

CHANGE MANAGEMENT

In small and medium-sized businesses

**How to manage change processes professionally –
and be well prepared personally**









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The future of work lies in bold and successful change management.

Why? Let's take fast-food giant McDonald's, for example, which, almost twenty years ago, began the new millennium with a real crisis. Competitive pressure from Burger King and other chains was enormous; the bad health image of burgers, chips, etc. did not improve the situation. Jim Cantalupo, CEO at McDonald's from 2002 to 2004, took the bull by the horns: he extended the offer, brought in salads, fruit and other healthy dishes, and thus changed not only the bad image of his company, but at the same time, conquered new target groups. At the end of 2009 in Europe, the colours in the logo behind the big yellow 'M' were even changed from red to green in order to show respect for the environment.

The example demonstrates two things: firstly, change is a part of every business – large or small. And secondly, there are times when wise change management is particularly important.

We are now experiencing such times.

Small businesses are affected as much as large corporations. Whether executives or employees: people do not want to be seen as bargaining chips. Instead, they now increasingly work in a self-determined way, consider themselves as actors and want to understand changes taking place – especially when companies are relatively small and clearly structured. This is why it is so important to control and manage change processes well. They can then sustain a company over the long term.

Change management cannot come up with patented solutions – but rather, it involves interesting ideas and impetus as to how you as an entrepreneur can prepare for upcoming change professionally and personally.

Those who know and understand the new challenges of the digital age, and their own role within it, can act in a more relaxed manner and make better decisions for their team and their company.

We wish you great drive, joy, pioneering spirit and confidence for all the forthcoming changes.

***Yours,
Job Wizards***

The future of work lies in change management

what you need to know and ought to do in your business



Good to know -
know what could happen



Good to do -
manage changes professionally

The concept of Job Wizards workbooks

The Job Wizards workbooks appear four times per year. They offer entrepreneurs and decision-makers current facts, content and inspiration on important issues in the world of work.

In workbook no. 1, we have compiled for you the most important points relating to change management. Not every entrepreneur or manager can afford to use a coach or consultant in unsettled or changing times. You may also want to gather more information on the topic first. This workbook conveys central topics of change management and provides key impetus when it comes to change processes, especially in small

businesses. Of course, this cannot replace professionally planned and conducted change management, but:

- In the knowledge section **‘Think ahead – good to know’**, the workbook explains the basics of change processes in small businesses.
- In the practical section **‘Work smart – good to do’**, worksheets help with the implementation of freshly acquired change knowledge in day-to-day work.

How to read this workbook.

CHAPTER

1

CHANGES TRIGGER EMOTIONS

Is everything going to change soon?

Help! In order to ensure that planned and desired changes actually take place in a company, you not only require orientation and well-planned management of work content, but also the acceptance and anchoring of the desired innovations in social cohesion.

