Corporate Behavior Analysts, Ltd

MAKING CHANGE PRACTICAL

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CHOICES

- **Every Owner/Leader is faced with Choices and Options:**
  - **Each turn can lead to success.**
  - **Every turn can result in failure.**
  - **After every turn there is another.**

LEADERSHIP

LEADERS:
– **Provide direction.**
– **Establish the values and vision.**
– **Set goals and standards.**
– **Look out for employees.**
– **Inspire and motivate.**
– **Solve problems.**
– **Promote innovation and change.**
– **Keep the company informed.**
– **Promote the company to customers/community.**
– **Ensure the financial stability of the company.**

LEADERS

—**Direct.**

—**Innovate.**

—**Change.**

MANAGERS

–Drive productivity.

–Ensure quality.

–Create stability.

FINDING THE RIGHT PATH

Leading and managing a title insurance company in the future will require:

1. Good people skills,
2. Technical knowledge and experience,
3. Forward looking business /sales skills.

THE JOB IS CONFUSING

Being a leader, manager, and team member is confusing.

- **Leading is not managing.**
- **Most days employees need a manager.**
- **In small teams you have to decide are you a sergeant or a general.**
- **When a team needs a leader, a manager will not do.**

WHAT IS REQUIRED

[L / M / T] A competitor is offering a new service.
[L / M / T] An employee is under producing.
[L / M / T] An employee is drinking at lunch.
[L / M / T] Escrow losses are up.
[L / M / T] The budget is overdue.
[L / M / T] Employee reviews are overdue.
[L / M / T] A manager is criticizing customers.
[L / M / T] An employee is having trouble at home.
[L / M / T] Calling a customer to address a complaint.
[L / M / T] A sales person is over promising to customers.
[L / M / T] A closer is accepting gifts from a customer.
[L / M / T] The reason for a new computer system is explained.
[L / M / T] Employees need to be held accountable for policies.
[L / M / T] Setting a new dress code.
[L / M / T] Targeting new customers.
[L / M / T] New employee training.
[L / M / T] Implementing a new computer system.

MAKING CHANGE PRACTICAL
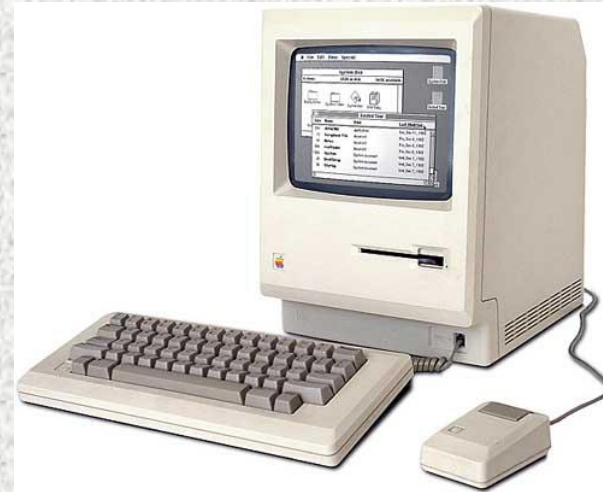
THE LAST YEAR

What happened to your business? Did You:

❑ Lose money	Make Money	❑
❑ Lose customers	Gain Customers	❑
❑ Lose good employees	Gain better employees	❑
❑ Lose to competitors	Gain over competitors	❑
❑ Lose Underwriter	Gain Underwriter	❑
❑ Fall behind on technology	Get ahead of technology	❑
❑ Lose to consolidation	Benefit from consolidation	❑
❑ Stay the same	Change	❑

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What are you going to do?

- Based on the last year what changes are you planning?
  1.
  2.
  3.

Gordon Ramsey's Kitchen Nightmares
Robert Irvine's Restaurant Impossible

- In the BBC and Fox TV shows, Chef Gordon Ramsay spends a week with a failing restaurant in an attempt to revive the business.

- In the Food Network series Chef Robert Irvine has to save America's most desperate restaurants from impending failure in just two days with only $10,000.

WHEN A BUSINESS IS FAILING

It is critical that the owner(s) admits that the company needs to change.

No permanent change will occur otherwise.

Kotter's Eight-Step Change Model

1. Create Urgency
2. Form a Powerful Coalition
3. Create a Vision for Change
4. Communicate the Vision
5. Remove Obstacles
6. Create Short-term Wins
7. Build on the Change
8. Anchor the Changes in Corporate Culture

"John Kotter is a professor at Harvard Business School and world-renowned change expert, Kotter introduced his eight-step change process in his 1995 book, *Leading Change*."

Create Urgency

- What you can do:
  - Start giving convincing reasons for change
  - Identify potential threats, showing what could happen in the future.
  - Examine opportunities that should be, or could be, exploited.
  - Learn what your customers are doing.

