

BUILDING OPERATING management

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In difficult economic times, facility executives may be under pressure to undertake dramatic change. These efforts begin with a bang, but too often end with a whimper. Inside, a look at steps facility executives can take to ensure long-term results

**MAKING
CHANGE
LAST**

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BY STORMY FRIDAY

In today's economic environment, facility executives may be faced with the need for rapid change. The imperative for change may be the result of an edict from top management. But it may also be a practical necessity resulting from budget cuts or major changes in the business. No matter the source, this pressure for change simply cannot be ignored.

But change that is imposed suddenly on an organization is rarely as effective as step-by-step change that is carefully planned and implemented steadily over a long period of time.

Research on organization development suggests that organizations generally change in two distinct ways: through dramatic and drastic activity and through evolution and adaptation. The first instance almost always involves mandated change from the top that often occurs rapidly and causes significant pain for those who are affected. In contrast, change by evolution is a milder, more subtle form of transformation that produces a cultural shift with long-lasting and deep-seated results throughout an organization.

It can be said that change is constant

in the FM business world. Even in good economic times, facility executives work in an environment where corporate change may be unpredictable.

- Companies change business direction on their own or market conditions force them to make a course correction.

- Restructuring of companies at the top often leads to change in strategic and operational approach as new leadership goals and objectives are crafted.

- Mergers and acquisitions create different corporate entities that result in new challenges for facility executives associated with mandated customer requirements and expectations.

On another level, however, change really is not part of the FM lexicon. Unless they are undergoing major reno-

vation, bricks and mortar are slow to change. Facility professionals work in an environment where infrastructure may not be altered for long periods of time. Nor are the internal workings of FM organizations typically oriented towards major change. The average FM staff person stays with the same organization for upwards of 20 years, so facility executives may not see great personnel shifts unless a corporate downsizing or restructuring takes place. Whether it's practices, procedures and techniques, the mantra in FM organizations is often "why change something if it isn't broken?" The implication is that change would only disrupt normal business activities.

It is little wonder that leading change in an FM organization is not viewed as an essential component of a facility executive's job. Yet, analyzing facility executives who have created a productive and healthy FM work atmosphere reveals a recurring trait: their ability to serve as an agent for evolutionary change. Debra Meyerson, a Stanford professor, calls this evolutionary style of change management "tempered radicalism" — the ability to nurture an

facility executives may be under change. These efforts begin with whimper. Here are nine steps ensure long-term results

organization along the path to change through leadership and incremental approaches.

Is now the time for such an approach? Some facility executives may feel that they simply don't have the luxury of time required for an incremental approach. Nevertheless, it is important for all facility executives to understand the elements of an effective change management process and to strive to incorporate them when launching a major change initiative.

The Path to Change

Few facility executives would deny that change is hard. FM staff, like those in other organizations, resist change for a variety of reasons. First of all, it's time-consuming, compounding the already difficult tasks of performing routine work. And it takes patience: Lasting change does not occur overnight so major change results may not be obvious for two to five years.

What's more, the status quo is comforting; change brings uncertainty and fosters insecurity. Risk-taking takes staff out of its comfort zone. And staff with longevity in one FM organization

are not as open to new ideas because they have been insulated from the benefits of change — or have seen failed attempts at change by previous FM executives who did not have the right stuff to lead a dynamic change effort.

To overcome resistance to change, the facility executive must be an effective change leader. John Kotter, the Harvard Business School professor and guru of change management, says that successful transformation is 70 to 90 percent leadership and only 10 to 30 percent management. True change or transformation requires sacrifice, dedication and creativity that have to stem from the senior FM executive, its leader. Leadership from the top is the only change force that can blast through the inertia of most FM organizations. Kotter recommends an eight-step process that has worked for multitudes of major corporations, as well as FM organizations.

1. Establish a Sense of Urgency

For some organizations, the current, dramatic economic downturn is enough to convince FM staff that change is needed. But it doesn't take a crisis — whether a severe recession, loss

of market share, or product liability issues — for an FM executive to establish a sense of urgency for change.