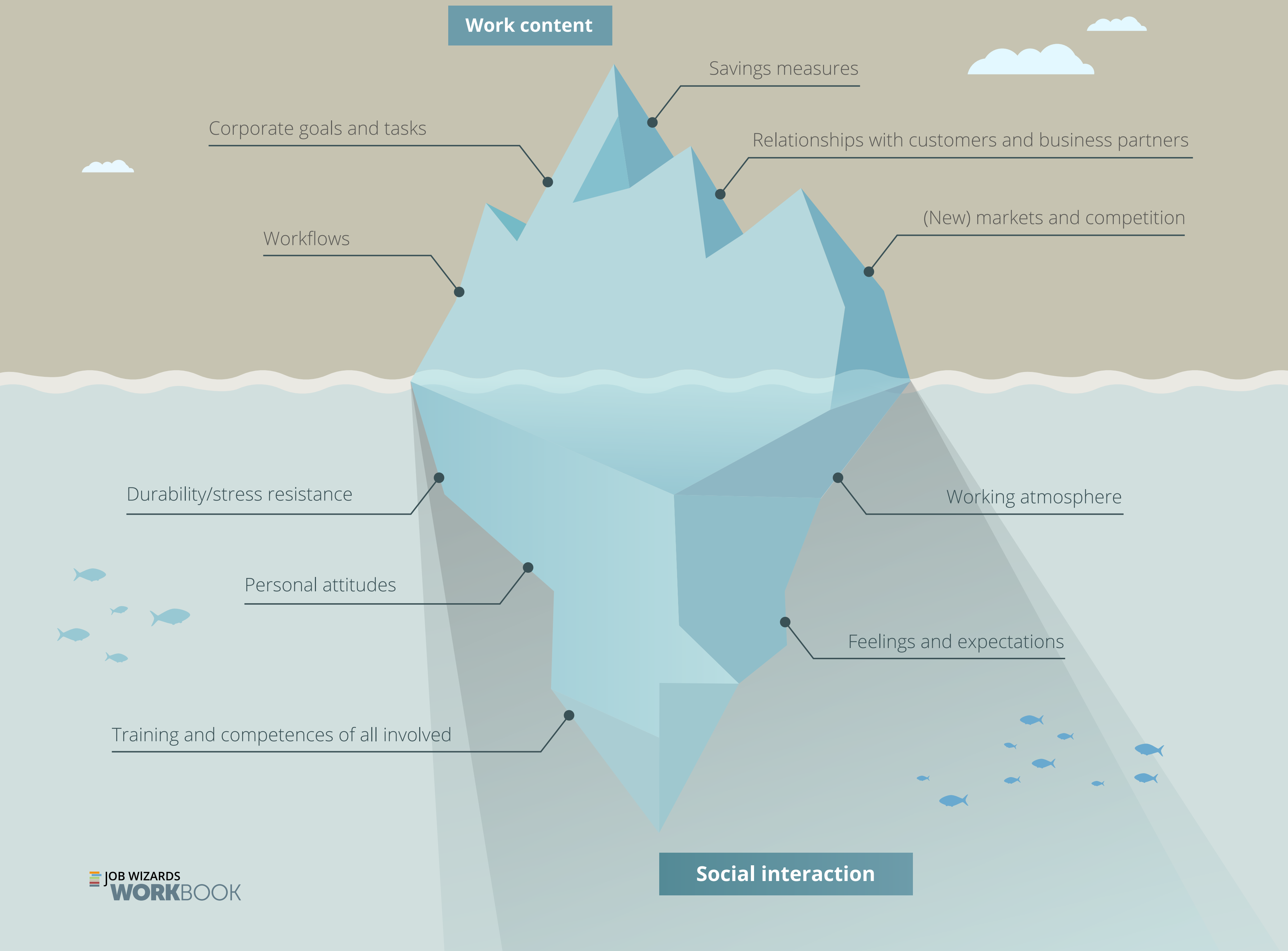
‘What are all these new changes

actually for?’ – ‘What does this mean for us?’ – ‘Nobody is telling us anything again!’ These are the possible reactions of affected employees when there is suddenly change, or impending change, within the company. All reactions have one thing in common: they show that changes are felt in day-to-day work. Changes trigger emotions.

The iceberg model – when transferred to companies – demonstrates that, alongside personal emotions, change processes affect many more topics. Thus, there are more-visible topics and work content that are tangible for everyone (*depicted above the waterline in the iceberg model*); these include e.g. corporate goals, tasks and new markets, relationships to customers and business partners, existing work processes, competition from other companies, or even specifically planned and announced saving measures.

Changes trigger emotions





iceberg model



Change topics in the iceberg model:
Work content is one of the more visible change topics, while the effects on social interaction are often invisible.

The less-visible and -tangible issues in social cohesion (*depicted below the waterline in the iceberg model*) include e.g. the skills and expertise of the affected entrepreneurs / managers / employees, their resilience and resistance to stress, personal attitudes, emotions and expectations, as well as the working and operating atmosphere.

In small and medium-sized enterprises in which people commonly know one another personally, enjoy frequent discussions and have often worked together for a long time, social cohesion plays an important role (*the part of the iceberg below the waterline*). To perceive and understand the various emotions and reactions is not difficult at all if you are aware of them and class them as being as important for the change process as the clearly visible work content and requirements in the upper section of the iceberg.

A great deal at once: various topics of change



Sometimes change is presaged; there are initial fears, rumours or announcements. Sometimes the planned change just thuds down in front of affected employees or managers like a boulder. Emotions and reactions triggered by a planned change are as varied as people themselves.

While some may be completely surprised and speechless, others may have been expecting changes to the company, perhaps even fearing that something bad was going to happen. Depending on where change notification occurs in the company in terms of the personal and work situation, people may react with enthusiasm, speechlessness, shock, fear or anger and these different emotions, in turn, influence social cohesion – and they may lead to different employee behaviours, such as

drive if someone is enthused, passive waiting if someone is speechless, a blockade or retreat if someone is shocked or afraid, or aggressive, defensive behaviour if someone is angry.

In order to professionally manage the desired change processes in your company, it is important to understand and recognise that all these reactions are human and a quite normal (*but invisible*) part of change. Never take these reactions personally. Instead, be patient (*see chapter 3*) and act as a role model (*see chapter 4*).

