

Corporate Behavior Analysts, Ltd.

Tactics and Tips

MAKING CHANGE PRACTICAL AND SUCCESSFUL

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This two-part article examining organizational change was published in the American Land Title Association (online) News Room on September 14 and 21. In Part 1 of Making Change Practical and Successful we looked at the reasons why people resist change. To read Part 1, click on this link: Making Change Practical and Successful Part 1

In Part Two of Making Change Practical and Successful we examine a six-step process that identifies what leaders can do to make their change efforts successful.

Step One: Know what you are changing to and why you are changing. The larger the change effort, the more times the leader will have to explain what we are doing and why. For exam-

ple, one time, we asked an employee to stop using Word Perfect and start using Word, and the first thing the employee asked was "Why?" How you answer this basic question may determine the level of resistance you encounter. Consider the following answers:

- We are asking you to change, because the boss said so.
- We are asking you to change, because I (the Manager) said so.
- We are asking you to change, because I and everyone else uses Word and we have to convert all of your WP files to Word (i.e., your work causes others an inconvenience).
- We are asking you to change, because Word is easier to teach to new

employees and we have decided that new employees will use word. Besides, most new employees already use Word.

- We are asking you to change, because consultants have told us using Word will make you more efficient and more productive.
- We are asking you to change, because Word comes in the office package we have to buy, so WP is an extra cost.

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Corporate Behavior Analysts, Ltd.

Corporate Behavior Analysts (CBA) is a leadership and organizational development firm located in Chicago, Illinois. Specializing in the title insurance industry, we have consulted with national and regional underwriters, independent title agents, and real estate related businesses for 20 years. Our consulting and training, focuses on developing strong leadership and management practices including assessing the overall management strengths and weaknesses of a company, developing and communicating company direction, developing performance metrics, leadership and management training and executive and manager coaching. For companies with sales and marketing staff, we provide the guidance and support needed to develop effective market and sales plans and customer service initiatives. For more information about CBA, or to contact us, please visit our website at "www.cbaltd.biz"

*Finding the Right Path
to Your Business
Success*

Like it or not, business practices and the business environment are changing and title companies will either change or die.

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THE CBA LEADERSHIP DEVELOPMENT PROGRAM

CBA'S Leadership Development Program provides Title Companies with a practical and results oriented set of integrated business tools to improve management bench-strength and leadership capability. CBA will help you align your company goals and business needs with the critical leadership and management behaviors that are keys to your success and bottom line. Lasting change in your company will not happen without improving the behavior (what people do daily) of your workforce. CBA will work with you and your managers to identify the important skills and processes that are needed and help you implement what will make a lasting difference. CBA's Leadership Development Tools can be combined to develop a comprehensive Leadership Development Program, or used as stand-alone business components, to strengthen and improve existing management capability and systems. CBA's Leadership Development Program includes six components:

Alignment of Leadership with Operations: The leaders of your company must act in concert with how your company functions on a day to day basis. CBA works with a company's Executive Team to provide a comprehensive assessment and analysis of the current business and management issues facing your company and provides recommendations on what leadership actions are needed to align management actions with operations. The assessment includes recommendations in key focus areas including: Company Direction; Strategy; Values and Culture; Organizational Structure; Management Processes; Market and Sales Planning; and, Operational Systems.

360 Degree Leadership Assessments: CBA works with the executives of your company to identify the leadership skills and behaviors that are critical for the company to reach its goals. An on-line assessment process is implemented that enables employees to rate the leadership skills of the key managers of the company. Each manager receives assessment feedback from three different levels: the persons supervisor; the managers peer group; and the employees that report to the manager. Managers also rate their own behavior to add a fourth dimension to the analysis. CBA consultants meet with each manager to review the assessments and make recommendations for actions they can take to improve and develop.

Leadership Development Plans: Managers often receive suggestions on how they can improve but often these recommendations are not formalized in a systematic way, nor is accountability for improvement documented. We work with the executives and key managers of your company to develop individualized Leadership Development Plans. Each plan identifies: The specific leadership and management skill areas that managers need to focus on for improvement; Development goals; The tactics that will be used for skill development; Timelines; The resources that will be required; and, How the plan will be evaluated.

Leadership Training: CBA offers group leadership training workshops for the different management levels of a company. Workshop topics include: Understanding different types of leadership; The skills needed for the first time manager; Understanding your management style; Performance coaching; Behavior management; Solving employee performance issues; Performance metrics; Tracking and monitoring employee performance; and, Employee performance appraisals.

