





## GUIDANCE

This document is prepared to break the unit material down into bite size chunks. You will see the learning outcomes above treated in their own sections. Therein you will encounter the following structures;

### Purpose

Explains *why* you need to study the current section of material. Quite often learners are put off by material which does not initially seem to be relevant to a topic or profession. Once you understand the importance of new learning or theory you will embrace the concepts more readily.

### Theory

Conveys new material to you in a straightforward fashion. To support the treatments in this section you are strongly advised to follow the given hyperlinks, which may be useful documents or applications on the web.

### Example

The examples/worked examples are presented in a knowledge-building order. Make sure you follow them all through. If you are feeling confident then you might like to treat an example as a question, in which case cover it up and have a go yourself. Many of the examples given resemble assignment questions which will come your way, so follow them through diligently.

### Question

Questions should not be avoided if you are determined to learn. Please do take the time to tackle each of the given questions, in the order in which they are presented. The order is important, as further knowledge and confidence is built upon previous knowledge and confidence. As an Online Learner it is important that the answers to questions are immediately available to you. Contact your Unit Tutor if you need help.

### Challenge

You can really cement your new knowledge by undertaking the challenges. A challenge could be to download software and perform an exercise. An alternative challenge might involve a practical activity or other form of research.

### Video

Videos on the web can be very useful supplements to your distance learning efforts. Wherever an online video(s) will help you then it will be hyperlinked at the appropriate point.

# Contents

INTRODUCTION .....	2
GUIDANCE .....	3
Defining Change .....	6
Incremental Change .....	7
Annual Change .....	7
Step Change .....	7
Metamorphosis or Major Change .....	7
Other ways of Defining Change .....	10
Developmental Change .....	10
Transitional Change .....	10
Business Turnaround .....	10
Business Restructuring .....	11
Business Redesign or Business Process Re-engineering .....	11
Reasons for Change .....	11
Prepare for Change .....	12
Understanding Change Management Terminology .....	12
Assessing the Reasons for Change -Influences from the Internal and External Environment .....	13
Environmental Scanning .....	13
Analysing the Operating Environment .....	14
The SWOT ANALYSIS Framework .....	16
Organisational audit: SWOT analysis, benchmarking indicators. ....	16
Porters Five forces .....	21
Bostin Matrix .....	23
Understanding change .....	26
Application of the change management model .....	31
ADKAR Model for Change Management .....	32
Kubler-Ross Change Curve .....	35
McKinsey 7s Model .....	36
PDCA model .....	38
Bridges Transition Model .....	39

Systems and Processes.....	40
Benefits of Change .....	40
Being a Change Leader .....	43
Instigating Change.....	43
Driving and Managing Change .....	43
Reaction and Resistance to Change .....	44
Positioning Change Management .....	46
Evaluating Change.....	47

SAMPLE

## Business Restructuring

Business restructuring is a term used to describe a situation where a business seeks to become more profitable by changing the structures of the business. Structure in this context might include the business finances, ownership and legal status of the business or organisation of the operational structure including possible divestment of assets. It is a repositioning of the business to ensure its ongoing viability.

## Business Redesign or Business Process Re-engineering

Business redesign or Business Process Re-engineering (BPR) are terms used to describe radical departure from current ways of operating. Major or step change is implemented following a total redesign of business processes and systems. BPR starts from a 'blank sheet of paper' to produce efficiency and effectiveness, especially in terms of quality, cost, and response time, assuming that the required improvement could not be achieved through development of existing systems.

## Reasons for Change

### Challenge

Consider the reasons why organisations will need to change. Now complete the table below with examples of three different types of change that have taken place, or are taking place, in your organisation:

	1	2	3
Description of change and type			
Identify the reasons for the change			
Positive outcomes of the change			
Negative outcomes of the change			

Drivers for change might include some or all of the following:

- New technology
- Government legislation
- The appointment of a new chief executive or senior figure(s)
- Changes in business strategy
- Customer demand for new and improved products and services
- Internally driven improvements in productivity and/or profitability
- Need to reduce costs and/or become more efficient
- Financial recession
- Local and (increasingly) global competition
- Competitor innovation
- Product obsolescence
- Loss of market share or Increases in demand
- Entry into new markets
- Loss of revenue
- Higher taxation
- Mergers and take-overs
- Organisational inefficiency.

#### Example

For example, a reduction in the annual budget for a given department within an organisation might be addressed in a number of ways: money could be saved by reducing the number of people employed within the department or by changing the output in some way or, possibly, by doing less of whatever the department does.

## Prepare for Change

Change management models help organisations prepare for upcoming changes. Whether you are working on large company-wide changes or updating processes within your department, the right tools make planning for even the broadest of changes within an organisation becomes possible.

### Understanding Change Management Terminology

Change Management has evolved over the past several years with Change Management Models, Processes and Plans developed to help ease the impact change can have on organisations.

Question

So, what is a Change Management Model, a Change Management Process and a Change Management Plan and how do they differ?

**Change Management Models** have been developed based on research and experience on how best to manage change within an organisation or in your personal life. Most Change Management Models provide a supporting process that can apply to your organisation or personal growth.

**Change Management Processes** include a sequence of steps or activities that move a change from inception to delivery.

**Change Management Plans** are developed to support a project to deliver change. It is typically created during the planning stage of the Change Management Process.

## Assessing the Reasons for Change - Influences from the Internal and External Environment

Kotter (2012) describes 'change' as a process of altering the way in which things are done. Change is necessary to allow organisations to continue to improve and to develop their procedures and systems, and to respond to other influences. All organisations need to respond to both internal drivers (such as over-reliance on existing methods) and external drivers (such as a change to legislation) in order to achieve goals and support continuous improvement.

The success of your organisation will rely on the ability of the leadership team and employees to respond effectively to the need for change because of internal or external influences and factors.

To enable assessment of the reasons for change you will first need to consider the drivers of change - i.e. what is creating the need for change and then consider how those drivers will impact your organisation. Taking a proactive approach involving ongoing analysis of the competitive environment gives organisations a significant advantage if they can respond quickly to changes in the competitive environment. Looking outwards to detect changes in the business environment is known as environmental scanning.

### Environmental Scanning

The first step to leading change effectively is to clearly evaluate the need for change. You can do this by examining the internal and external drivers for change. The external factors are usually reviewed as part of an 'environment scan' described in the terms of PESTLE: Political, Economic, Social, Technology, Legal and Environmental factors.

Senior and middle managers should aim to sit and put together new ideas from within the workforce: they take the lead in identifying where the business or organisation needs to be in the future. Organisations and businesses that understand the environment in which they operate, and which are responsive to, and anticipate, factors that will affect the way business is done are those that flourish and survive difficult