Swimming in emotion: what changes provoke in businesses



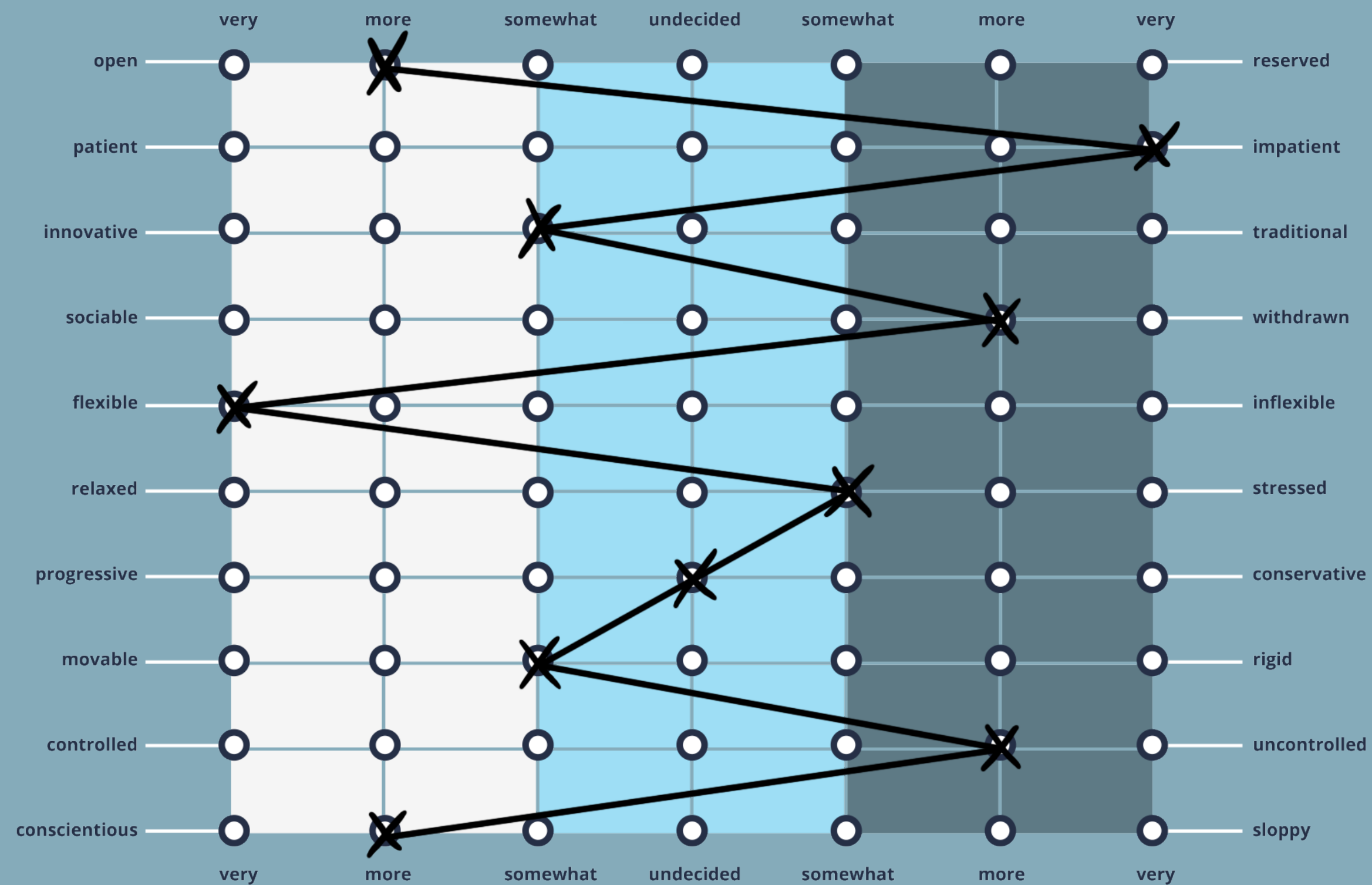
	very	more	somewhat	undecided	somewhat	more	very	
open	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	reserved
patient	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	impatient
innovative	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	traditional
sociable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	withdrawn
flexible	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	inflexible
relaxed	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	stressed
progressive	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	conservative
movable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	rigid
controlled	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	uncontrolled
conscientious	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	sloppy
	very	more	somewhat	undecided	somewhat	more	very	

Specify your personal change profile



1. First read through the characteristic pairs. **2.** Now rate yourself with a cross on the continuum between the two characteristics (*e.g. you are very/more/somewhat open, undecided, or somewhat/more/very reserved*). **3.** Connect the crosses to form a line. **4.** You can see which characteristics serve you well when it comes to change and which characteristics may make life hard for you in times of change. **5.** Consider your change profile – you can read an example of how it could look below.





- **Your crosses in the left area**

demonstrate: you consider yourself to be open, flexible and conscientious. With all characteristics crossed in this area, you are well equipped for forthcoming change.

- **Your crosses in the right area**

demonstrate: you consider yourself to be impatient, withdrawn and uncontrolled. Characteristics crossed in this area may hinder your dealing constructively with upcoming change.

Tip: consider whether and under what circumstances it would be conceivable, for example, for you to be a bit more patient?

- **Your crosses in the central area**

demonstrate: this is neutral terrain – these characteristics are neither engines for personal change nor barriers to it.