SWOT
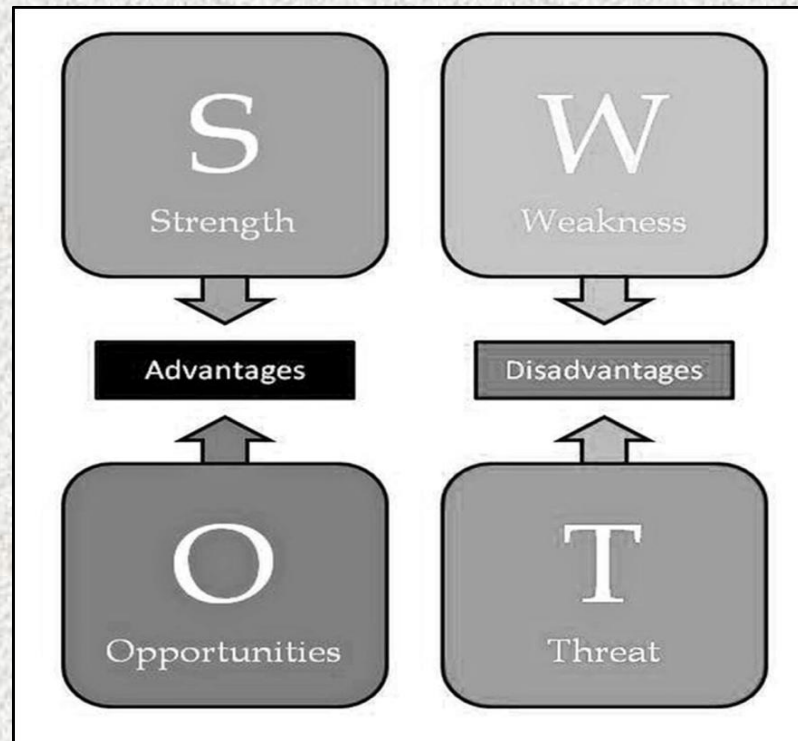
Two years ago we asked

What will the first Title Insurance

iPhone App look like?

Now every underwriter

has an app.

Build a Coalition

- What you can do:
  - Leadership at the top.
  - Identify other true leaders in your organization.
  - Ask for a commitment from these key people.
  - Create a change team.

CREATE A TEAM

1. Leader (Owner / Manager) must sanction the team.
2. Leader must communicate purpose and authority of team to others.
3. Leader must stay connected to team.
4. Team must have a strong competent team leader / facilitator.
5. Team will need idea people.
6. Team will need doers.
7. The people effected by change must have representation on the team.
8. Decision makers must be on team.
9. Planners must be on team.
10. Team will need someone who speaks for employees.
11. Team should follow prescribed meetings game-plan.
12. The plans\goals for the team must be communicated.

CHANGE TEAM PROCESS

1. Determine purpose.
2. Set objectives.
3. Determine outcome measures.
4. Brainstorm new changes\procedures.
5. If work-flow changes considered, map existing and future.
6. Rank-order ideas and prioritize top three.
7. Generate pro's and con's for each top idea.
8. Present recommendations to management.
9. Develop implementation plan with management, include evaluation and communication methods.
10. Consider pilot testing.
11. Team hands over implementation to management.
12. Implement and evaluate.

CREATE A VISION FOR CHANGE

- What you can do:
  - Determine the values that are central to the company and to the change.
  - Develop a short statement that captures what you "see" as the future of your organization.
  - Ensure that Key people can describe the vision.
  - Practice your "vision speech" often.
  - Create a strategy to execute that vision.

