

## Avoid Managing Change at Your Peril

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If you think Change Management is just a trend, think again. Whether you hire someone or self-perform, a well-executed Change Management program is a proven and effective means of promoting real estate strategy and engaging employees in positive ways to help achieve business goals. Avoid it and some disruptive, time consuming and expensive consequences might result. I offer a few examples to illustrate.

Our building lobby has been under construction for months. We are duly informed when elevators are temporarily taken out of service and building entrances are closed off, but having visiting clients trek through a demolition zone to get to our office is embarrassing. Small inconveniences, surely, but nonetheless periodic changes in our daily routine. And people don't like change.

A global pharmaceutical company adopted a "one size fits all" approach to workplace standards that included big entitlement changes. Nothing was communicated in advance to prepare employees. On move-in day the first group to inhabit the new standards (a team of esteemed researchers accustomed to their own offices) took one look, collectively announced "we can't work like that" and vacated to parts unknown (maybe their home offices).

A large firm bought a smaller one and moved its new employees into the office of the parent company. The expectation was that the employees of the acquired firm would simply adapt to the culture of their adoptive company. Within a month, two-thirds of the new employees quit, leaving the acquirer to wonder what they had indeed purchased.

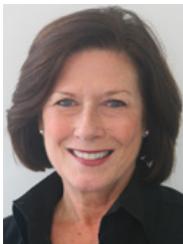
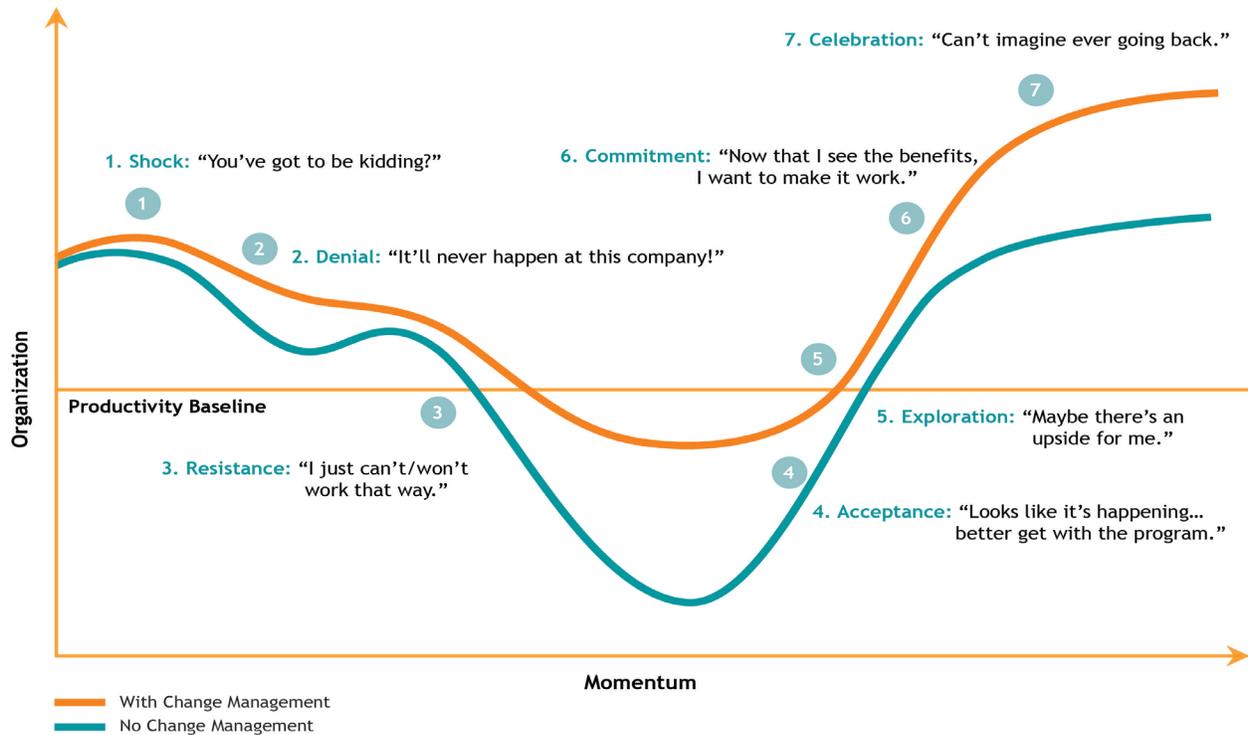
No, people don't like change. But the problem is not change; it's how change is managed (or not). In today's globally connected business world where change is inevitable, necessary, desirable and occurring at an ever-increasing pace, effective Change Management should be Standard Operating Procedure. Yet companies big and small continually make the mistake of thinking they can skip this critical step. My lobby renovation example is not drastic, but it's surely a missed opportunity by property management to communicate the upgrades in store for us. Where are the renderings depicting the bright new lobby that will welcome employees, visitors, and potential tenants when the scaffolding comes down? Potential outcomes from the other examples, however, have more serious repercussions, especially when people represent 80% of a company's investment (versus the 20% represented by real estate). Any loss of people capital - whether in productivity as employees struggle to adapt to new situations, or worse, when valued employees vote with their feet - can negatively affect the business and its bottom line.

The practice of Change Management is devoted to avoiding these types of situations. Described by Wikipedia as "an approach to transitioning individuals, teams, and organizations to a desired future state", myriad authors encompassing the fields of organizational development, salesmanship, grief counseling and management consulting have covered this subject. My own interpretation of change management is that when it's done well it's like knowing when and how to use anchovies. This is no trivialization. I like to cook and over time I've learned that (like change) most everyone says they hate anchovies; yet the right dash makes most everything taste better. In that same way, Change Management can be the magic ingredient that helps achieve the most positive outcomes in the least amount time, with the minimum amounts of stress and lost productivity.

Even if changes are perceived to be beneficial, managing the message will achieve optimum results. Think of how for eons the media has managed to get us to tune in, change channels and switch brands. This is accomplished by creating strategic, well-executed, time-released plans. In much the same way, change must be communicated proactively, continually and in ways that are meaningful to the audience. Change is about people, and the process

is like a journey on the local - all stops are required. As depicted in the chart at the bottom, each stage (or stop) requires its own message - communicating what's happening, why, how it will affect those involved, and - most importantly, what the benefits are to the intended audience (as well as the organization). The process is one of balancing the emotional with the cognitive and telling a complete story. Executive sponsorship is essential to establishing the story and creating a communication plan that supports and conveys the values and objectives of the company. And employees are going to speculate anyway, so engaging them and sharing the company's vision proactively and early on not only generates enthusiasm but makes them feel part of both the process and the solution. That in itself goes a long way toward not only achieving the desired results but making the journey as smooth a transition as possible.

One more story: A global real estate firm used the occasion of moving its offices as a chance to transform the organization's culture from one of siloed teams to teams that collaborate across groups and enhance their ability to sell services. To do so they had to make some big changes to the built environment and they had the foresight to know that they had to manage the process. On move in day, an employee approached the CEO and said "I've been here six years and just met 5 people for the first time who've been here almost as long as I have. The CEO was overheard to say "that's exactly what we were going for." At last count, business was good.



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## ABOUT THE CENTER FOR WORKPLACE INNOVATION

People are a company's most valuable asset and in today's business environment it is people who make the difference. Our mission is to combine real estate, technology and business processes to create exceptional spaces that empower people to do their best work. We align design solutions with actual business drivers and create performance metrics to establish a feedback loop that continues to inform. This builds agility into the workplace to support the way people work today while enabling its evolution to support the way they will work in the future.



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