Individual Manager Coaching: We provide individual coaching sessions to company executives and managers on leadership and management development. These sessions are tailored to meet the individual leadership needs of each company and each manager and include thorough discussions and problem solving for all of the topics covered in CBA's Group Training Workshops. In these coaching sessions, managers learn a problem solving process for employee performance issues that can be applied and practiced immediately. The sessions are structured such that managers apply the ideas and concepts they learn in between coaching sessions and then receive feedback on their results. Executive coaching sessions can also focus on broader leadership topics including direction setting, goal and priority development, company vision, strategy, and implementing change.

Leadership Performance Tracking and Evaluation: Evaluating progress and results is key to any effort to improve leadership functioning. CBA can work with you to design and implement an evaluation system that will enable you to track and monitor your progress in improving the overall bench-strength and leadership capability of your company.

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ASSESSMENT



ACTION



RESULTS

CBA can help
you develop and
implement a
Leadership
Program
to improve your
management
and
leadership
capability

MAKING CHANGE PRACTICAL PART 2

When you consider the reason for change, you have to consider the source of motivation or fear in to which you are tapping. Telling a person, he must change because "the Owner or Manager says so," is using authority and probably fear of unemployment as a reason. Telling an employee, they must change because it will make it easier for others; feels like you are trying to create a level of guilt and hoping for a level of altruism as motivation. Telling a person that it is easier to teach, makes sense, except the employee already has learned a way of working. His answer will be "go ahead, teach the new people and leave me alone." Similarly, claiming that a new way of working is cheaper or will make a person more productive translates into "we want to make more money and we want you to work harder." All of these explanations will cause resistance.

The explanation that follows, combines several elements and builds a rationale; it tells a story and explains why:

The owner believes that it is critical that employees (and customers) are communicating through the same software. To achieve this goal, we are asking everyone to shift over from WordPerfect to Word by the end of the year. Here are the reasons Word is being selected over WordPerfect. First, Word comes as part of the MS Office package, which the company already has to buy. Second, most employees already know how to use Word, so training cost and time are reduced. Third, the newest version of Word has been shown to save a number of processing steps,

making it easier to use than WordPerfect and it is used by more businesses and customers. For these reasons, the company has adopted Word as its standard and all employees are being asked to use it by the end of 2010. Notice how this explanation (the story) has two parts, what is expected and why.

Step Two: Know who is on your side. In every change effort, there are employees who will work with you; those who will promote change and those who will support change, and then there are those who will fight you every inch of the way. Although some resistance is natural and to be expected, it is useful to understand who is ready for change and who will work with you. Answering the following ten readiness questions is a simple way to evaluate the readiness of your employees.

Readiness for Change

1. The Employee agrees with the need for change or is dissatisfied with the work.
2. The Employee accepts change readily - has promoted or supported past changes.
3. The employee believes change is possible.
4. The employee will support the change effort if his\her work is not affected.
5. The employee will support the change effort even if his\her work is affected.
6. The employee will not actively oppose change efforts.
7. The employee will not passively resist change (e.g., resist in the background).

8. The employee is able and confident in his/her current work.
9. No coaching or training will be necessary with this employee.
10. The employee is already making positive changes.

For each employee, answer "Yes" or "No" to the ten statements. Tally the number of statements with a Yes the person receives. The greater the number of Yes statements, the greater that person's readiness for change. Add the totals for each of the employees you assess, convert your results to percentages, and you can translate individual readiness into your company's overall readiness for change.

Once you know who will support change, you will be in a much better position to decide how to move forward. For example, consider the employee who believes in the need for change but who does not believe change is possible. For this employee a few quick successes (changes) may be enough to win the employee over. Whereas the employee who does not believe in the need for change, has actively resisted past change efforts, and does not believe change is possible, will be a very different problem.

For those employees who have a high number of Yes statements (e.g., seven or more), consider making the person a key member of your change effort, part of your "change team." For example, involve them as a project leader, place them on change committees, or go to them to enlist their ideas and ongoing support.

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ORGANIZATIONAL
CHANGE

Having to
change
can make
an
employee
anxious
for a
number of
reasons

It is natural
to want to
cling to
what is
familiar

MAKING CHANGE PRACTICAL PART 2

For employees who support change, are confident in their current work, and will not need training, or are changing already, there is little need to over sell or over train, rather these employees should be used to help sell or train others. These employees might be in the key employee group.

For employees who support change, but are not confident in their current work, or who will need training, the issue is not convincing them, the issue is getting them trained and on board. These employees might be in the first group to be trained. If you conduct a pilot group, they might be in the pilot.

