming ahead.

- **Pitfall Six** (You cannot drive in five different directions at once; you cannot even drive a two different directions simultaneously) – even with the best planning, sometimes an individual will divert into a different direction, or they will be purchasing outside the budget, or another practice reaches a similar community service goal before you do. Herding cats is not easy, but required.
- **Pitfall Seven** (Confusing hopes with objectives) – survival or profitability are NOT objectives, they are hopes or aspirations. An objective is observable, measureable and chosen correctly. Growing by 10% is not a team objective (it has no substance), while increasing dental grade 1+ prophys by 10% is a measureable objective. Increasing new clients by 10% is an objective, if it is measured. Hiring a nurse technician with specific skills (verified before hiring) is an objective, if those skills are used for a strategic response action plan.
- **Pitfall Eight** (In Australia or the USA, you cannot make it from the east coast to west coast in one day driving, and you cannot drive to London at all) – there is a real danger in forcing your team towards unrealistic goals. Over-expectations or overpromising will ruin any plan, and demoralize the people without whom the plan is just a lot of empty processes. Any good plan will have goals or objectives requiring people to stretch outside their traditional comfort zone; it makes them try harder and act smarter than they did last year.
- **Pitfall Nine** (When you give out the rewards, make sure you know what the rewards are for). Nothing tells people in a practice what's expected of them more surely and more quickly than a targeted reward system (they can be lollipops, wall plaques, movie tickets, or even money). Your practice must have rewards for people achieving their new strategic goals, but there is a trap here. If the rewards are for only short-term goals (e.g., driving 500 miles), there must be also rewards for long-term thinking and long-term goals. After all, driving 500 miles a day in a circle gets you nowhere closer to an expected outcome. A long term strategic Action Plan must consist of a series of short-term objectives toward a long-term success point. Only long-term thinking, planning, and action will ensure survival – as the automobile industry in the USA and Australia has just discovered after a great deal of pain.
- **Pitfall Ten** (You must talk with your navigator and other members of the family) - Communication is critical, up, down, and side-ways. Communication helps keep track of how the perceptions of progress are seen, how things are going, and transmission of information. Information gathering is not only essential in developing the strategic response, and construction of the Action Plan, but also in the implementation of the plan. Planning, checking, explaining, revising, checking up, and communicating back to everyone, are all part of the information systems needed for team success.
- **Pitfall Eleven** (On a family trip, you cannot drive the car all by yourself; everyone must learn how to drive) – The ultimate point of strategic planning is to make everyone a strategic thinker and strategic manager. Keeping strategic

planning as a isolated senior staff function will ultimately lead to the disappearance of strategic assessment and strategic response as an important part of the practice life and staff member growth.

There will be those team members who get anxious about any change transition process, some may get angry about the continuous feedback system requirements, and others who just want to get out there and put the rubber onto the road and try to move forward. While I understand these emotions, it is the last group that is right - they will move the practice forward as they move their programs forward.

A MATRIX OF CULTURAL TYPOLOGY

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| <p>HIGH RISK HIGH FEEDBACK “Tough-guy Macho” [e.g. police, surgeons, entertainers]</p> | <p>HIGH RISK LOW FEEDBACK “Bet Your Practice” [salesperson, office equipment, retail]</p> |
| <p>LOW RISK HIGH FEEDBACK “Work Hard/Play Hard” [oil companies, military]</p> | <p>LOW RISK LOW FEEDBACK “Happy with Status Quo Processes” [bank, insurance, government]</p> |

No successful organization will be one type only; they will blend all four types.

PREPARING THE PRACTICE FOR CHANGE

Building support for change requires “internal selling”, discussed at length in the VCI *Signature Series* monograph, *Leadership Action Planner*, available from the VIN Bookstore. There is also a VCI *Signature Series* monograph, *Strategic Assessment & Strategic Response*, available from the VIN Bookstore. The VCI *Signature Series* monograph, *Models and Methods*, available from the VIN Bookstore, shares some insights on “why” new programs require new metrics. A practice that is unwilling to

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| <p style="text-align: center;">CHANGE FORMULA $C = D^2 \times P^2 \times M^2 < \text{costs}$ C = change D² = Dissatisfaction => Desire (if they are happy in their fur lined rut, no one will change) P² = Participative Process (every one must be involved in the planning process) M² = Mental Model (the outcome(s) and success measure(s) must be crystal clear) Costs must be controlled (less than physical, mental, social, fiscal sacrifices) NOTE THE TIMES (x) SIGNS (when you multiply by zero, you get no change; all factors are inter-related)</p> |
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modify their metrics is a practice that is usually destined for regression after the Strategic Planning retreat.