Specify your personal change profile

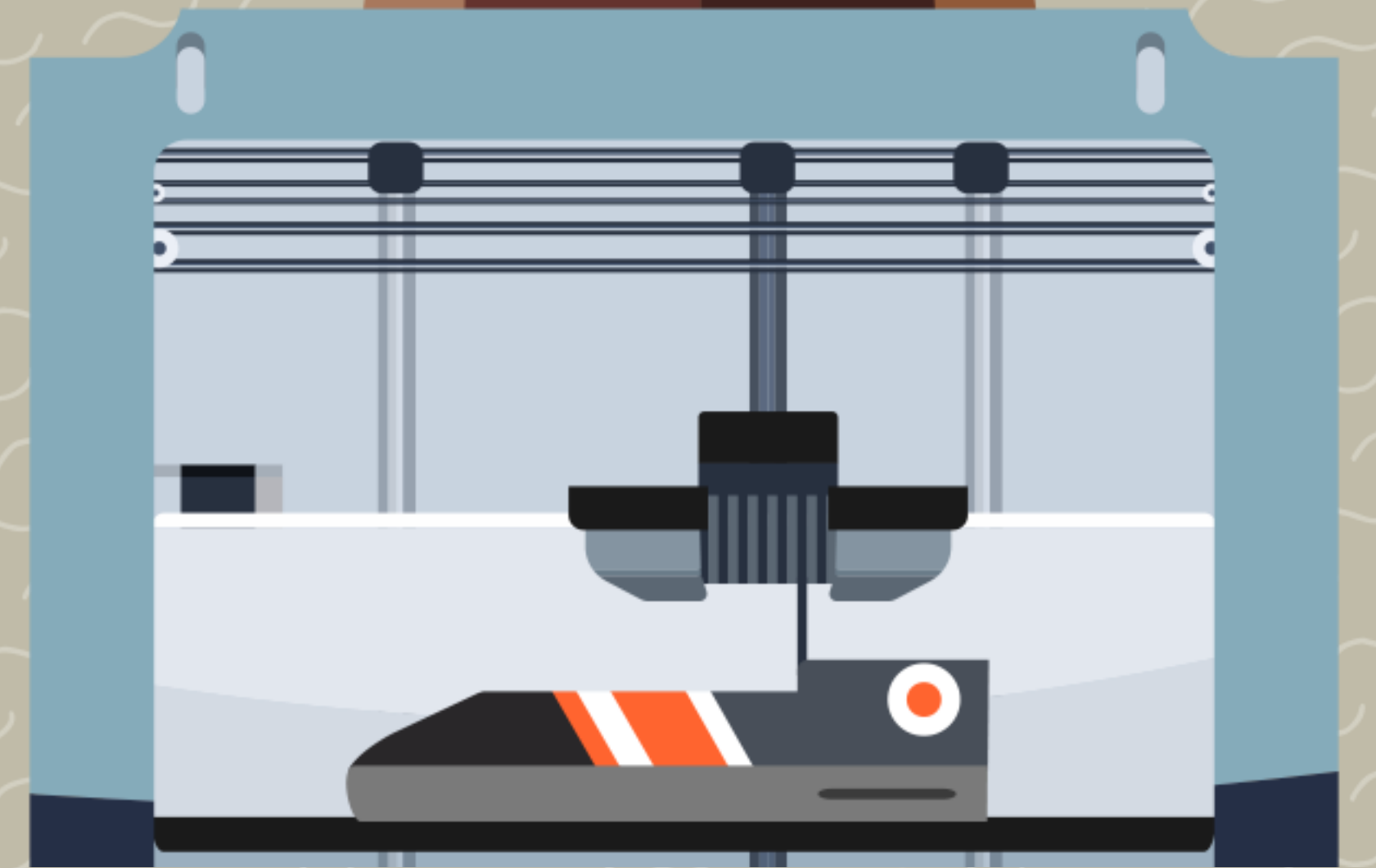


Example: how to consider your change profile

CHAPTER

2

CHANGES OCCUR IN PHASES



Farewell, fresh start – or somewhere in between?

Every human being experiences various changes over the course of their life and collects a great deal of experience, both professional and private. The first day at nursery, at school or at a new job are examples of how we progressively acquire more and more assurance in dealing with new situations. We can prepare ourselves well for planned changes, such as a new job. But how we respond to spontaneous or surprising changes, whether we are more enthusiastic or frightened, has a lot to do with which personal 'experience history' we have.

If a change takes place, this always means a transition from old to new, from an existing 'is' state toward a new 'should be' state. To make a new beginning possible, the existing must be relinquished, completed or dismissed and an interim period is needed – in the example above, this is e.g. the large holiday between a change from primary school to secondary school; in the case of a separation, it is the legally stipulated separation year; in a company experiencing change, it is the uneasy, sometimes chaotic period of upheaval wherein the usual working processes are no longer desired and the new ideas and structures are not yet in place.

Changes occur in phases



Life is change because nothing is more constant than change; Charles Darwin already knew this. On the basis of different phases, it can be easily illustrated how people – even in businesses – react to change and what needs to be taken into account.

1

**Step 1:
Awaken a sense
of urgency**

Those who need to shift and change first want to know where they need to go and why. For this reason, change preparation includes convincing as many comrades-in-arms as possible of the urgency, importance and significance of the project. The rule of thumb: about three-quarters should be convinced by the new ideas.

2

**Step 2:
Gather important
people together
in a team**

Together we are strong. Put together a credible and convincing 'change team' that represents the planned change and also remains dedicated and assertive even in turbulent times. Technical knowledge and communicative competence are essential, and there should also be someone there who views the changes rather critically.

3

**Step 3:
Develop a vision
for the future**

How should we proceed? Nobody likes jumping into the unknown. This is why plans for the future should be as specific as possible. 'Develop a vision and a strategy for the change. Clarify how the future will differ from the past and how you will be able to make this future a reality,' write Holger Rathgeber and John Kotter, thus encouraging clear decisions.