For employees who receive four or five No statements, you may want to consider working with them individually to explain how the change will affect them, what will be expected, and how they will need to support the change effort.

In some cases, you should consider the tactic of giving a passive resister responsibility to help shape your change efforts. In many instances, if you give someone an active role in the change effort, you will channel their energies in a more positive direction. Employees who are involved in planning change solutions are more likely to gain ownership, interest and investment in making change successful. However highly vocal critics, and employees with a high level of authority and a history of active resistance should not be considered in this role.

If you have an employee who has a high number of "No" statements (e.g., eight or more), that employee may not be a good fit with your company in the future. It will be important to evaluate how their work, or any resistance on their part, can be tolerated. Like the manager in our earlier example, the truth is there may be some people whom you will have to work around or let go. In our experience there always will be critics and people who resist change and sometimes all a manager can do is lead the change and let the natural consequences and other employees overcome the people who resist.

Step Three: Form a change team to help lead the way. Regardless of the nature of your change effort, having a group of interested and creative employees who will help design, lead, and implement change is important. In general, the larger the scale of change, the more people involved in the effort. If your change effort is company-wide, for example installing a new software platform, you will need representatives from every function in the company in addition to technologists. If you are changing the work in one unit or department, for example changing how a commitment is created, you might only involve members from the title departments, although our experience suggests that including representatives from other functional areas can be important.

In some instances, the change may involve changes in dress, demeanor, or behavior. In most companies, such changes are handled as a matter of policy and are explained and trained in the new employee handbook and/or orientation. Nevertheless, if you are asking employees to give up their covered parking spots, it will be important to involve key employees in the decision. Finally, if the change involves a single employee, only the person and his/her manager may be involved in the effort.

Regardless of the level of change, remember, if you solicit employee input and use employee ideas, they will be more invested in achieving successful outcomes and proud of their accomplishments.



WORKSHOPS IN 2011

CBA has workshops already developed for your company or state association.

- **Making Change Practical and Successful:** Change in our society is happening at a transformational pace that is both energizing and frightening. The title industry is no exception to this phenomenon and must learn to adjust to remain viable. Organizational change can be large or small, companywide or at the level of a single employee or procedure. Whatever the level and reasons for change, there are basic steps a leader can take to prepare an organization and its employees. In this presentation, CBA considers six practical steps critical in any change effort and examines why change efforts fail and what a leader can do to prevent failure and promote successful change. CBA provides a list of practical change recommendations; actions every title company will benefit from doing in the next two years.
- **Developing strong Leadership for your Company:** Your employees are the greatest asset you have. You need strong leadership and management to fully develop and motivate your employees and provide them with the direction and resources they need. In this workshop, CBA presents six essential components of a successful Leadership Program and provides insights and instructions on how each component can be applied and implemented. Participants receive turn-key ready tools they can use to start improving their leadership and management capability.
- **Putting Great Customer Service back into the Equation:** During this recession, many title agencies have seen customer service levels suffer due to reduced hours of operations and staff reductions. It is time to start planning for how you can raise customer service levels, throughout your company, to attract and retain new customers and ensure loyal customers do not look elsewhere. CBA's WOW Customer Service Training provides a step by step process for managers and staff to put customer service back into the equation for staying competitive in the market place.
- **Developing New Sales Strategies and Tactics:** Targeting new sales opportunities and developing new sales tactics is a critical step in planning for business development. CBA can help you develop a simple but thorough sales plan that will target your sales opportunities and detail what sales actions are needed to meet your revenue goals.
- **Using Performance Measures to Make Proactive Management Decisions:** It is critical that you have a process in place to track your monthly performance and that enables you to make timely management decisions. As order volume changes in 2010, you need to be able to change staffing levels at points where profit and productivity levels merit adjustments. CBA will help you install and manage a set of performance measures that will help you stay on top of the critical financial and operational decisions you need to be making.
- **Building a Strong Management Team:** Your people are one of your most important resources and successful companies in 2011 need strong leadership teams to help steer staff in the right direction. CBA can help you evaluate your management bench strength and provide training to develop a management team that works well together. Building a strong management team will be one of the most important steps you can take to make your company successful.

