



Hi there,

This is May 2009's newsletter, [changingorganisations](#), for my clients and other professionals interested in organisational change.

This month's [changingorganisations](#) is in four parts:

- Informal Communication: The Neglected Poor Relation?
- Current Work
- Hot off the [changingorganisations](#) Blog – Shared Values
- Job Security

## Informal Communication: The Neglected Poor Relation?

Informal communications - for example gossip over coffee - are what make or break change efforts. A rumour or a concern can so easily be fanned through informal communication into a wildfire of suspicion and resistance. And yet change leaders often concentrate on formal communications (e.g. written) at the expense of informal channels of communications.

My scientific survey tells me that most projects concentrate on formal communications and ignore informal. 75% of change efforts are reputed to fail. You do the maths.

I really think that you have problem on your hands if you are a sponsor of change projects, a project manager, involved in change project teams or a business unit manager.

Even though you may plan the project well, sign off on the risk and issues registers, conduct steering group meetings that are efficient and get through everything on the agenda, deliver the deliverables on time and within budget, and give progress reports to line managers, these are all inputs, not outcomes.

Of most importance to you as a sponsor of a change project are the outcomes. Line managers are most concerned about the impact of the project on their operations and what they will have to do to make it work (i.e. outcomes for their business unit). Project managers and their teams, by contrast, become more concerned about deliverables, which are inputs. Project management structure and planning drives them in this direction - to have all the papers ready for a steering group meeting, for example.

Immediately you can see the dilemma of inputs versus outcomes. Deliverables (a concept invented as a way of measuring progress towards long term outcomes, i.e. to measure progress of inputs) include things like project plans, reports on progress, strategy documents, databases, people recruited, leases secured, and equipment purchased. Unfortunately, success in achieving deliverables is then taken to equate to the success of the project overall.

Project sponsors, through their close alliances with project managers and their teams have to skillfully navigate a fine line in risking being seduced into prioritising deliverables at the expense of outcomes. By contrast, line managers are seldom influenced this way, perhaps because they often don't develop the same close associations with these project teams.

From a project sponsor's point of view however, outcomes can only be measured after the change project is implemented. At the same time, project sponsors play a pivotal part in whether the outcomes of the project are achieved or not. They are the ones with relationships with their senior level peers, who secure and commit resources and who provide real world guidance to their project, programme managers and steering groups.

Your project management effectiveness is one component of the solution. And you surely do need good project management, make no mistake. You also need the right mix of technical skills on the team. For example, business advisors may offer experience in business processes. But good project management and good technical skills are often seen as the whole story. In reality they are only part of the mix. In order to achieve the outcomes you desire, you also need to make sure that the right range of views have been incorporated into the decision making, and that the shadow conversations have been taken into account.

So one thing that you can do as sponsor of a change project is to keep in touch (perhaps informally, and definitely with an open mind) with the line managers. Project managers would also do well to adopt the same approach.

The grave danger I am warning you of, is that initiatives live or die in the shadow conversations - over the coffee machines, in the smoking areas, in the cafeteria, in the corridors, at staff drinks, around the water cooler. And project sponsors, project managers, project teams, and human resources people, typically do not spend their time in those places. Blinding flash of the obvious - if informal communications are so critical to the success of change initiatives, why are all the communications efforts concentrated solely on the formal communications channels?

No wonder the failure rate for change projects is reputed to be so high.

## Current Work

People have been asking me what I'm doing at the moment. So here's an update. I'm currently developing business processes, skills assessments, job aid checklists and training in FMCG – this has been a very productive project and all of us are excited about it, including team leaders and managers. I am facilitating a new modular leadership development programme in a local government organisation – more on this programme in future. And I have been marking assignments with some very interesting colleagues at the Open Polytechnic in my capacity as off-campus faculty member. I have been based in Auckland for the last month or so.

I recently spent a week in Rhode Island, New Jersey, USA in a session on marketing consulting services – perhaps I'll pass base 1 on marketing one day. This diverse combination of activity makes a change from the organisation design and consultation work that has formed such a large part of my practice for the last five years.

This week, it is good to be living at home with my family in Wellington, even though I can no longer avoid the call to trim the hedges. Procrastinating on that, I also got to play some tennis.

## Hot off the [changingorganisations](#) Blog – Shared Values

Do you Twitter? I am not active, although I have set up a Twitter profile. I even have some people following me, although I hope they are not holding their breath till I make a "tweet" on Twitter.

[John Tropea](#) is an active "Twitterer" and early in April he tweeted to his sizeable audience about a previous [blog post](#) I did criticizing the idea that organisations need [Shared Values](#). Before I knew it the blog had a couple of record days as hundreds of hits were registered on the [post](#). A few comments followed and now I find myself in another dialogue about shared values. And during all this someone has asked me to help them with their PhD thesis on complexity.

End result - April was another record month for visitors to the blog. You've gotta love this interweb thing – it's full of surprises and you never know where the next one is coming from.

## Job Security

At the moment job security seems to be a big topic of conversation, in the face of uncertainty about the future. Keep noticing what is going on around you, and pay attention to patterns and interactions that seem new or different. It is these that will give you insight that will help you navigate through the ambiguity.

Thanks for your interest in our work.

Regards,



Stephen

Stephen Billing  
Director  
Exponential Consulting Ltd  
PO Box 803 Wellington 6140 New Zealand

Visit our website and blog [www.changingorganisations.com](http://www.changingorganisations.com)

Ph: 027 4802 164  
Int'l: +64 274 802 164

Clients say...

"... Stephen is excellent with issues relating to organisational change and strategic direction. He's been absolutely superb in working with us through the change process...."

Mike Britton  
General Manager  
Royal Forest and Bird Protection Society of New Zealand

Changing Organisations is a monthly electronic newsletter sharing ideas for leading and implementing change, by Stephen Billing, Doctor of Management. You have received this because you have expressed interest in our work.

The names on this list are never provided to any other party, for any purpose, at any time.

We take your privacy seriously. To subscribe, unsubscribe or change your contact details, reply or send an email to [sbilling@exponential-consulting.com](mailto:sbilling@exponential-consulting.com) with "subscribe" or "unsubscribe" in the subject line or your new contact details in the body of the email. We will take action promptly.

We encourage sharing Changing Organisations in whole or in part if copyright and attribution are included.

© 2009 Stephen Billing. All rights reserved.