A change movement might be stimulated by things like these:

- A university FM organization finding dramatic dissatisfaction with service delivery through a customer satisfaction survey
- A large manufacturing FM organization discovering baby-boomer attrition of unparalleled proportions
- A small FM organization in a pharmaceutical company identifying a need to become more proactive with respect to corporate decision making on FM issues
- An FM organization in a retail chain learning it was way below benchmarks for operational performance.

Whether it is responding to a crisis, looking to avert potential problems or stepping up to unplanned opportunities, facility executives should generate enthusiasm for change to overcome complacency. Facility executives need to take bold moves to demonstrate to staff that the status quo will not allow the organization to embrace an opportunity or stave off a crisis. To do

this, facility executives need to present compelling arguments based on documentation that is coupled with passion about the positive outcomes of change.

2. Create a Powerful Guiding Coalition

Even the most impassioned leader cannot guide an FM organization through a transformation without the

help of others who believe in the cause and want to help. The senior facility executive should create a coalition team that leads the effort by creating the charter for change and periodically reviewing progress.

The vision statement might be as simple as these:

- “To become recognized as the

dedicated Web site.

One transformation effort had a staff member dedicated to change effort communications. In another case, an FM executive (from a financial services company) held town hall meetings to talk about the vision and the process for changing the organization, had a series of in-office sessions with each of the major unit heads, invited senior executives from key corporate stakeholder organizations to a “change forum” to discuss the FM organization’s plans, then had weekly “all-hands” Webcasts. This FM executive had a Web site where weekly progress from the teams was posted, a question-and-answer forum where staff and others could pose questions anonymously, and a monthly newsletter that talked about best practices and how they were going to be adopted.

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For example, the FM organization for a large insurance company was trying to create a strategic sourcing plan. So it established a sourcing task force to assist with identifying core competencies to remain in-house and develop the framework for the plan. A large university FM department embarking on a transformation initiative created process action oversight committee consisting of representatives from administrative departments, key customer organizations and faculty.

It is essential to have a coalition of professionals from within the FM organization and outside of it. The team members must be sufficiently powerful representatives from their respective organizations to have the respect of FM staff.

3. Solidify the Change Charter

Change efforts that achieve the greatest success revolve around a well-crafted vision. This is not the typical vision statement found in strategic plans, but rather a true picture of what the organization is striving to achieve. The vision should be easy to communicate and readily understood not only by FM staff, but also by customers, service partners and stakeholders in the company. It’s essential to have others grasp what the FM organiza-

tion wants to accomplish and to be interested in the outcome. Think of the “elevator speech.” If someone from the facility organization cannot tell another company employee or senior executive about the vision for change while riding in the elevator, the vision is too complicated.

The vision statement might be as simple as these:

- “To become the company leader in energy management.”

4. Communicate the Vision

The change message needs to be delivered to FM staff on a regular basis, by both written communication and leadership actions. This calls for a formal communications plan circulated to the coalition team for approval. Each member of the coalition team should take responsibility for action items in the communications plan.

The senior facility executive is responsible for describing the vision to staff — first in an all-hands meeting, and then through a series of small town-hall meetings where staff can ask questions and express interest in being directly involved in developing the change strategy. Once initial meetings have taken place, the senior facility executive and coalition team should schedule similar sessions with customer and partner organizations, as well as key senior executives in the company.

Most transformation efforts fail because information is not communicated to staff, customers and other stakeholders on a regular basis. Some transformation efforts say that they are “suffering from change information overload,” but that is okay. Too much information is better than too little. The FM executive should use every possible communication channel, including newsletters, reports, weekly notes from the top, and a

5. Empower Others to Act

It takes legions of staff to create effective change strategies and actions. Change teams need to have the ability to act outside of the traditional structure to create new and innovative actions that lead to the end result. These individuals need to know that risk-taking is part of the process, and they will not be penalized or thwarted if they propose initiatives not within the mainstream of the current FM organization. As part of their work, the transformation teams should identify obstacles and propose alternative solutions. Regular meetings with the guidance coalition are important to share progress and obtain direction.