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Other
CBA Workshops

MANAGEMENT

Executive Leadership

Unit Management

Supervision

Coaching

Managing performance

Setting business goals

Measuring performance

Employee evaluation

Employee profiles

Achieving goals

Team management

Team development

Implementing change

SALES AND SERVICE

Basic sales

Customer interviewing

Customer profiling

Market planning

Sales planning

Sales in the 21st century

Sales management



MAKING CHANGE PRACTICAL PART 2

When you create a change team, consider these guidelines:

1. The owner, CEO, office or team leader must sanction the team. This means publicly announcing support and direction for the team and communicating the purpose and authority of the team to other employees.
2. The leader must stay connected to the team. You cannot simply appoint a team and then walk away. You need to be interacting with the group frequently, asking for feedback, and continuing to support the group.
3. The leader of the team must be a good facilitator and taskmaster. We recommend that teams follow a twelve-step process that has proven successful with our clients.
4. The employees who will be affected by change initiatives must have representation on the team. If this is a company-wide or office-wide change initiative, assign employees from the different functional areas.
5. Consider the 30/30 rule. Thirty percent of your team should be thirty years or younger.
6. Decision makers must be on the team. Decision makers act as good sounding boards regarding the practicality of specific ideas and offer immediate sanction. The team should be composed of a good mix of creative talent, planners and doers.

Step Four: Develop a communication plan. Having a communication strategy and process is critical. Teams should publish and follow planned agenda's for meetings. The project's goals and progress must be communicated. Teams must provide frequent progress updates.

Having a communication process is a critical step and it is often overlooked. The last thing you want is for there to be a group of employees meeting behind closed doors planning change, without communicating regularly what they are doing and why. Several years ago, we facilitated a large-scale workflow redesign project in a title department. To plan the work redesign, we formed a seven-person team with managers and key employees.

The group met regularly each month discussing changes that were designed to improve commitment turn-time. Unfortunately, the project got off to a rough start with the general staff in an uproar fearing loss of jobs and office closings and we soon realized that poor communication was at the center of the problem.

To help correct the problem we worked with the company's management to develop a communication plan. Here are the expected outcomes for an effective communication plan:

- Define the need for change, explaining what needs to change and why. Provide a rationale, goals, and expected outcomes.
- Create a vision of what the future will look like with the changes in place.
- Create a sense of urgency by pointing to market conditions and competition.
- Clarify leader support; make sure the leader(s) have an active, visible role.
- Meet with key people to solicit support and discuss plans.
- Solicit additional ideas and input from a cross section of the employees.
- Solicit customer input. Demonstrate that employee and customer input are used in the new design.
- Provide communication updates after each team meeting.
- Do not rely solely on electronic communications; conduct one-on-one employee meetings, and group meetings to discuss the project and communicate progress.
- Once implementation had started, identify and celebrate initial successes, intermediate milestones, and goals reached.
- Communicate what adjustments are being made as the results and evaluation of implementation progresses.



MAKING CHANGE PRACTICAL PART 2

In some change projects, we have used one team to design the change and another team to implement the design. The advantage of this idea is that it creates more buy-in, but it can take longer and there can be a disconnect between what is designed and what actually occurs.

Step Five: Starting small. If you can, we recommend starting small. Even when the project is large, we try to divide the change initiative into stages or increments. If possible, with large-scale change, we try to test our ideas on a smaller scale. For example, implementing new procedures as a pilot test in one unit or with one team or one office is a good way to iron out any flaws or bugs in the design. A pilot test helps you identify problems and corrects them before implementation (and disaster) on a larger scale.

Starting in an incremental way is also a good way to build momentum. For example, use the pilot as the showcase for the positive changes that will be produced and the employees and managers involved in the pilot can become supporters and spokespersons for change throughout the remaining levels of the company. As more and more units or offices come on-line, and as you meet your intermediate objectives and milestones, momentum will naturally increase until you have ultimately met your end goal.

Starting small can also mean simply limiting the scope of the change you are considering. Here is a list of five small, rather simple, incremental ideas, title companies can consider for change:

1. Create a consistent impression in each lobby or retail space that you have. This means things like: color schemes; signage; furniture, customer amenities and services, and the ways customers are greeted and served as they enter your space.
2. Eliminate one or more redundant workflow procedure or process.
3. Have all employees who answer customer calls, answer the phone in the same way and route customer inquiries in the same way.
4. Have managers hold monthly meetings that follow agreed upon similar agenda. Communicate the results of each meeting.
5. Develop an employee professional dress look. For example, the use of shirts with company logo's.
6. Although larger change efforts in title agencies can be more complicated and involve many more steps and levels of people and systems, moving forward with these projects can also be considered and developed using incremental steps.

Here is a list of larger scale change initiatives that Title Agents should be considering, if they have not already.

