
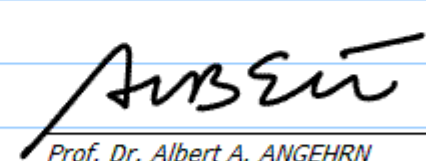
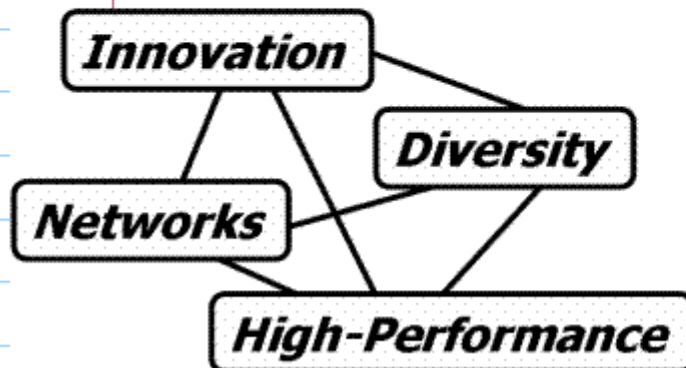


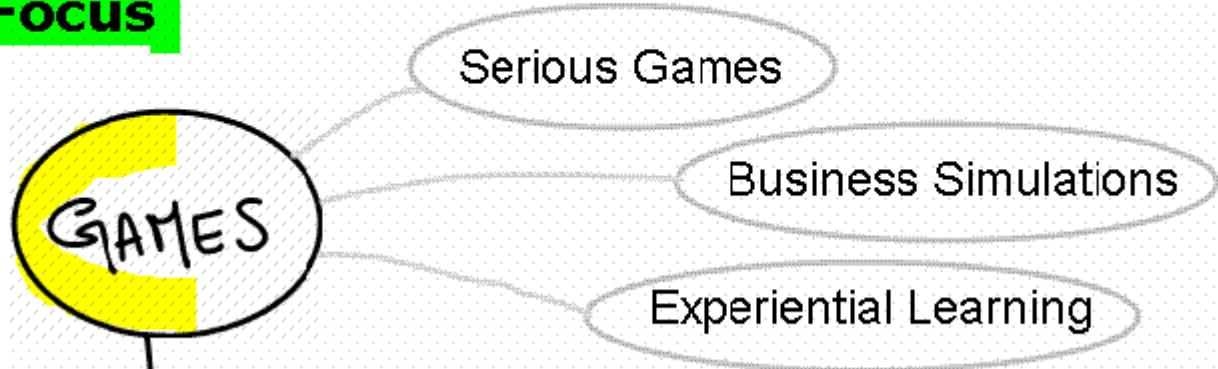


The Challenge of Leading Change



Prof. Dr. Albert A. ANGEHRN
Professor of Information Technology and Entrepreneurship
Director, Centre for Advanced Learning Technologies (CALT)
INSEAD, The European Institute of Business Administration
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Our Focus



Effective Management Education ▶ in Business Schools
▶ in Organizations



About SmallWorld Simulations ...

Key difference from traditional simulations

A realistic scenario

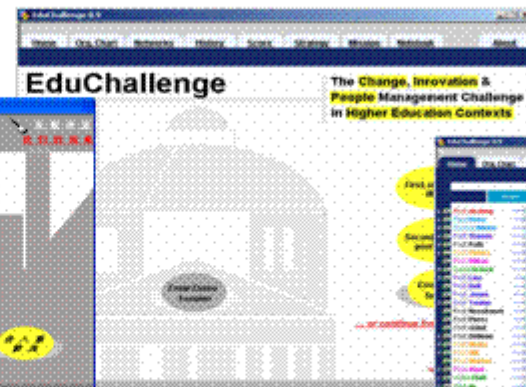
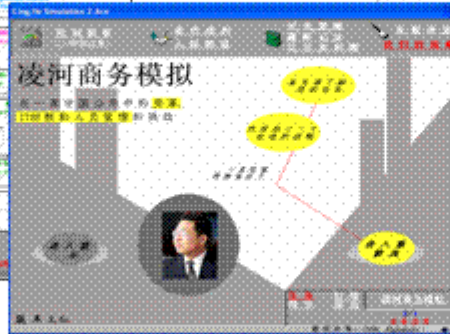
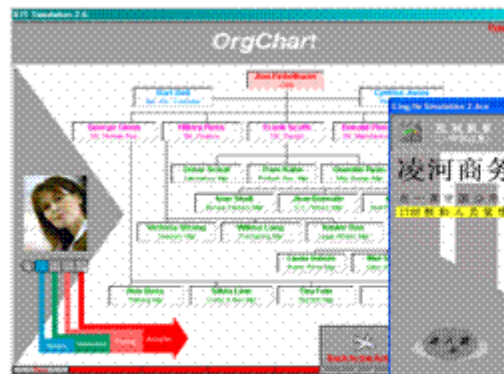
A challenging mgmt mission