For example, a large FM department in a scientific government agency had “blast-off” teams responsible for specific initiatives. After focus groups with staff, key stakeholders and senior agency executives, the teams prepared action/work plans, reported to the steering committee every week and contributed to a weekly newsletter. At the end of their timeline, they were responsible for reporting on key recommendations.

6. Build in Short-Term Wins

Because the overall change process often doesn’t produce highly visible change until three or more years into the effort, it is understandable that change effort momentum dissipates and staff becomes disillusioned.

To keep the spirit of change alive, it

is essential to have short-term wins for the transformation teams, as well as the FM organization overall. It might be as easy as creating a best practice forum and inviting other FM organizations from complementary businesses to participate or generating a management report that provides FM managers with up-to-date information about preventive maintenance efforts. Small changes like these go a long way to promote the vision and sustain morale.

Two FM organizations (within a large pharmaceutical company and a large manufacturing company) built win-win situations into their transformation plans. At the start, they did not

that the organization gradually slips back into its old and comfortable ways of operation unless top management and the guidance coalition reinvigorate the effort.

It may be time to celebrate success, but it also is time to renew the commitment to the larger goal. At the three-year mark, take stock of successes and use them as the lynch-pins for additional change. These successes may produce innovative ways to address issues that the organization has struggled with during the initial years of the change process.

One FM organization declared “victory” at year two. They had achieved

ating procedures after every approved change, and make certain the changes were communicated to all staff members and key stakeholders within the university.

9. Study Lessons Learned

To Kotter’s eight-step program for change, it is important to add step nine: study lessons learned. No matter how successful the transformation effort is, there are always things that could make the process work better in the future. It’s up to the facility executive to ensure that the lessons learned are discussed and documented. A permanent record of the change process should include an in-depth analysis of what worked and what didn’t.

Every quarter, the process action teams involved in change for an insurance company FM organization took two weeks to add to their “lessons learned” compendium. They believed that unless they wrote down what happened immediately after it occurred, they would never have a process that could be replicated. Every team had a recording member whose job was to capture process notes and then prepare an outline that would help team members write their “lessons learned.”

The challenge of change management has never been more important for facility executives. The current economic crisis will cause many organizations to launch change efforts. Whether those initiatives produce lasting transformation or have little positive long-term impact on the organization depends on leadership. Facility executives can be role models within their companies, not only for their technical and fiscal performance, but also for their strength, courage and conviction to lead change. **BOV**

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have specific performance metrics tied to certain operations and maintenance activities performed by contractors. Three months into the change movement, these organizations had metrics in place for the first time. Evaluating contractor performance against the metrics became easier, some contractors that had not been performing well were eliminated and the overall FM organization (and the staff) achieved a huge win-win that was directly attributable to the change effort.

Particularly in these difficult business times, the need for short-term wins with defensible results plays an even bigger role to convince senior management that change is really occurring.

7. Leverage Improvements to Create Additional Change

Too many change efforts end with the FM organization declaring victory before the war is won. Deep-seated cultural change doesn’t take hold until at least the third year and often a complete transformation of an FM organization culture doesn’t appear until the fifth year. But by the second year an FM organization may start to see clear performance improvements and so sacrifice further effort to achieve the bigger vision and settle for interim change. What invariably happens is

six of ten goals. The problem was that three of the remaining goals were high priorities they “postponed” because they were too difficult. Instead of forging ahead to complete the other goals, they dropped the change effort. By year four, the organization was experiencing problems again because they failed to build on the two years of good work.

8. Institutionalize Approved Approaches

When left to their own devices, FM staff may not always make the connection between the transformation effort and the end results. It is critical for the guidance coalition and change teams to constantly make the link between the improvements in performance and change strategies and action steps.

Institutionalizing the new way of doing things also is dependent on having a succession plan to ensure that individuals exhibiting the approaches, behaviors and attitudes that have become the norm for FM are nurtured and placed in key roles for the future.

As part of its change effort, one university FM organization made certain that a comparable policy, procedure or practice update accompanied every change adopted. They had one individual on the transformation team whose sole job was to update standard oper-