The first item is to get a team understanding of:

$$A^2 = G^2$$

If you **A**lways do what you have **A**lways done,
you are going to **G**et what you always **G**ot.

In most cases, the “unselling of the old” and “selling of the new” are two separate leadership campaigns, yet most veterinary practices do not spend the time needed in doing either. However, these two tasks are interdependent and inseparable. The process must ensure the team members are convinced that the times have changed, the status quo will not ensure the future, and the transition process for change is needed. In practices where innovation has been encouraged, where outcome goals were Zone accountabilities, and change efforts have been rewarded, strategic assessment and response become easier.

DEMOTIVATOR

In healthcare, formal long-range planning frequently leads to an overemphasis on techniques and process, yielding unfortunately, retardation of any action commitments by the team members.

In practices with a strong sense of mission, vision, and/or purpose, where inspired leadership motivated others to pursue the long-term goals of the zones and/or practice, formal planning mechanisms have been viewed as less important in the implementation of the transition to change. If you read the characteristics of entrepreneurs, most of them have no plan(s). When you put a plan on a piece of paper team members feel they cannot change it or adjust it, so you have lost the ability to have a strategic response to a dynamic strategic assessment.

On consults, I try to convince practice owners that they owe the staff members the WHAT and WHY of new ideas/programs (basis of the written SOC). They then need to empower the zone teams to develop the WHO and HOW (which takes a bit longer than a doctor-centered edict). After the Zone teams have the WHO & HOW figured out (e.g., protocols), the zone coordinators and leadership come together to jointly discuss the WHEN, which includes milestones and success measures. Training time precedes any implementation effort.

PACING THE CHANGE

On my year-long consult planning, I do a month-by-month step-by-baby-step process checklist, and ask the practice leadership to pace themselves, and keep me posted on their progress. I provide augmented set of metrics, and integrated spread sheets tailored to their practice, with the request to submit the documents with updated data monthly for my review and feedback. Even with these custom-built tools, there are practices that will not alter their metrics, so they do not complete the spread sheets, and feedback becomes minimized . . . change is minimized concurrently.

- Identification of “hot buttons” (key interests) of various staff members, and the strategic empowerment through directed training toward outcome goals, underlies many new program initiatives.
- Knowing when to act and when to delay is essential in managing the transition process for change initiatives.
- Change-makers must often wait for a propitious moment and prepare to take quick action when the time is ripe.
- Deciding whether to make an immediate attack or move more slowly is usually more a matter of management style than planning policy.

CRITICAL ELEMENTS OF MANAGING STRATEGIC RESPONSES

Great leaders move others to action through the force of their personalities, their style of management, the in-house educational process, and the use of Task Forces to flesh out ideas and build coalitions for their support. That said, there are some critical elements for managing strategic assessments and strategic responses:

- A committed, dynamic, creative top management group which is able to communicate its vision and goals to others.
- Established system of task force delegation and ad hoc group empowerment to move ideas into action and/or gain broader consensus.
- A practice climate that is ready for change, or at least is capable of responding to external and internal stimuli.
- History of team commitment through participation and involvement.
- Maintains a system that is ready to reward innovation, excellence and encourages people to take risks, while NOT penalizing them for honest failure.
- Recognizing when a more participative style is necessary and willing to sacrifice management prerogatives and control to further the team approach.

The half dozen elements above need to be “in effect” before a strategic assessment group session is formulated. The team members must believe their contributions are appreciated, promises will be kept/honored, and that they have been empowered with CQI (continuous quality improvement) within their sphere of influence. If you cannot see yourself committing to the above six elements in daily operation, then please do not commit to a team-based strategic assessment and strategic response effort.