**Introduction to Change**

Firms will experience new laws, taxes, changes in ‘customers’ tastes, changes in technology, changes in staff and changes in the activities of the competitors.

**External Change:**

“It happens to you”

Change is happening all the time in the external environment and the job as a manager is to anticipate such change and prepare for it

Nature of the change and the significance of any particular change will depend on the industry

Significance of change for any firm will depend on the particular circumstances of the firm

Sources of change:

* PESTLE
* Competitors
* Supplies
* Buyers
* Providers of Substitutes

**Internal Change:**

Staff may want higher rewards or to be more involved in decision making

Require changes in the way a firm is manager

Changes that affect a firm from the inside

**Analysing Change:**

Consider the nature of the risk of the change

Some changes are slow and can be planned and expected; some are sudden and less predictable

Firms may not realise their market is disappearing

Changes can create undesirable outcomes (threats) or desirable outcomes (opportunities)

Effect of any change depends on what it is, internal position of each firm, quality of the management and the extent to which the change was expected are prepared for

Proactive v Reactive Approaches:

Proactive: Looking ahead and anticipating change wherever they can

Reactive: Waits for change to happen and then responds

Changes can’t be avoid

Marketing Myopia: Describes firms that are short sighted and miss the trends developing within their markets (Theodore Levitt)

**Internal Causes of Change**

**Changes in Organisational Size:**

Internal change can occur as a result of the challenges and opportunities of growth

Owners want the firm to grow cause they:

* May benefit from economies of scale
* Have more power over their markets
* Will be safer from takeover
* Will have more status

Internal growth occurs when the firm sells more of its products

Internal growth is slower than external growth

Adjusting During the Growth of a Firm:

Managers must examine the firm’s structure and the roles of the people within the firm

Stages:

1. Start as a sole trader; found is the boss and they make all the major decisions
2. As the firm continues to grow more people will get hired to deal with the increased demand
3. If growth continues the firm may develop a more formal structure within the firm that clearly defines what each job involves
4. People at the top of the firm are now less-directly involved with the day-to-day work, senior managers must now delegate and let others do the front line work

The ‘transition from boss to manager / leader’ can be difficult; they find it hard to remove themselves from direct contact with the job

Managers who can relinquish control inevitably place a block on the size of the firm

Keeping Control of a Growing Firm:

As a firm grows it naturally becomes more difficult for managers to keep control of all of its activities

Budgeting helps managers plan and monitor what is being spent

Appraisals provide a good opportunity to review progress and set new targets

A system of management by setting clear objectives help to ensure everyone is working towards the same goals

Good communication is essential:

* Employees, suppliers and investors must be kept informed so they are clear about what is happening
* Communicating with customers will allow the firm to meet their precise needs

As a firm expands the owners ability to actually do the job himself becomes less significant, they have to delegate

Successful delegation:

* Good people around
* Effective plan of where the firm is going and what everyone has to contribute to this
* Ensure the systems in place control performance

**External Growth:**

Occurs when one firm decides to expand by joining together with another

Takeover: Gaining control of a firm by acquiring a controlling interest in its shares (51%)

Merger: Joins with another firm to form a new combined enterprise, shares in each firm are exchanged for shares in the other

Types of Integration:

Horizontal:

One firm joins with another at the same stage of the same production process

Allows for greater market share

Achieves economies of scale

Opportunity to enter a different market segment

Vertical:

One firm joins with another at a different stage of the same production process

Forward Vertical is when the other firm is at a later stage

Backward Vertical is when the other firm is at an earlier stage

Allows for a firm to control key stages of the production process

Guarantees access to a market

Gains control of supplies

Conglomerate:

When firms in different marks join together

Spreads risk as operating in several markets makes you less vulnerable to changes in any one

The manager me be entering a market which they have no experience in

Problems Following a Merge or a Takeover:

Culture clash between the firms

Conflicting values regarding key areas

Differences in payment

Diseconomies of scale

Firms join and become bigger and so communication is more of an issue

Lack of a common sense of purpose / focus

Demotivation as employees do not share information and cooperate

Computer systems turn out to be incompatible

Employees do not share information and cooperate

“Bigness, in both business and life, can lead to a lack of focus, too much complexity and in the end, too wide a spread to control”

Big deals are driven by managers by demand for greater sales – they want to the show made the firm grow

Cost of a Firm Being Took Over:

Depends on its perceived value, which depends on the assets of the firm and how they believe they can be utilise

Balance sheets ‘book value’ of the firm, this value may be inaccurate due to:

* Assets not valued
* Assets valued at historical cost
* Window dressing
* Not up-to-date

To ensure shareholders are willing to sell shares a premium will be paid, the extent of which depends on the extent it believes there will be gains in economies of scale or synergy

Risk involved depends on the nature of the takeover:

* Welcomed: the firm will give information
* Hostile: the firm will have no inside knowledge

Going International:

Firms can also grow by expanding overseas

It provides new marketing opportunities when further expansion in the domestic market may be difficult

The decision to sell overseas can be a difficult one to take

Problems:

* Usual expansion problems
* Dealing with exchange rate fluctuations
* New legislation
* Having to familiarise itself with market trends and consumer behaviour

Process:

1. Firms begin to sell abroad by exporting
2. Firms may then extent its operations with an agent with more insight in the market, paid via commission
3. Firms may then join up with a local producer and either give or sell a license to allow the products to be made there and benefit from local knowledge whilst keep distribution costs down
4. A firm may then set up its own factory abroad and produce for itself despite the high levels of investment

Many firms fail to fully understand the business abroad and have to withdraw or perform badly

Financing Growth:

Internal:

* Retained profits
* Sale of assets

External:

* Overdraft
* Mortgages
* Loans
* Share issues

Growth may therefore lead to changes in ownership and / or changes in the amount of debt the firm has

Growth and Cash Flow:

Over-time investment should lead to more sales and cash inflow, but in the short term the firm may have to plan carefully to avoid cash flow problems:

* A loan
* Ensuring debtors pay on time
* Delaying payment to supplies as long as possible

Overtrading occurs when a firm has too much money invested in building up stocks or has spent too much acquiring bigger premises and, as a result, has liquidity problems

Growth, therefore, will require careful planning to ensure that liquidity does not become a problem

Retrenchment:

There will be times when the managers decide to shrink the firm

Because of lack of demand / problems controlling large scale firm

When managers withdraw from a market

Involves:

* Closures
* Sale of different divisions
* Redundancies

May pull out of a market:

* Demand no longer exists
* Cannot manage of larger scale
* No longer has competitive advantage
* Wants to raise money

Should consider:

* How decision is communicated to the media and potential investors
* Consultation with employees to ensure they understand the reasons why the firm is shrinking and how they will be affected

**Impact of new Owners and Leaders:**

Owners and leaders want to manage the way the firm is run

New leaders want to make changes as they have different visions

They have a different view of how to achieve particular goals

Individuals have different experiences, values and leadership styles and therefore want to change the way things are done

New managers are often brought in precisely to bring about change because of the failure of a previous strategy

Differing Expectations of Employees:

Nature of the workforce has changed:

* Employees are getting older
* Employees are better educated
* More families have both parents at work
* Greater concern about the work life
* Workforce is more diverse

The change in the nature of the workforce has affected what employees expected about how they want to be treated and motivated

**Poor Business Performance:**

At any moment a firm will be in a temporary equilibrium where the forces for change are exactly balanced by the forces resisting change

Resisting forces:

* Cost
* Opposition from staff
* Extra work involved

For change to occur there must be greater pressure for change of the resistance to change needs to decrease

Greater pressure to bring about change is often caused by poor performance as managers want to do something about it; it can also help employees understand why the change is necessary

Typical changes:

* Replace some staff
* Restricting
* New processes and systems
* Mergers or takeovers

**Greiners Stages of Growth:**

Greiner

There are 5 stages of growth:

1. Creativity
2. Direction
3. Delegation
4. Coordination
5. Collnatoration

Creativity:

Entrepreneurs may have created a new product or process and the firm’s structure is fairly informal

Frequent and regular communication between employees

Not highly paid, but employees want to be part of the firm as it grows

Greater complexity

Direction:

A traditional functional structure is an adopted at this stage, clarifying who does what and avoid overlap

Roles are more defined

Budgets are set to determine how much is spent

Delegation:

When a firm decentralises and lets local regions or divisions make more decisions and react to local markets conditions

Lack of control over separate units

Coordination:

Formal planning from the firm as a whole with key functions centralised

Large number of centralised forms and controls developed, causing red-tape crisis

Collaboration:

Teams work independently, but do collaborate

Cross functional teams proves a common sense of purpose and work on projects that different units have in common

Danger of crisis requiring some restricting of some change in management style

**Planning for Change**

A corporate plan sets out what the firm as whole is trying to achieve and how it intends to achieve this:

* Corporate objective
* Corporate strategies

These must be turned into specific objectives for each function

**SWOT Analysis:**

Strengths and weaknesses of a firm are internal and relate to the present situation

Opportunities and threats facing the firm are external and in the future

Managers will consider:

* How to build on its strengths (Internal Audit)
* How to exploit its opportunities (Internal Audit)
* How to protect itself against threats (External Audit)
* How to protect itself from its weaknesses (External Audit)

Value of Corporate Planning:

Makes sure that managers are looking ahead and thinking about what they want to achieve and how

All other plans can be derived from the corporate plan

A plan can become out of date so it’s necessary to ensure the firms has a flexible approach to planning and keeps revisiting the original plan

**Emergent Plans:**

The end result of planning is often different from those initially intended. Firms often end up with a different strategy from the one that was intended as conditions change

Without planning and review you will not know where you are headed and where you are at any moment

With a plan you can estimate the knock-on effect, amend your arrangements without necessarily disrupting the overall plans

**Planning Needs Reviewing:**

Management is the “process of getting things done though others” (Steward)

* Planning where the firm is going
* Organising the resources needed
* Coordinating those resources
* Reviewing progress and changing the plan if necessary

Planning is only part of the management process, plans can fail because:

* It is not implemented properly
* Progress wasn’t reviewed properly

The success of a corporate plan also depends on the resources available – effective management means you have the staff, money, equipment and materials required to implement it

It is also important to assess the progress of the plan at regular intervals:

* Informal
* Formal:
  + Budgets
  + Variance analysis
  + Employee appraisals

By reviewing, changes can be made to get things back on track

**Levels of Planning:**

Detailed planning necessarily fails due to chance events and problems in executing the plan

Managers must rely at times on their feelings on what needs to be done quickly, and must be prepared to jettison a plan that is no longer appropriate

Some of the detail of any plan may be change as conditions turn out to be different from those expected

Understanding the overall strategy and objectives and know your resources so they can make the right decisions at any moment

**Contingency Planning:**

This type of planning occurs when a firm prepares for unlikely events

Plans might include:

* Using 2 supplies for the same part or component
* Paying a fee to be able to use computer facilities / office space elsewhere
* Training employees in several tasks
* Ensuring new products are in development

Firms can’t afford to have a contingency plan for every possible event that might happen, managers must decide what is worth preparing for and how many resources to put into it

The greater the likelihood of an event and the greater the potential damage, the more likely a firm will plan for it

A plan should provide a sense of direction and enable each element of the firm to see how it should contribute

Firms must continuously examine their own operations and their environment to check that they are prepared for possible changes in the future

A contingency plan doesn’t mean a firm is safe from disaster

Impact of a Crisis:

A very stressful time and can cause panic

When managing a crisis it is important to:

* Identify the facts quickly
* Establish good communication to ensure everyone is reacting in the same way
* Have the authority and resources to make decisions quickly