WHEN YOU BUILD A COMPANY FROM SCRATCH YOU CAN PLAN ALL THE PARTS
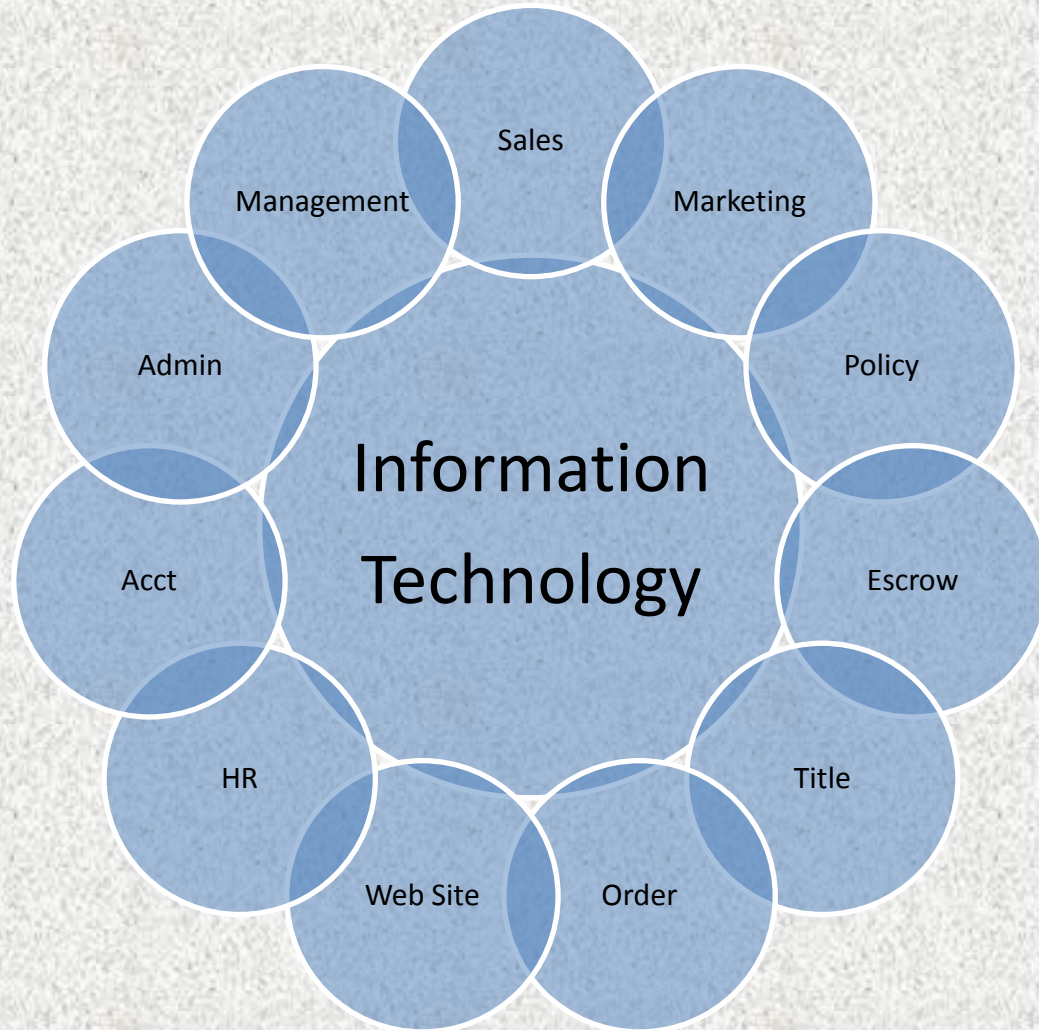
WHEN YOU BUILD A CAR FROM SCRATCH YOU CAN MAKE SOMETHING UNIQUE
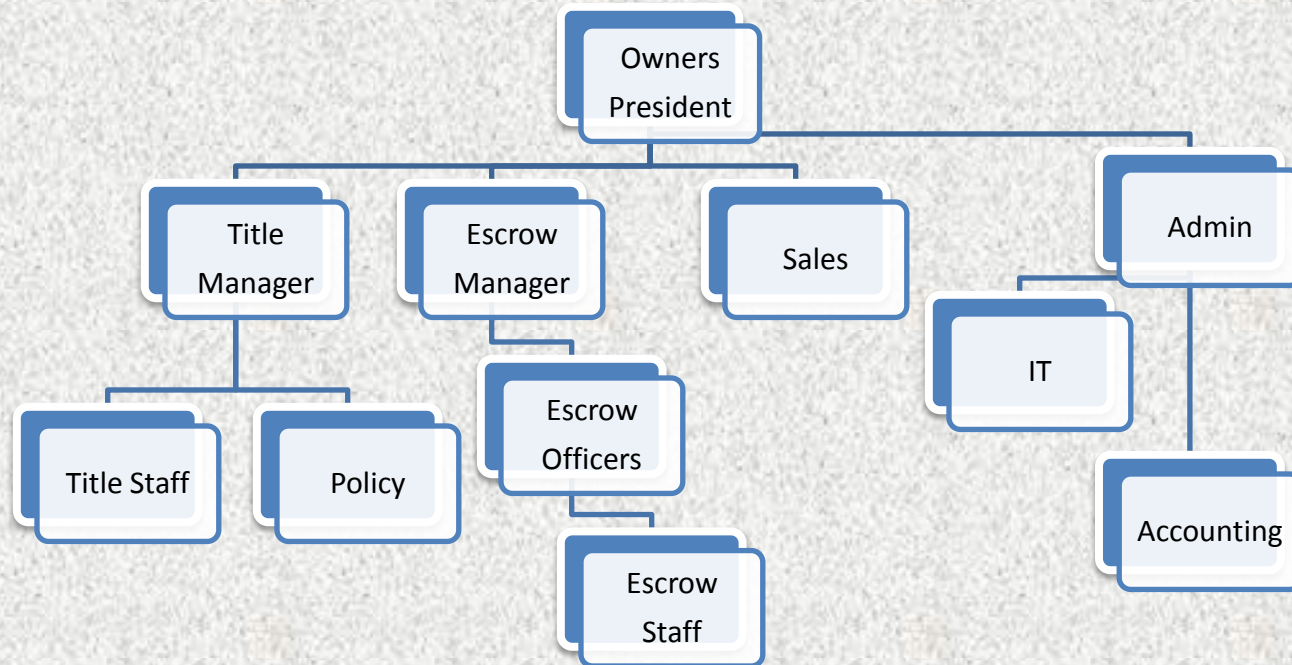
BECAUSE YOU CAN PLAN ALL THE PARTS

