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Change management: 2 key models to deliver meaningful results



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At MYOB, we know change management is critical for ongoing value delivery in any organisation. In this article, Leanne Berry discusses two fundamental systems we know can work.

As the saying goes, ‘when the going gets tough, the tough gets going’. True of so many things, we’ve seen how this cliché plays out in the business space time and time again over the past few years.

From global pandemics to environmental disasters, war and now the impacts of quickly rising interest rates, the business community seems to be moving directly from one set of issues to the next without time to catch their breath.

Likewise, the advisors to those businesses, the accountants, bookkeepers, lawyers and financial advisors have all been working tirelessly in support of their clients; working late to learn about new legislation or think through previously unprecedented contingencies – the past couple of years have been exceptionally hard graft for them, too.

But, as we can clearly see, the one constant in all of this is change. The individuals and businesses that are most adaptable are those most likely to survive, if not thrive, when the ground is shifting beneath them.

For organisations, that’s where change management practices come in, offering business managers the ability to get proactive when it comes to reinvigorating and reinventing their systems and processes.



What is change management?

Change management is the set of processes and practices that deliver change in an organisation. It has become an accepted field of business management based on the common understanding that real, meaningful change is usually difficult and can cause severely negative outcomes if managed poorly.

Recently, MYOB's General Manager of Enterprise, Kim Clarke penned an article for [Kochie's Business Builders](#), offering tips for bigger businesses in uncertain times and touching on a fundamental element of change management in the process.

“Building in a level of adaptability and a change muscle into your culture – as a mindset and a business capability – is the hallmark of a resilient business that is primed for growth,” she wrote.

In other words, if you're planning on growing your organisation (and, if you're an advisor, your clients'), then you should be planning on change management.

Clarke's words also indicate you should be approaching change management on two fronts: from a mindset perspective and an operational one.

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Kim Clarke
MYOB's General Manager of Enterprise

Examples of change management in business

As we've established, regardless of how many case studies there are depicting monumental, discrete change management initiatives, most lasting change is ongoing and iterative.

That's why MYOB Community Relations Manager for Accountants, Jody Sitters believes the best change management projects aren't designed to be 'set and forget'. And, she'd know, having worked with many small business clients as well as other accounting professionals to deliver many change management initiatives throughout her career.

"Having witnessed the evolution of technology in the field of accounting over the past couple of decades has given me a wealth of experience in change management," says Jody.

"I've probably seen about as many examples of 'what not to do' as I have best practice cases, but the most important thing is the willingness to change in the first place.

"It's the businesses and business managers that never attempt to change their ways at all that eventually have the biggest issues."



Jody Sitters - MYOB Community Relations Manager

WMS Advisory

One MYOB example that Jody is keen to highlight is the case of WMS Advisory, a Gold Coast-based firm that's been in operation now for almost 30 years.

"This is an accounting firm that understands the value of updating technology and processes in a timely fashion," says Jody.

"Last year, we migrated their bank feeds into Connected Ledger at their request – the entire process went through without a hitch due to their positive approach to change."

You can read more about this [MYOB-specific example of change management here](#).

Lego

At the other end of the spectrum, Jody highlights Lego's transformation after the turn of the millennium as another memorable example of change management.

In this case, Lego had realised its potential as a manufacturer of children's toys and was losing pace, apparently nearing bankruptcy in 2004.

"The company went through a digital-led revival," says Jody. "By focusing more on bridging the gap between online and offline experiences, they're able to grow their market share by capturing a new generation of kids."

A much more detailed take on this example is provided in [Brick by Brick: How Lego Rewrote the Rules of Innovation](#).

Microsoft

Another heavy hitting tale of change, Microsoft's about-turn under the leadership of Satya Nadella is a perennial favourite.

"It has all the hallmarks of a great case study: it's big, it's complex and there's a lot on the line," Jody tells us.

"But it's also much more than that. The Microsoft revival is interesting because it wasn't a straightforward technological change that was required – it was the cultural change that makes that story so interesting."

When Nadella was named CEO of Microsoft in 2014, the computing giant had become notoriously siloed and internally competitive. Since that time, Microsoft has overtaken Apple and Google as most valuable company in the world.

"A large part of Nadella's success has been due to his knack for reprioritising innovation in the business, but it all started with his approach to shifting cultural attitudes."

'Culture eats strategy for breakfast,' Nadella writes in his book, [Hit Reset: The Quest to Rediscover Microsoft's Soul and Imagine a Better Future for Everyone](#).