1. Develop standards for quality, turn-time, productivity and customer satisfaction and work with managers to enforce the standards and train accountability.
2. Centralize order entry and customer service functions.
3. Centralize title production and combine search\exam\commitment production functions.
4. Centralize escrow processing and post closing functions.
5. Develop off hour\offsite-closing procedures, including weekends, incorporating new electronic technology.
6. Map out your customer points of contact and develop a "WOW" customer service approach.
7. Flatten and streamline your management structure.

Step Six: Monitor and evaluate your progress with change on an ongoing basis. Whether you are coaching a single employee on phone etiquette or changing the software platform used in a company of 300 employees, your change effort consists of three critical parts: goal, plan, and outcome. Every change plan should include how you will evaluate both progress towards a goal and results.

Wherever possible, the evaluation should include objective measures or outcome measures. For example, orders, closings, and revenue can be measured (counted) in different periods, daily, weekly, or monthly. In addition, these measures can be assigned to products, units and individuals. Based on these outcomes we can determine individual and unit productivity, turn-time, error rate, labor ratio, income per order, and orders and closings per day.

Using measures that are more subjective, we can use a survey to assess employee and customer satisfaction. Somewhat less objective but still important assessments can be obtained from your employees and customers in the form of comments or complaints, or in interviews. is sufficient to bring about a meaningful change.

MAKING CHANGE PRACTICAL PART 2

Whenever possible, measurement and evaluation should start before the project begins, occur throughout the life of the project and continue for a defined period after the implementation is completed. Think of your project as having four measurement phases:

1. Baseline - the period before any planning.
2. Awareness - after the goals are revealed, during planning - before implementation.
3. Implementation - During training and while change is occurring.
4. Follow-up - after implementation is completed.

Establishing a baseline or starting point for your evaluation simply means documenting your performance before starting your change project. For example, if you are going to improve your title turn time, you will want to measure turn-time for a period (3 months) before the plan is announced.

Research suggests that for some people, making expectations clear (awareness and commitment) may be sufficient (for a time) to improve performance, so it is useful to measure performance before and after awareness and during planning but before any intervention. If the intervention is costly, it is sensible to determine whether simply telling the employees to change and measuring performance is sufficient to bring about a meaningful change.

For example, in a company where sales are made over the phone, the sales staff were told the company wants to improve basic phone sale skills and staff is going to receive a workshop on sales. The standard policy of the company has been to monitor sales calls for the last year. They are told they will be evaluated on three measures: obtaining and using the customer's name; obtaining the customer's phone number and e-mail address; and, sales on the first call. Sales calls were monitored using these measures, for a period of time before the program was announced, to establish a baseline.

After announcing the project goals, phone calls were sampled for a week. Essentially employees are told what is expected and a week of calls is used to determine the effects of making expectations clear. After a week, the training is given. Once the training is given, the calls are monitored for another week, and then again three months later. Because we are able to assess performance before and after our implementation, we can determine the cost benefit of any future sales training.

Frequent measurement and consistent monitoring of results and progress is important and you will want to include news of your accomplishments in your communication updates. When your change project is operational and all the new procedures and system changes are in place, you can assess the progress you have made by comparing your baseline measures with your new measurement results taken after full implementation.

In general, measurement is an afterthought, it is the last item considered in planning change, or it is added after the project is finished. In our experience, measurement needs to be one of the first steps in the process. An old adage says, "If you measure it they do it." We could not agree more.

Final considerations

Whether you are planning some sort of incremental change or a larger scale project, failure to change usually results when one or more of the above six steps have not been applied or considered in some fashion. We have been involved in many change projects over the past several years and have concluded that change efforts that fail typically include one of the following factors:

1. Leadership for the change initiative is delegated by the owner or leader.
 2. Management is not visible during the life of the project.
 3. Communication is insufficient.
 4. The plans for change are conceived behind closed doors.
 5. Staff perceives the change is not critical.
 6. Options and alternatives about how change should be implemented are not fully explored.
 7. Change implications are not taken into account.
 8. Resistance to change is misdiagnosed.
 9. Tracking, monitoring and evaluation are absent.
 10. Additional or continued training and coaching are needed.
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PLANNING FOR 2011

Every business owner needs to plan. Good business owners, successful businesses, actually plan. Great business owners, carry out their plans. Which one are you? Which do you want to be?

Let CBA help you in developing and implementing your 2011

- Company Vision
- Financial and Operational Goals
- Budget
- Business Plan
- Sales Plan
- Customer service initiative
- Work redesign / technology change over
- Management Development Plan
- Employee Reviews

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