4

**Step 4:
Convey the vision
to promote
understanding**

Now begins the phase of active implementation. It is important at this time to promote understanding and acceptance regarding the upcoming changes. Make sure that as many people as possible in your organisation understand and support your goals and the associated new ideas.



5

**Step 5:
Allow momen-
tum; create
scope for action**

New things must be tested and, in the process, every department and every employee in the company must collate their own experiences. Sometimes, not all colleagues play along or there are regulations that make the new approach more difficult or even impossible. It is important now to create scope for action for all those who support and share the new idea and the associated changes.

6

**Step 6:
Work towards
short-term,
visible successes**

Changes take time and patience. In addition, there will always be tough and difficult phases or even backward steps. It is therefore all the more important to ensure that, despite any possible frustrations, the motivation of the change team and all employees is not lost. Therefore specifically consider how to achieve short-term successes that are tangible for employees.

7

**Step 7:
Build on
achieved changes
consistently**

The first successes have been achieved and celebrated together: now we have to keep our eyes resolutely on the ball and initiate and implement the next projected steps in strict accordance with the plan – until all the new ideas and goals have been achieved.

8

**Step 8:
Anchor the new
in everyday life
together**

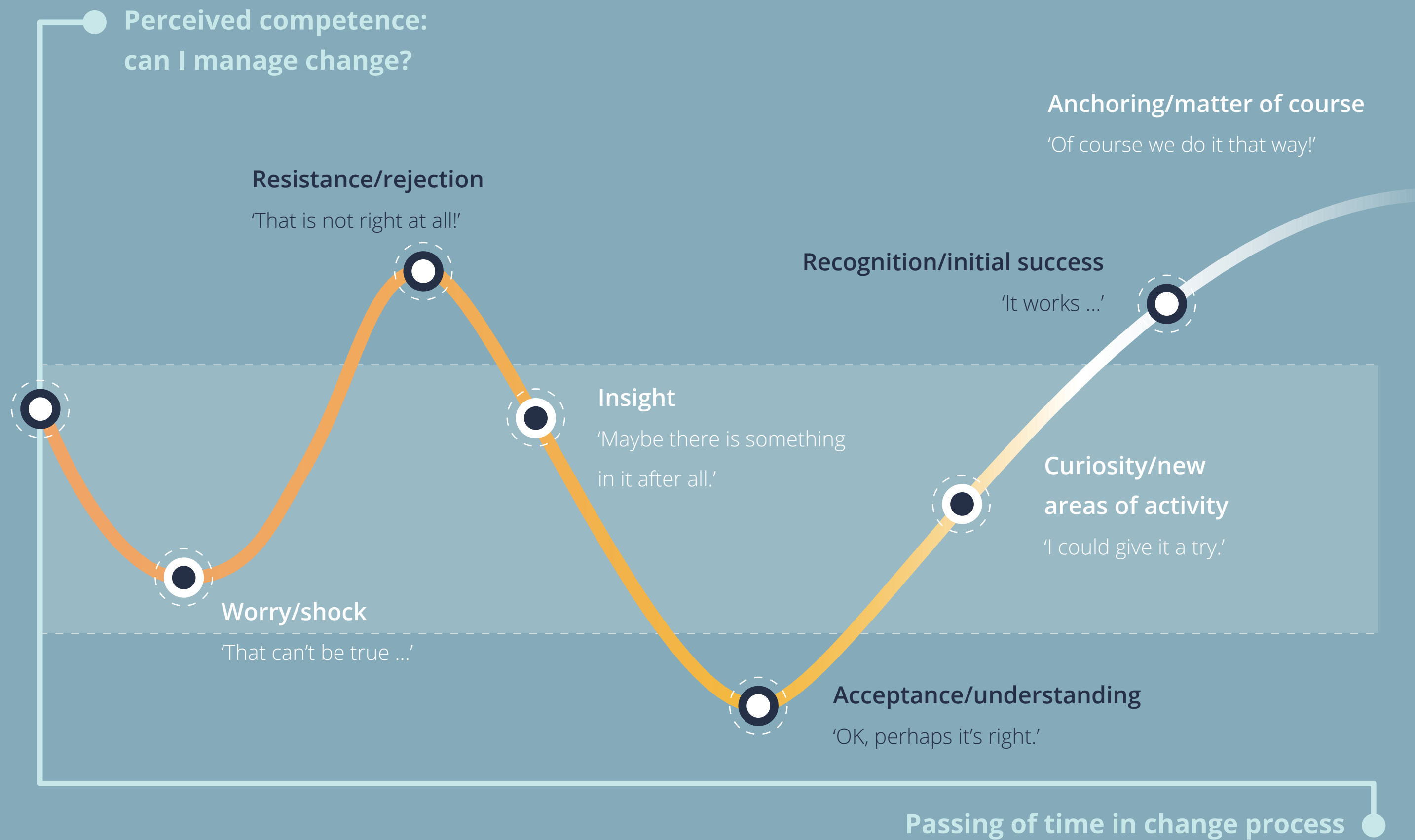
In order to ensure the sustainability of the changes, you should once again recognise and highlight the performance of all employees in the company. Make sure that the new work processes and associated behaviours become a self-evident part of day-to-day work and your corporate culture.