WHEN YOU RE-ENGINEER AN EXISTING CAR

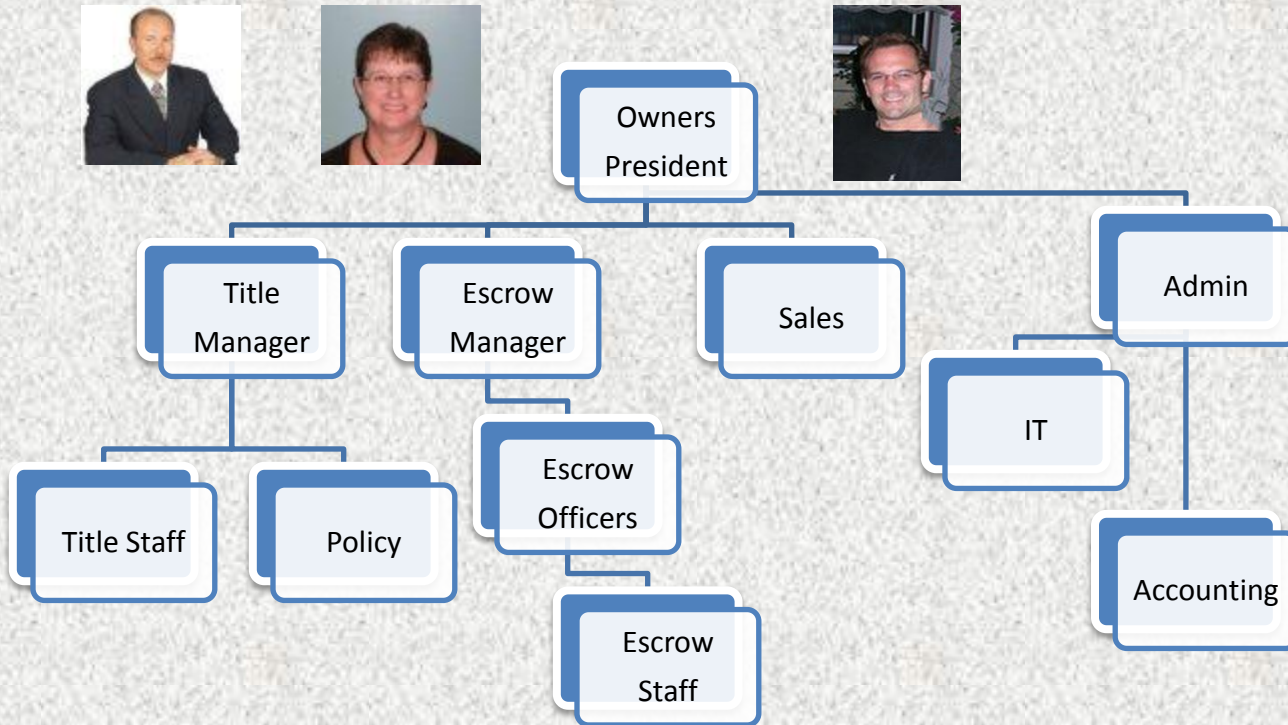## YOU HAVE TO CONSIDER / START WITH THE CURRENT PARTS