**Scenario Planning:**

Managers try to image possible scenarios that might develop

Think of what the world may look like in the future

Managers then work on how these scenarios might affect the firm and the implications for their strategy

Schwartz: “stories that can help us recognise and adapt to changing aspects of our present environment. They form a method for articulating the different pathways that might exist”

Competences: Activities are processes which uses resources in a way that gains a competitive advantage because others can’t easily imitate them

**Leadership**

**Leaders and Managers:**

A leader is someone who has followers who want to follow their direction

A manager is someone who has been appointed to run the /part of the firm

Kotter:

* “leadership and management are two distinctive and complementary systems of action...both are necessary for success”
* A manager is someone who gets things done, focuses on the present and is responsible for implementing the decisions of others
* Leaders are people who are followed, who have a vision for the future and clear sense of direction

Drucker: A leader has the ability to generate a commitment and is capable of the ‘lifting of people’s vision’

A leader is often brought in to make a change

**What Makes a Good Leader?**

Trait Theories:

Identify qualities that successful leaders possess

If we can identify a set of traits that all leaders have then we should be able to identify future leaders by looking at what they are like

Stodgil Traits:

* Adaptable
* Ambitious
* Assertive
* Decisive
* Dependable
* Dominant
* Energetic
* Persistent
* Self-confident
* Tolerant
* Willing to assume responsibility

Behavioural Theories:

Focuses on how a leader behaves, trying to identify the right way of leading rather than what the leader is like as a person

Dimensions:

Considerate Style: focuses on the well being of subordinates

Initiating Structure: focuses on defining and planning work

Blake Moulton Grid:

Examines management styles in terms of their concern for tasks and concern for people

Task Focused: A leader who focuses on getting the job done no matter what they are

Country Club Leadership: Pleases a great deal of emphasis on the task and little on the person

Impoverished Leadership: Low concern for both the task and person

Middle-Of-The-Road Leadership: Equally ‘middle’ focus on both the task and the people

Team Leadership: High focus on the task and the people

Leadership Styles:

Autocratic:

* Tell their employees what to do
* Make decisions quickly
* Demotivated staff

Democratic:

* More consultation with employees
* Slower decision making
* Better quality

The Tannenbaum Schmidt Continuum:

Manger-Centred Leadership: lots of management authority and little subordinate freedom

Subordinate-Centred Leadership: Lots of subordinate freedom and little use of manager’s authority

Contingency Approach:

Recognises that the ‘right’ leadership style depends on the nature of the:

* Leader
* Subordinates
* Task

The style of leadership needs to be adopted at different times according to the situation

There is no generic right leadership approach

Transactional and Transformational Leaders:

James Brown

Transactional Leaders: Influence subordinates behaviour by the way of a bargain

Transformational Leaders: Get subordinates to change their goals, needs and aspirations

**McGregor’s Theory X and Y:**

Theory X Managers:

Assumes workers:

* Are lazy, dislike work and are motivated by money
* Need to be supervised and controlled
* Have no wish or ability to make decisions or take responsibility
* Are not interested in the needs of the firm

Theory Y Managers:

Assumers:

* Workers have different needs, enjoy work and seek satisfaction
* Workers will organise and take responsibility for themselves
* Poor performance is likely down to monotonous work or poor management
* Works wish to, and should, contribute to decisions

**Why do we Follow Leaders?**

A leader is someone who is followed voluntarily rather than someone that makes other follow them

Different sources of power:

* French and Raven
* Legitimate Power from position
* Reward Power from the ability to give benefits
* Coercive Power from being able to force it upon someone
* Referent Power from respect
* Expertise Power from knowledge and intelligence

**Why do Leaders Matter?**

Leaders provide the vision that drives a firm forward

Makes difficult decisions and force though difficult change

Inspire and push through change

In a crisis, people look to a leader for guidance and to show them what to do

Limitations:

Resistance from employees who fear they will be worse off

Resources available

Extent to which people understand the need for change

Support from the board directors

**Mintzberg and Management:**

Henry Mintzberg

Senior managers are very busy with heavy work loads

Their work is fragmented, moving from one task to another

Managers focus on short-term immediate problems

Managers seldom get out and about

Managers control little of what they do day-to-day

Senior managers are very pushed and shoved by day-to-day emergencies and don’t know have much time for calm, logical planning

**Culture**

The values, attitudes and beliefs of the people working

“The way we do things around here” (Ouchi)

“The collection programming of the mind” (Hoftstede)

Different departments, levels and groups within a firm may all have their own way of doing things – key areas will define the overall culture

**How Can Cultures Differ?**

Entrepreneurial:

People are highly valued for trying something, even if it doesn’t work

Values people who ‘think outside the box’, tries new approaches and shows initiative

Bureaucratic:

Want people to stick to the rule and not make decisions for themselves

Customers Focused:

Clearly value their customers

Staff are expected to put themselves out to make sure the customers’ expectations are met

Conservative:

Tendency to avoid risks

Safe decisions are taken and before any new ideas are accepted there is extensive research

Short run and Long run:

Firms focusing on the short-term may not be willing to invest much in training and development

Firms looking towards the long term may plan years ahead and may be willing to sustain loses in a market in order to build brand awareness

**Types of Culture:**

Deal and Kennedy:

Analysed firms in terms of speed of feedback and reward and the risk involved:

* Tough-Guy Macho Culture: Rapid feedback and rewards but high risk
* Work Hard, Play Hard Culture: Rapid feedback and rewards and low risk
* Process Culture: Slow feedback and rewards with low risk
* Bet-The-Company Culture: Slow feedback and reward but with high risk

Handy’s 4 Culture Model:

Power:

Most common in relatively small, owner run firms

One dominant person, or group, who makes the decisions and employees refer to them if want to know what to do

Can lead to decisive leadership, quick decision making and a consistent approach

Encourages employees to become reliant on the boss and not make decisions for themselves

Role:

Very common in firms as they begin to grow and adopt a more formal culture

Relies heavily on rules and procedures

Senior managers know what is going to happen because employees do what they have been told to

Task:

Value of an individual is a project depends on their expertise

Teams are formed for a particular project and individuals are brought into these as and when they can contribute

Person:

Groups of well-qualified individuals who respect each other skills and knowledge

Individuals are fairly self reliant and can make decisions for themselves

Significant of a National Culture:

Hofstede

5 Major dimensions that can describe a national culture:

* Power distance
* Uncertainty avoidance
* Individualism v collectivism
* Masculinity v femininity
* Long term orientation

**What Determines Culture?**

Originally derived from the attitudes and values of its founders

Comes from the views of those who were already there and this then influences who joins the join

Employees will affect the culture as they own ideas will affect the thinking that goes on in the firm

Investors will demand certain standard and forms based on what’s happening elsewhere or experience

Reward system

Experiences of all stakeholders

Mission Statement

**Why Does Culture Matter?**

Determines how employees will behave in any given situation

Unwillingness to take risks can lead to missing out o marketing opportunities

Risk taking excessively can also be dangerous

It determines:

* What people do
* How they work together
* How much effort they make
* What they strive for

Determines how the firm ‘ticks’

**How can you Change Culture?**

You need to change what people value and what they believe is important

If the changes are proved to be beneficial people will change their attitudes

Ways to promote change:

* Offer incentives for those who agree and start adapting
* Punish those who don’t adapt
* Educate people about the benefits and reasons for change
* Reassuring people about the change
* Proving resources enables people to prepare and train for change
* Focus on key people to get the support

**Levels of Culture:**

Schein

1. Artefacts: the visible level of culture
2. Stated Beliefs and Values: beliefs of employees about the work they do and issues they face
3. Underlying Assumptions: assumptions that are deeply held by employees; these will determine the stated beliefs

**Making Strategic Decisions**

**Decisions:**

A decision involves a specific commitment to action (Boddy)

Making a decision will involve:

* Knowing what you are trying to achieve
* Considering the opportunity cost
* Committing resources to a course of action
* Uncertainty about what will actually happen

**Types of Decision:**

Programmed Decisions: Deal with problems that are familiar and where the information required to make them is easily to define and obtain; the situation is well structured and there are often established procedures, rules and policies (Simon)

Non-Programmed Decisions: Deal with situations what are unstructured and requires a unique solution; these are unusual decisions that may be risky (Simon)

Strategic Decisions: Long-term and involve a major commitment of resources and are difficult to reverse; as they involve new problems that tend to be non-programmed decisions

Tactical Decisions: About how to implement a strategy, they are short term and involve fewer resources; these are more regular and involve less uncertainty

**Scientific Decision Making:**

Gathering data and analysing it before making a decision

Should reduce the risk of error because decisions are based on information –depending on the quality of the data

Types:

* Breakeven analysis
* Ratio analysis
* Investment appraisal
* Correlation analysis

Process:

1. Recognising a problem or opportunity
2. Setting objectives
3. Setting decision criteria and ranking their importance
4. Developing and identify alternatives
5. Choosing and implementing a course of action
6. Reviewing the effectiveness of the decision

Decision making is a dynamic process with a continual review and assessment of what has been done and what needs to be done

Scientific Approach:

Rational and logical decisions are based on information not a hunch

Managers try to understanding the environment in which they operate:

* Macro-environment:
* Economic
  + Political
  + Legal
  + Social
  + Environmental
  + Cultural
  + Technological
* Micro-environment:
  + Competitors
  + Supplies
  + Buyers
* SWOT Analysis:
  + Strengths
  + Weaknesses
  + Opportunities
  + Threats

Decision Trees:

Tries to eliminate the possible outcomes of different courses of action and work out the likelihood of these occurring

Combing possible outcomes with the probability of them happening, managers can compare the likely financial consequences of different decisions

Requires managers to give everything a financial value; in reality there may be factors in a decision that are difficult to value

Influences on Corporate Decision Making:

Success of a particular style of decision making in the past

Nature of the industry and the firm

The risk involved

Corporate culture, mission and objectives

Ethics of a decision

Resources available

Problems Making Decisions:

Every decision will involve different stakeholders and their conflicting interests – the more ou need a stakeholder the more influential they are

The data may be insufficient or inaccurate

Data may be incomplete

Overlooked key data

Change has made the data out-of-date

Limitations of Scientific Decision Making:

Data is not always reliable

Insufficient time, money or resources

Likely to be somewhat influenced by gut feeling

Not everything has a financial value

3 types of decision making (Mintzberg):

* Thinking
* Feeling
* Doing

**Corporate and Functional Strategy:**

Types of Strategy:

Ansoff Matrix:

Highlights where a firm operates, which products in which markets

Market penetration

Market development

Product development

Diversification

Porter:

Decides what customers want and ways of being effective

Differentiation

Low Cost

Focus

Competitive advantage is formed by:

* Offering more benefits
* Offer the same benefits cheaper
* Offer less benefits for a lot less

Why Strategies can go Wrong:

Difficult to estimate what is going to happen in the future

Implementation may be more difficult than imaged

May now have resources to see the plan through

**Information Management:**

Information helps managers decide what to do how to do and decide if it worked

Getting it right matters because:

* Resources are limited
* There’s an opportunity cost
* There are competitors who could do it right

Information can be used as a resource to help a firm compete

Information:

Data consists of raw unanalysed facts, figures and events

Information comes from data than has been processed so that it has a meaning

The quality of the information depends on:

* Reliability
* Time
* Quantity
* Relevance

Information management involves the collection and management of information from one or more sources and the distribution of that information to different individuals

Competitive Advantage:

Provides a better insight into the nature of the customers

Stock management

Know what resources are being used and how, what they cost and how effective they are

Identify where the firm is at the moment

Evaluate different strategies

Review results

Information Systems:

A set of people, procedures and resources that collect and transform data into information and disseminates it

Uses:

* Enterprise resource planning
* Customer reliability management:
  + Gathering customer data quickly
  + Identify valuable customers
  + Increase customer loyalty
  + Reduce costs of meeting customer needs
  + Make it easier to acquire similar customers
* Identify changes in conditions quicker
* Respond more quickly to change
* Make better decisions
* Reviewing progress

Managing Information:

Decide what information is needed

Decide how to store the data

Decide who can access it and how

**Implementing and Managing Change**

**Why is Change Necessary?**

Managers must prepare for this change and ensure they adapt to it when it has happened

Standing still is dangerous and may lead to competitors exploiting market opportunities more effectively than the firm

To play to their strengths and to avoid threats, firms must continually review what they are trying to achieve and how to do this

**Brining About Change:**

At any moment in time there are some forces pushing and resisting change (Lewin)

A firm is at equilibrium when the forces are balanced

To bring about change managers need to increase the driving forces and decrease the restraining forces

**Why do People Resist Change?**

Kotter and Schlesinger:

* Self interest
* Misunderstanding and a lack of trust
* They prefer the status quo
* They don’t think the new idea will work

Resistance can come as:

* A lack of effort
* Demand for more pay
* Refusal to use new systems
* Demand for extended discussion to slow the process down

Zeira and Avedisian:

* The openness and readiness for change will depend on how dissatisfied employees are with the present situation

**Why Else Might Change not Happen?**

Lack of resources:

* Money
* Skills
* Time

Managers didn’t recognise the need for change

What Happens if you do Not Change?

The danger is you’ll get left behind

Standing still is dangerous

**Why can Change go Wrong?**

Krotter:

* Too much compliancy
* Failing to build a substantial coalition
* Underestimating the need for a clear vision
* Failure to communicate the vision
* Allowing things to get in the way and delay change
* Not planning of achieving short term wins
* Declaring victory to soon
* Not anchoring changes in corporate culture

Using following sequences for successful change (Krotter):

* Motivate change
* Create a vision
* Develop political support
* Managing the transition
* Sustaining momentum

**Successful Change:**

Change is most likely to be successful if:

* Those affected by the change are involved in brining it about
* Those involved feel they have an opportunity to air their views
* The benefits of the change are made clear, to those involved
* Individual few able to cope with the change

To bring about successful change:

* Educate employees on why it’s necessary
* Reassure employees that it will work and provide training
* Win support from key people
* Reward those who agree and punish those who don’t
* Force the change through

**SARAH:**

Change generates reactions of:

* Shock
* Anger
* Rejection
* Acceptance
* Help

Managers need to recognise these steps and help people move through them quickly

**Project Management:**

Requires particular skills to make sure that a project is completed on time

This is the process of ensuring the targets are met

What is a Project?

Occurs when an individual / team attempts to accomplish a specific objective by completing a set of integrated tasks

A project has:

* An objective
* A series of independent tasks
* Resources to be used
* A specific time frame
* A degree of uncertainty

The challenge of a project manager is to prevent, anticipate and overcome unforeseen circumstances – this will involve planning:

* The different stages of the project
* The order the stages must take place in
* Who’s in charge of each stage
* The costs involved and the time allowed

Involves a range of skills and the ability to:

* Communicate
* Organise
* Set financial targets
* Deal with conflict
* Negotiate
* Lead and inspire
* Build a sense of teamwork

Project stages:

1. Define the objectives
2. Allocate responsibilities
3. Fix deadlines
4. Set budgets
5. Monitor and control

**Internal Support:**

To bring about a successful completion of a project a firm will need internal support

Project Group: ‘Multi-functional’ team from different areas of the firm that might be affected to get different perspectives

Constructive criticism and debate is good and it will flag up ideas and problems

**Factors that Promote or Resist Change:**

Clarity of objectives

Appropriate and sufficiency of resources

Appropriateness of training

Degree of resistance

Impact on employees

Skills and commitment of employees

Effectiveness of teams

Nature of the organisational structure

Macroenviroment