Eight steps of change in small businesses

**Prepare, decide, implement – how
change leads to success**, explains

Harvard professor John Kotter, along
with business consultant Holger
Rathgeber in the management
bestseller *The Penguin Principle*.

To begin with, Kotter examines why
change projects in companies fail and,
from these findings, derives eight key
steps to success.



Change in small businesses: who is currently feeling what?



Changes take place in phases. And changes trigger emotions. From worry and shock via resistance to insight, recognition and anchoring in day-to-day life, change is a long and intense process full of ups and downs. Take a little personal inventory.



Step 1: Review the previous year as an entrepreneur and consider where on the curve you would place yourself.

Step 2: Review the previous year from the point of view of your employees / teams / central departments / business partners / other actors whom you deem to be important and consider where on the curve you would place them.

Step 3: The situations described refer to how the respective actors assess your competence with regards to possible management of change at your workplace. Place yourself in the role of the actors and consider how you can best convince the respective people to follow your desired change path.

Why it is a good thing to change perspective from time to time:

You can consider this curve as a model for change processes. The special thing about it is that it draws your attention to the perspectives of all actors involved in the process.

- **As an entrepreneur,** you play a dual role: you yourself are facing a change or have already begun to drive changes in your businesses and may find yourself in a particular phase (*step 1*).
- **At the same time,** you bear responsibility for the upcoming changes and want to provide daily motivation for all actors involved in the process to work towards success and to anchor new ideas in day-to-day work. Are your employees still potentially in the defensive phase? Or do you sense curiosity regarding the planned changes?

You will approach and talk to employees who are still afraid and worried differently than those who are already willing to try something new (*step 2 and 3*).

- **Bear in mind:** Every person and every team is different. This potentially means that not everyone in the company is at a similar point on the curve at the same time. This phenomenon is also called a phase shift. If you wish to reach your employees with important information and motivate them to work successfully, it is vital you take care to find the appropriate tone and content.

Change in small businesses: who is where now?



CHAPTER

3

CHANGES TAKE TIME AND PATIENCE



You are of course aware of the problem with good intentions:

'From now on, everything will be different!' we like to think – and we wonder how much perseverance it really takes to stay on the ball and to actually put the good intention or the new idea into practice.

The human factor

Creating a mood within a team or business whereby all participants are ready for change and capable of it requires time. In addition to operational objectives and targets, which employees need to warm to, new work processes also need to be tested and learnt. There must be trust in the new corporate goals in order to engage with the adventure, as well as trust in oneself to be open to the changes and to tell oneself: 'I could give it a go ...'

There are no set figures regarding how long a complete change process takes from the first pronouncement of the new idea or new project to its stabilisation and anchoring within daily company life. This makes sense because the duration is of course dependent on the complexity of the initial situation, the intended objectives, the size of the company and many other individual factors.

How long will it take?

However, there is a type of 'expert rule', which is based on experience. It provides clues as to how long in percentage terms certain phases within the change process will need or which phases will take up how much time.

Business consultants Barbara Heitger and Alexander Doujak thus allow approx.

10 per cent of the total time for the disruption to work routines, another 10 per cent for the phase wherein future visions are determined; they estimate 20 per cent for jumping in at the deep end, so the change launch, 25 per cent for consistent implementation, and 35 per cent for anchoring success within day-to-day work. It is thus important to be prepared to budget considerably more than half of the time (*25 and 35 per cent*) for ensuring the consistent implementation of everything new and for verifying its natural anchoring within day-to-day work and corporate life.

Changes take time and patience



The performance type



- Strives for independence
- Is always ready to put in a lot of work
- Does not like to accommodate others
- **Job Wizards Change Tip:** with your readiness to perform, you bring a lot of power and drive to the company – but be sure to consider whether you are including your colleagues and team and participating in the upcoming change processes.

The endurance type



- Emotionally resilient and stress-resistant
- Approaches problems systematically
- Is (almost) always confident
- **Job Wizards Change Tip:** even if you are able to cope well with stress – the risk of burnout is increased during change processes. You should ensure balance and that there are breaks during increased spells of work and pay attention to your health and body.

The risk type



- Acts intuitively and creatively
- Is not bothered by uncertainty – on the contrary
- Is able to establish good professional contacts with others
- **Job Wizards Change Tip:** even if you personally are very sociable and able to handle risk situations well – most of your colleagues and co-workers are probably rather worried. As an entrepreneur, you should therefore be particularly careful in dealing with the uncertainty of affected employees; take concerns seriously.

Work types:

Who am I? And what should I be aware of during change?



Are you always ready to put in a lot of work? Can you assert yourself well? Do you dislike being patronised? First take a look at the characteristics of the five work types and consider which apply to you. Perhaps several descriptions fit.