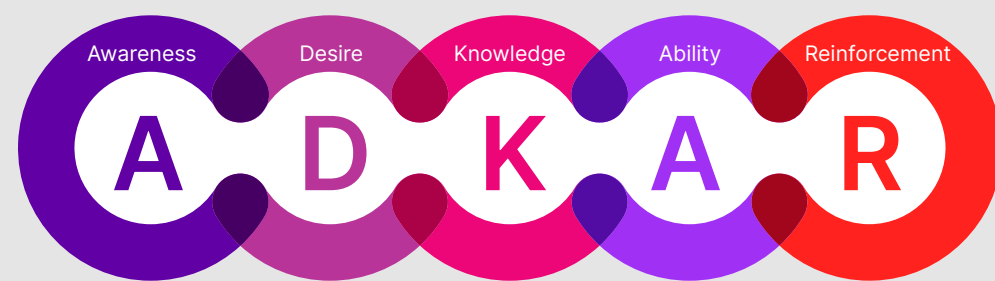
2 models combine for change management success

At MYOB, we train leaders in our organisation to approach both aspects of change management in order to deliver the best results in their teams for our business and, ultimately, for our customers.

“The first aspect of baking in change and agility into an organisation is to consider what individuals need in order to change,” says Jody. “For this, we observe Prosci’s ADKAR model.”

ADKAR® model explained

The word ADKAR is an acronym, used to describe the five elements of the model, which is designed to offer perspective, motivation and clarity for an individual within a broader change management process. Those five elements are:



Awareness	Desire	Knowledge	Ability	Reinforcement
<p>Individuals need to be aware of the need for change in order to effectively partake in it.</p> <p>The awareness element includes an understanding of the nature of the change required, the reason why it’s needed, as well as what risks are inherent should change not occur.</p>	<p>Individuals also should ideally desire to support the required changes at hand, whether it’s because it aligns with their personal motivations, or due to organisational drivers that support the change (such as goals, rewards and recognition).</p>	<p>Moving into the more practical elements of the model, knowledge regarding how to deliver change is both obvious and critical to success.</p> <p>Managers should consider the knowledge, skills and behaviours required by individuals during and after the period of change.</p>	<p>The result of knowledge, individuals will also need to demonstrate the ability to affect change in their work and the organisation.</p> <p>This element also entails understanding and addressing any barriers that may be preventing or inhibiting change from occurring.</p>	<p>The final element recognises the need for mechanisms that keep the change in place, once it’s been made.</p> <p>Organisational processes like goals, rewards and recognition should also be considered in how they reinforce any hard-won changes.</p> <p>“Once this entire model is understood and undertaken for the change you intend to deliver, the next step is to build out a process for implementing said change,” explains Jody.</p> <p>“For this, we use our own model, creatively entitled the MYOB Change Model.”</p>

MYOB Change Model explained

As a cyclical process, the MYOB Change Model is useful for not only executive simple change management initiatives, it can also be used for ‘always-on’ or ongoing change management, which is becoming more relevant for businesses and their advisors trying to succeed in an increasingly changeable marketplace.

“Covering four main phases, the MYOB Change Model focuses on taking simple steps that lead to tangible results,” says Jody.

The MYOB Change Model represents how we as an organisation implement changes on an ongoing basis.



1. Assess – ‘Understand the change’

During the assessment phase, you’ll work through the detail of what is changing and the proposed solution.

This is the time to think through all elements of the ADKAR® model, to understand what the current state, future situation and any resulting gaps for all stakeholders might look like.

This stage is also ideal for weighing up how ready everyone is to take on the challenge of changing.

3. Do – ‘Implement the change’

Pretty self-explanatory, this is the point at which you take action and begin putting your schedule of change management initiatives into play.

Be prepared for flexibility at this point. As with most activities, a plan often needs to change once the rubber meets the road. Be open minded and sensitive to the needs, desires or concerns of staff and customers during this time and pivot your plans if needed.

2. Plan – ‘Plan for the change’

At this stage, you’ll need to begin identifying the key activities required to implement change and develop a strategy to achieve them.

For example, your change management plans may include the following key aspects for delivery:

- Communications (internal and external)
- Training and upskilling
- Sponsorships and partnerships
- Coaching and mentoring
- Resistance management

4. Sustain – ‘Review and reinforce the change’

How effective were your change management initiatives? Now’s the time to take a step back and take stock of your situation.

By gathering feedback from all stakeholders and spending some time analysing them, you’ll undoubtedly reveal plenty of useful insights to incorporate back into the change management process and continually uplift your business as a result.

Get comfortable with change management

Whether you're flying solo as a professional or managing a large and growing organisation, now's the time to get comfortable with change.

Not only is the rate of change increasing in almost all business sectors, agility has also become a defining factor for success – both as a business and as individuals.

So whether you recognise the need for new systems and processes in your business, or you simply need to get better at handling change in your own work, begin using the above frameworks to both shift your mindset and your operations today.





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