A COMPANY'S CULTURE
PEOPLE & SYSTEMS

HOW A COMPANY WORKS IS DETERMINED BY THE PEOPLE IN EACH JOB

A COMPANY IS PEOPLE


```
                              ┌──────────────┐
                              │   Owners     │
                              │  President   │
                              └──────┬───────┘
        ┌────────────┬──────────────┼──────────────┬─────────────────┐
   ┌─────────┐  ┌─────────┐    ┌─────────┐                      ┌─────────┐
   │  Title  │  │ Escrow  │    │  Sales  │                      │  Admin  │
   │ Manager │  │ Manager │    └─────────┘                      └────┬────┘
   └────┬────┘  └────┬────┘                              ┌──────────┴──────────┐
    ┌───┴───┐        │                              ┌─────────┐        ┌────────────┐
┌───────┐┌──────┐ ┌─────────┐                       │   IT    │        │ Accounting │
│ Title ││Policy│ │ Escrow  │                       └─────────┘        └────────────┘
│ Staff ││      │ │ Officers│
└───────┘└──────┘ └────┬────┘
                    ┌─────────┐
                    │ Escrow  │
                    │  Staff  │
                    └─────────┘
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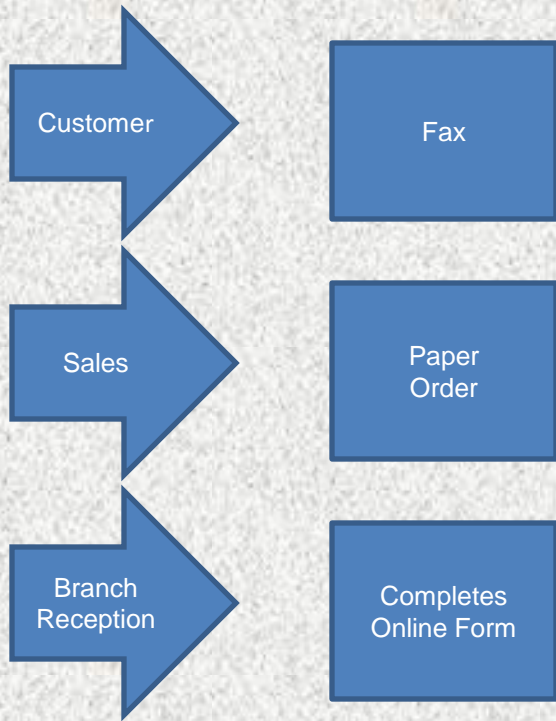# HOW A COMPANY WORKS IS DETERMINED BY THE PEOPLE IN EACH JOB

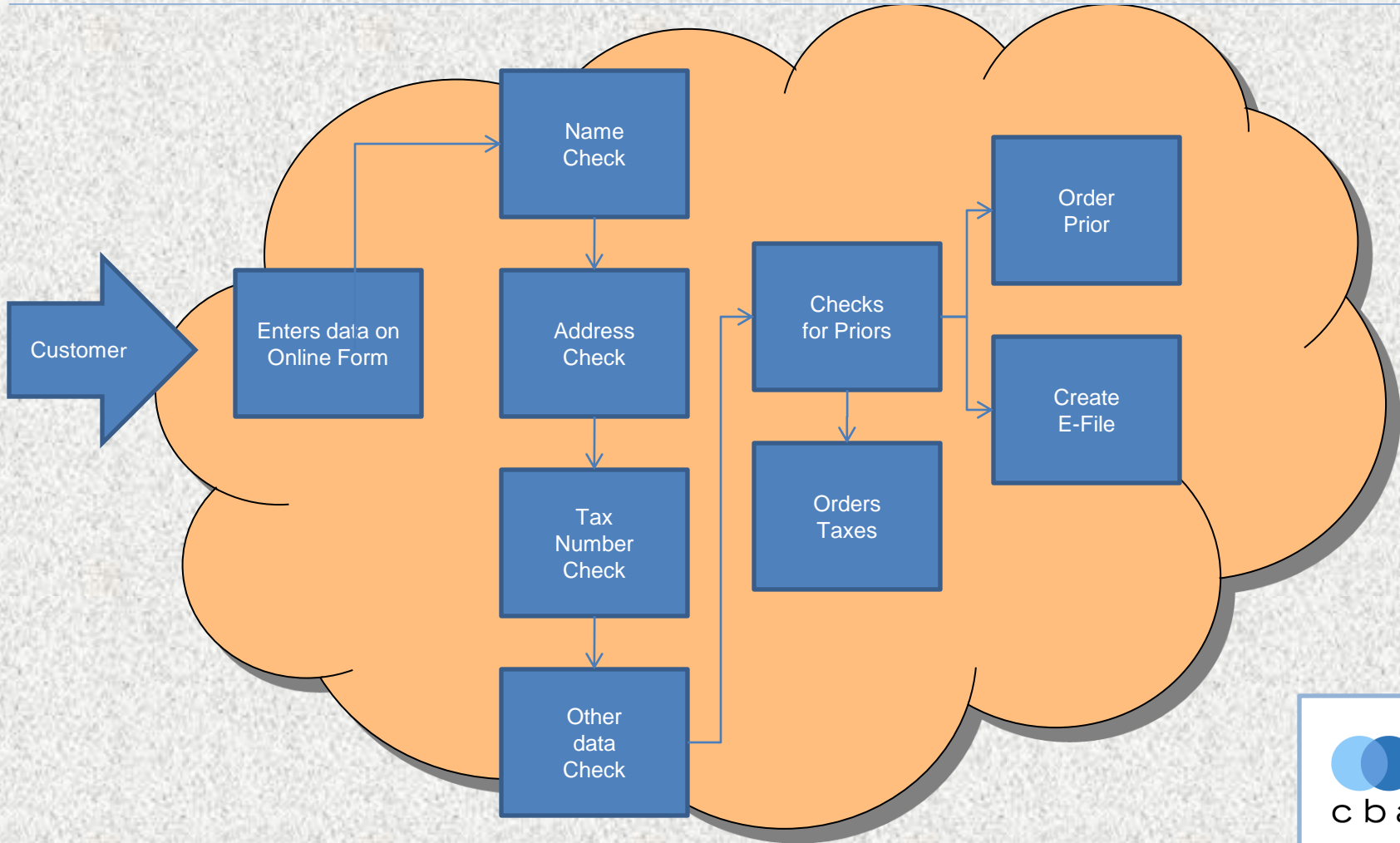# A COMPANY IS MADE UP WITH SYSTEMS

- Reception
- Order Entry
- Search
- Examination
- Commitment production / communication
- Scheduling
- Escrow Processing
- Closing
- Policy
- Customer service
- And a dozen others…

CURRENT ORDER ENTRY SYSTEM

Customer

Sales

Branch Reception

Fax

Paper Order

Completes Online Form

Order Entry

Enters Data

Checks for Priors

Orders Taxes

Creates Files

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FUTURE ORDER ENTRY SYSTEM

ASSESS READINESS

Evaluate the Readiness of each person in your organization

CONDITION	YES	NO
Does not actively oppose change efforts	✔	