The power type



- Prevails even in competitive situations
- Is dominant
- Values hierarchy and status
- **Job Wizards Change Tip:** experience shows that clear announcements, strict hierarchies within the company and tightly scheduled project management alone are no guarantee for successfully managed change processes. Equally important are trust in the cooperation between employees and managers.

The activity type



- Has a strong inner drive
- Is sometimes egocentric
- Dislikes being patronised
- **Job Wizards Change Tip:** you have a lot of energy – and if others are long since exhausted, you still won't give up. However, you are sometimes a little undiplomatic and uncommunicative. This can become a problem if it leads to discrepancies in the change team and the lack of a single voice for external communication.

Work types:

Who am I? And what should I be aware of during change?

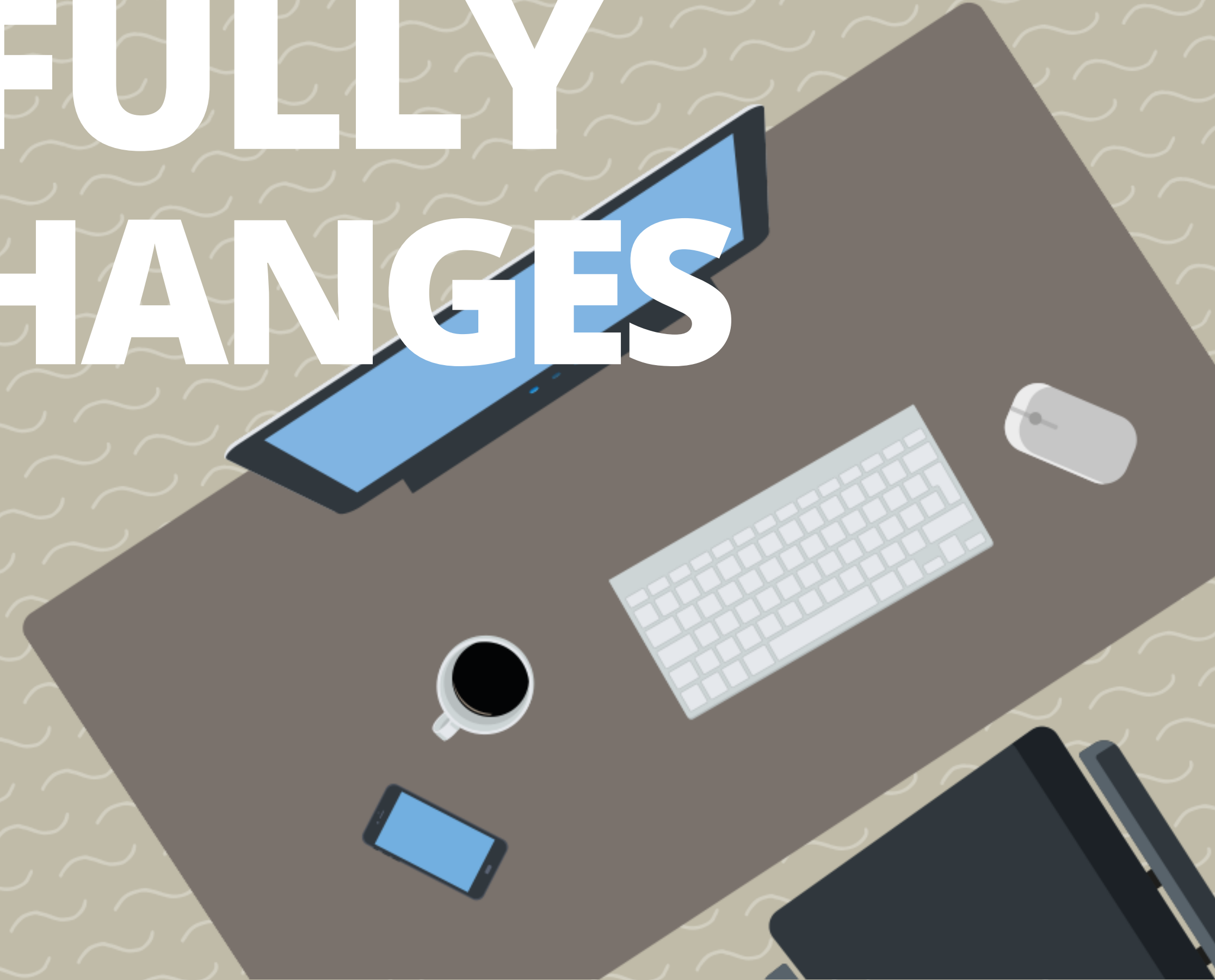


Then read the corresponding Job Wizards change tips to find out what you should pay particular attention to if you are involved in change processes.

CHAPTER

4

SUCCESSFULLY MANAGE CHANGES



The following applies to everyone:

leaving familiar work, thought and behavioural patterns behind you is not easy. The process in the company often consists of many small steps. Prove your stamina and appear as a consistent role model.

After the first potentially big steps and successes, it may well be that things become tough or even go wrong. It is much more complicated than expected. Or it takes significantly longer than planned.

Even if things are difficult: it is precisely in such phases that you should not lose your nerve, and you should resist the temptation to moan or complain about the difficulties. As an entrepreneur, remain as solution-oriented as possible. Acknowledge that mistakes can happen, especially then trying new things. This is normal and part of the process. Act as an example and learn from mistakes. Adjust expectations and project plans to the new situation. And don't let yourself be distracted from your actual goals.

Moaning? No, thanks! Be and remain a role model



Motivate – and look ahead!



With these five tips, you can responsibly and constructively manage change processes

Tip no. 1: Work carefully

Especially when things are chaotic, you have to be able to rely on each other. This is why it is particularly important in change situations to remain calm, to be attentive and to work rigorously. Lead by example and expect care from all your employees, too.

Tip no. 3: Look for solutions

Are there problems? Maybe even lots of problems? In such crisis situations, look not only for the guilty party or parties, but for solutions. It is helpful to consider together as a team what needs to happen such that the desired changes can be implemented anyway.

Tip no. 5: Maintain confidence

A good atmosphere in the workplace is worth its weight in gold. Earn points with optimism and good humour, and thus improve the working atmosphere in your company. Studies show: good-humoured people are more receptive and resilient than average- or ill-tempered people.

Tip no. 2: Recognise performance

Positive feedback in day-to-day work is almost always too brief. On the other hand, people are quick to provide strong criticism if something is not going so well. Recognise the achievements of your team or your employees – positive feedback inspires and helps everyone to stay on the ball.

Tip no. 4: Keep hold of what works

The future is calling! But even if plenty of things (or even everything) will be different in future – ensure that your company's past is not done a disservice. Because: an appreciative approach to 'yesterday' gives stability and security for tomorrow.

MON

Tip 1

How can I get a successful and target-oriented working week off to the best start? Plan the start of the week particularly carefully.

TUE

Tip 2

Honest scheduling is indispensable: place your to-dos and tasks in a sensible order; ensure that you also complete them.

WED

Tip 3

Think of the iceberg: communication plays a key role in all teams – always ensure clear feedback and transparent workflows.

THU

FRI

WEEKLY

Tip 1

Take another look at your results in the worksheet 'Personal change profile'. Enter the characteristics that you marked in the left area here. These are the strengths that will serve you well for the forthcoming changes. Can you think of three additional strengths? How can these strengths help you to progress your to-dos?

Tip 2

Keep your eyes and ears open: what scope for action in the current change phase is particularly important? Encourage your employees / your team to think about this too and compare notes.

Tip 3

Take a look at your workflows and results on a weekly basis. In times of change, you should also pay attention to the optimal use of time, space, movement, resources and staff.

Change management in small businesses: tips for every day



Now the real work begins: the newly acquired change knowledge should be integrated into day-to-day work. We have already provided a few tips here – supplement your weekly schedule with the most important to-dos that you would like to complete.



continued on next page

MONTHLY

Tip 1

Check your results again in the worksheet 'Who is where now?' Consider how you can motivate and encourage yourself and your employees to stay on the ball during the current phase. Positive feedback in day-to-day work is almost always too brief. Recognise the achievements of your team or your employees regularly – positive feedback is motivating.

Tip 2

Which work type are you? Perhaps you see yourself in several work types. Read through the Job Wizards change tips again. What do the tips mean in terms of your monthly planning? For example, as the endurance type, have you thought of providing enough balance and breaks for yourself and your employees? Pay close attention to your health and your body.

Tip 3

A good atmosphere in the workplace is worth its weight in gold. It need not be a large-scale activity, but consider the following: what can you do this month to create a good working atmosphere in your company? Perhaps your employees also have good ideas.

Tip 4

If testing something new, mishaps can also occur. Learn from this – and adjust expectations and project plans to the change situation.

Tip 5

Don't let yourself be distracted from your actual goals. We wish you great drive, joy, pioneering spirit and confidence for all the forthcoming changes.

Change management in small businesses: tips for every month



Which personal strengths do you bring along? Which phase of change are you in now with your project or company? And which work type are you? Incorporate the results of the worksheets into your weekly and monthly schedule.



New ideas (also) bring changes. Whether an owner, manager or team leader, employee, colleague, or customer:

if something changes, most people perceive these changes and react to them differently. You would be well advised to announce upcoming changes in a timely and open manner and take all stakeholder groups into consideration.

Different reactions, unforeseen events or even resistance to change processes are neither a sign of inefficiency nor of failure or collapse; they are a normal part of any change.

Emotional outbursts, difficulties or obstacles that you experience in your business, or even with your team or customers, are also completely normal during times of change. You should never take these reactions personally.

Because new ideas initiate change and diverse processes. If you become part of these processes, you manage the change – and thus shape your own future and the future of your company!

**Good ideas
and change are
part of every
company**

**Konica Minolta
Business Solutions Europe GmbH**

**Europaallee 17
30855 Langenhagen
Germany**

Phone: +49-511-7404-0

Fax: +49-511-741050

www.konicaminolta.eu

Local Court: Hanover, HRB 58272

VAT ID-Number: DE 135 099 727

Business Seat: Langenhagen

Management: Keiji Okamoto

Responsible as regards of content:

Olaf Lorenz



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