Does not passively resist change	✔	
Job is secure and will follow	✔	
Will change if minimal disruption to work	✔	
Agrees with the need for change	✔	
Believes change is possible	✔	
Accepts change readily	✔	
Dissatisfied with present state		✔
No coaching or training is necessary	✔	
Able and confident	✔	
Already Changing		✔

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ASSESS READINESS

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Accepts change readily		✔
Dissatisfied with present state		✔
No coaching or training is necessary	✔	
Able and confident	✔	
Already Changing		✔

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COMPANY READINESS

- Translate individual buy-in and readiness into Company readiness

COMPANY READINESS

Able and confident
5%

Already Changing
3%

No coaching or training necessary
7%

Dissatisfied with present state
9%

Accepts change readily
9%

Believes change is possible
10%

Agrees with the need for change
12%

Actively opposed to change
7%

Slow to change - passive resistance
11%

Job is secure and will follow
15%

Will change if minimal disruption to work
12%

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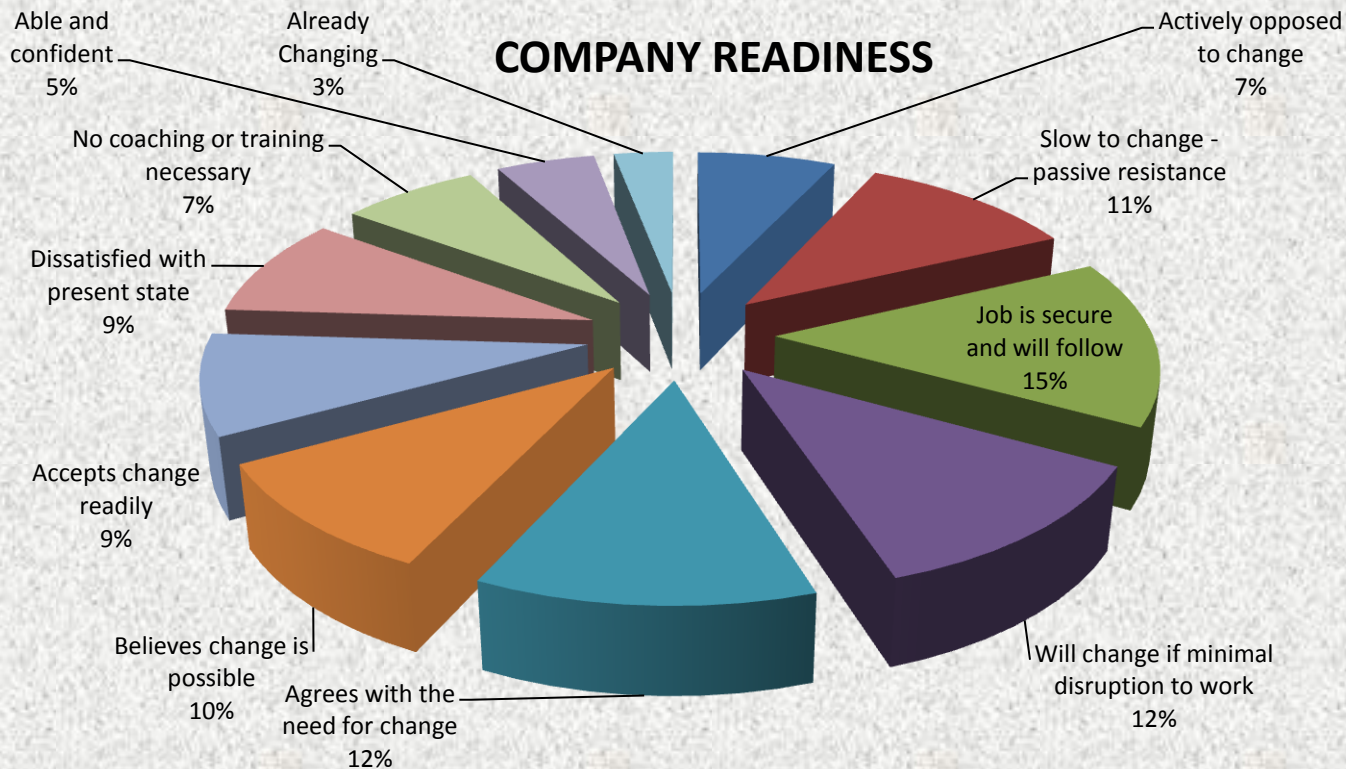
COMMUNICATE THE VISION

- What you can do:
  - Create a communication plan.
  - Talk often about your vision.
  - Apply your vision to all aspects of operations – from training to performance reviews. Tie everything back to the vision.
  - Openly and honestly address peoples' concerns and anxieties.
  - Lead by example.

START SMALL

- By definition, small changes should be ones that can be accomplished with little planning, with little instruction, by just telling employees, and with little new learning.
  - For example, teaching the receptionists to answer the phones the same way. Getting everyone to answer the phone the same way.
  - Have managers conduct a monthly meeting using a template.

REMOVE OBSTACLES

- What you can do:
  - Identify change leaders whose main roles are to deliver the change.
  - Look at your organizational structure, job descriptions, and performance and compensation systems to ensure they're in line with your vision.
  - Recognize and reward people for making change happen.
  - Identify people who are resisting the change, and help them see what's needed.
  - Take action to quickly remove barriers (human or otherwise.

CUT THE DEAD WOOD

- To help a failing tree:
  - Add nutrients to the roots and cut the dead wood

- To help a healthy tree grow:
  - Cut interfering or unnecessary limbs
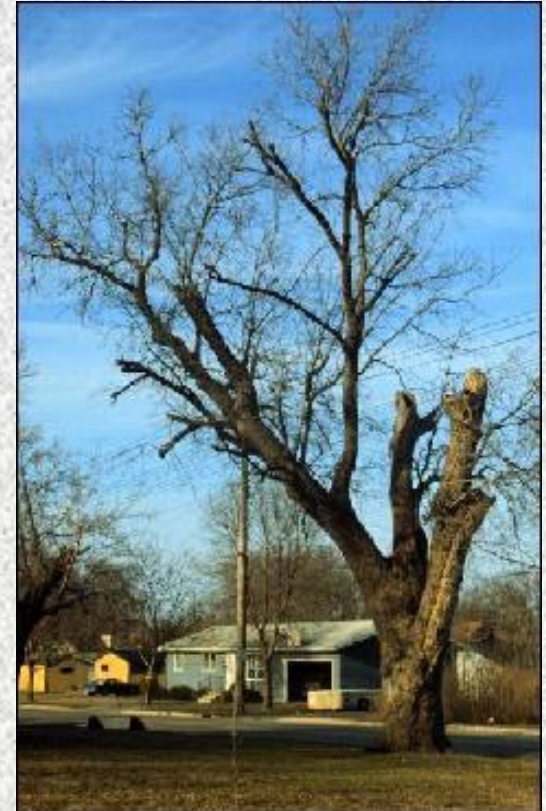
RESISTANCE TO CHANGE

- In most companies, it is the managers who are most resistant to change.

- For some reason, companies that are doing the worst, often cling to the past the most and their people will resist even the smallest change.

RESISTANCE TO CHANGE

- For most people, resisting change is natural regardless of the level of change.

- The degree of resistance a person puts forth often is an indication of the person's perception about how the change will affect the person, i.e., the more it affects me, the more I resist.

- In many cases, the person's fear far exceeds the reality of what will happen.

RESISTANCE TO CHANGE

- Change almost always appears threatening to a part of the work force if it involves:
  - Loss of job security.
  - Loss of familiar patterns of behavior.
  - Loss of control, predictability, or power.
  - New skills and procedures to learn.
  - New people to work with.

INCREMENTAL CHANGE

- Answer the phone the same way.
- Create a monthly communication e-mail.
- Have everyone spell check their e-mails.
- Hold regular (monthly) meetings.
- Have all managers greet customers.
- Develop a look – dress the same.
- Paint and redecorate your office.
- Create a consistent impression in each lobby.
- Change something customers will notice.

LARGE CHANGE PROJECTS

- Centralize order entry and customer service functions.
- Centralize title production and combine search, exam and commitment production functions.
- Centralize escrow processing and post closing functions.
- Develop off hour\off site-closing procedures, including weekends, incorporating new electronic technology.
- Map out your customer points of contact and develop a "WOW" customer service approach.
- Eliminate redundancies in a work flow.
- Develop standards for each unit / department.

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LARGER CHANGE PROJECTS

- Combine escrow processor and closer functions into one position.

- Develop a mobile closing team.

- Train staff in customer service and hospitality.

- Provide customers with an order entry application for their smart phones.

WHY CHANGE EFFORTS FAIL

- Leadership is delegated.

- Management is not visible.

- Communication is insufficient.

- The plans for change are conceived behind closed doors.

- Staff perceive that change is not critical.

- Options and alternatives are not fully explored.

- Change implications are not taken into account.

- Resistance to change misdiagnosed.

- Tracking is absent.

- Training and coaching needed.

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CHANGE IS NEVER SIMPLE

- LEADERSHIP IS A MUST
- HAVING A PLAN HELPS
- CREATING BUY-IN IS ESSENTIAL

   – But…in the end,

CHANGE IS OFTEN ABOUT HOW YOU START

HOW YOU GET PEOPLE TO SEE A SITUATION
DIFFERENTLY AND THEN
ACT DIFFERENTLY

IDEAS FOR CHANGE

1. Identify one aspect of your company that needs to (must) immediately change.
2. Identify one small thing (area, procedure, behavior, person) you would like to change.
3. Identify one big thing (area, function, process, procedure) you would like to change.
4. What do you need to get started?
5. What is your greatest barrier to change?

IT IS WHAT IT IS PRESS
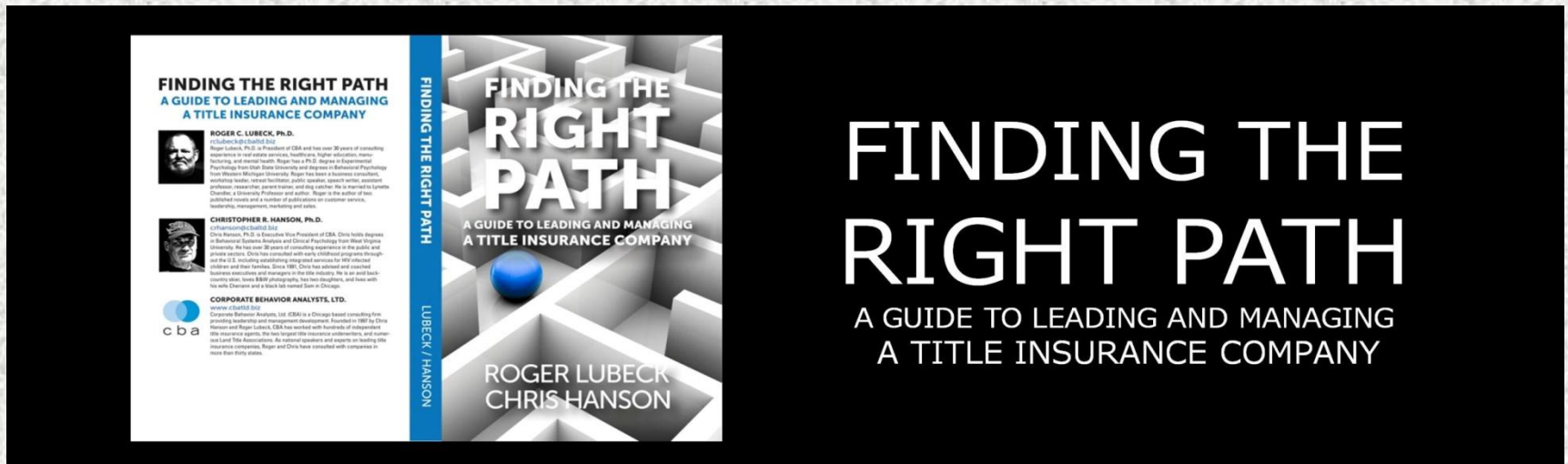
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