A set of believable characters

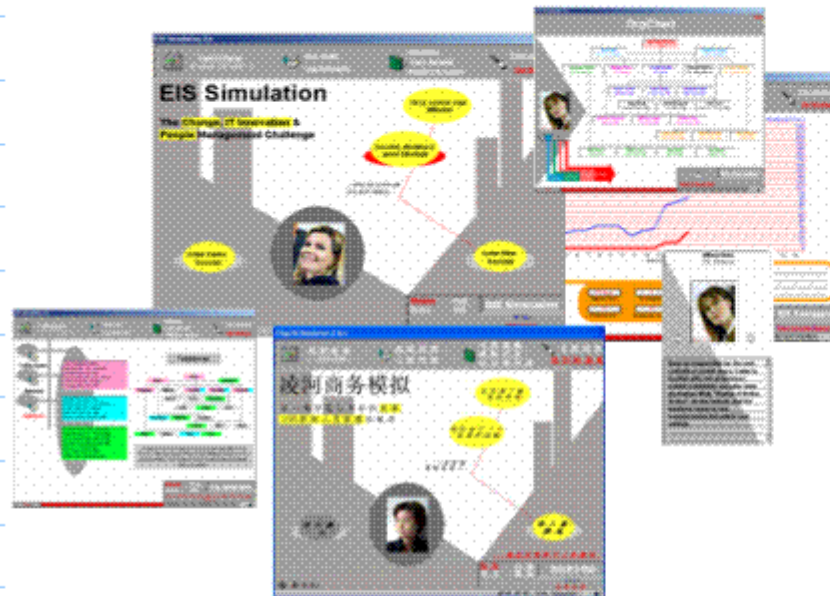
A range of managerial actions

A realistic dynamic (reflecting different organizational dynamics, including psychological and motivational, organizational and cultural factors, knowledge integration dynamics and technological opportunities and constraints)

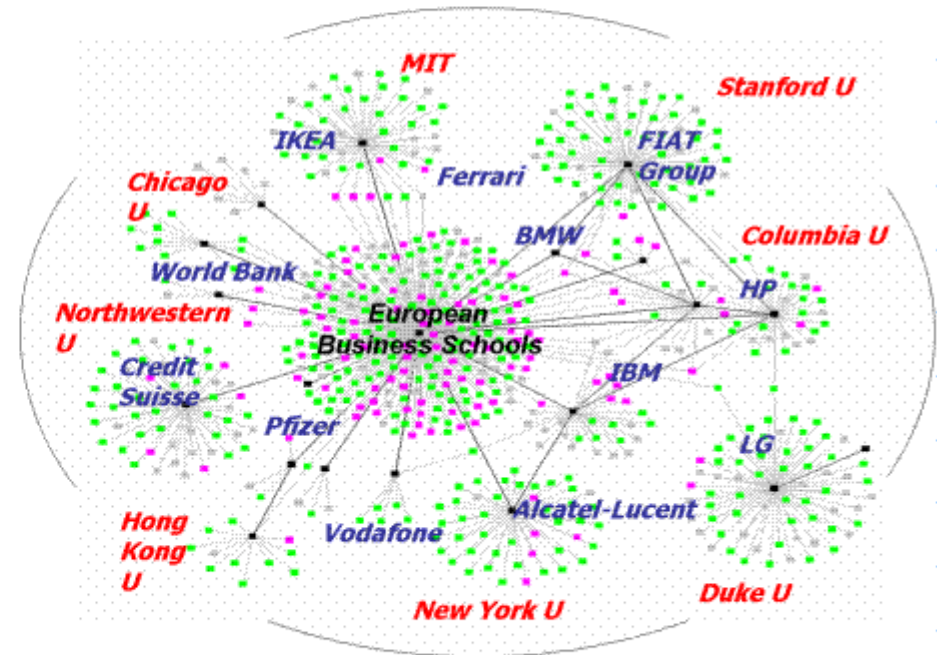
Key difference from traditional games



Changing how we address Change



Serious Games From Traditional to Experiential & Collaborative Learning



Impact on:



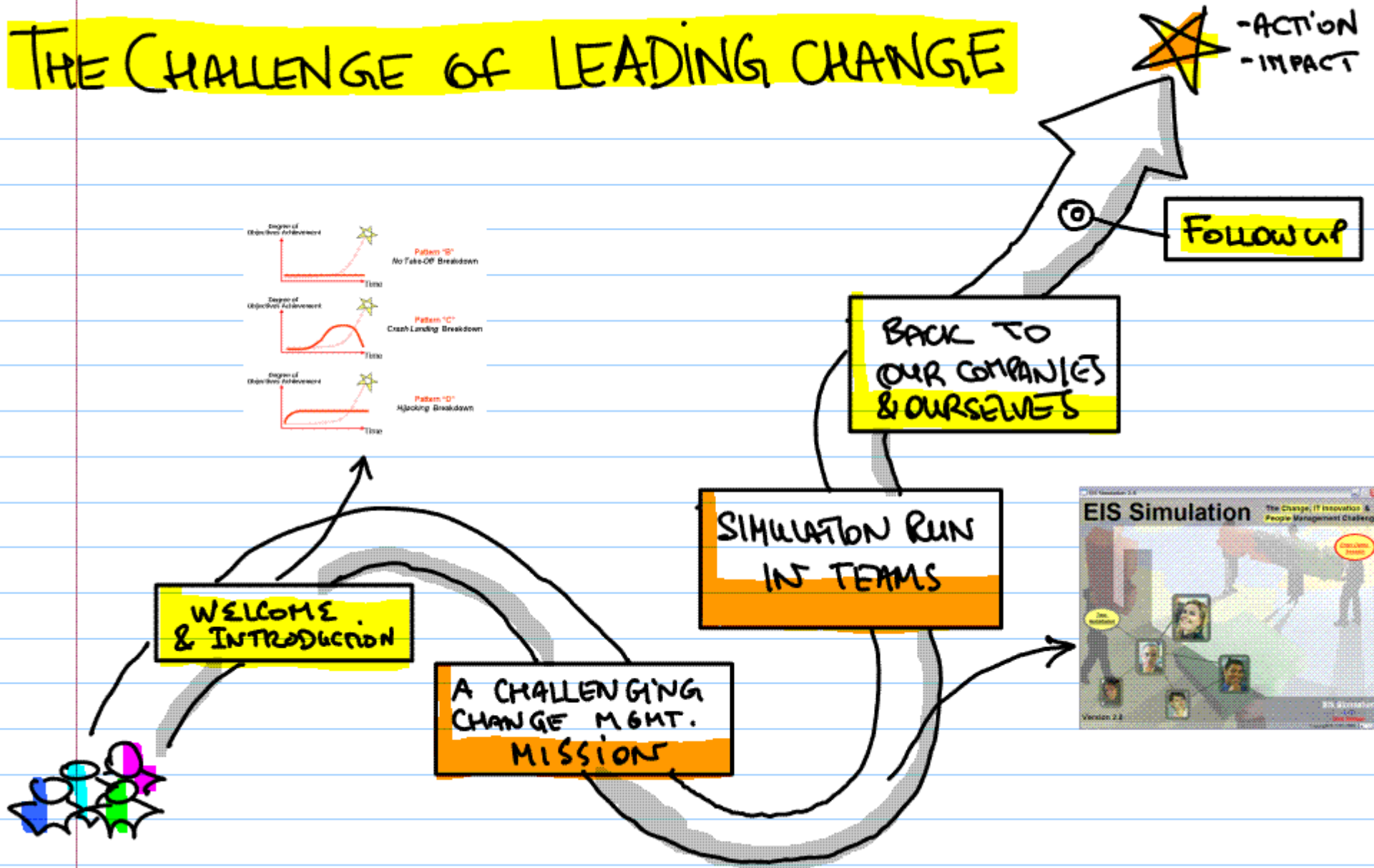
Individual
Change Competencies



Organizational
Change Readiness

Evidence of **IMPACT** in management world

THE CHALLENGE OF LEADING CHANGE



Striving for **High-Performance**

Business Process Reengineering

Activity-based Costing/Mgmt

Benchmarking

Matrix Structures

Project-based Organisation

Mergers & Acquisitions

Empowerment

TQM

Time-based Competition

Network Organisations

Cross-functional Teams

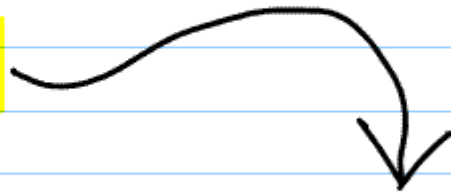
e-Everything

... Customers/Suppliers Relationship Mgmt (CRM),
Supply Chain Mgmt (SCM), Knowledge Mgmt (KM), ...



*... and the "sad" **Evidence***

Change is Necessary!



**But Change, in Reality,
is **VERY HARD!****

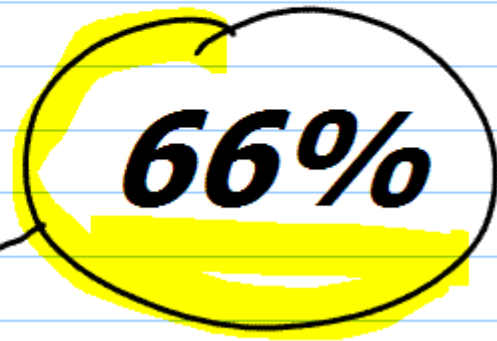
75% of all transformation efforts fail

50-75% of "re-engineering" projects fail

Failure rates are higher (78%) when IT involved

The **Innovation** Challenge

**Critical Factor of
Global Competitiveness**
(BCG 2005-07)



**"One of our Top 3
Strategic Priorities"**



... and ROI?

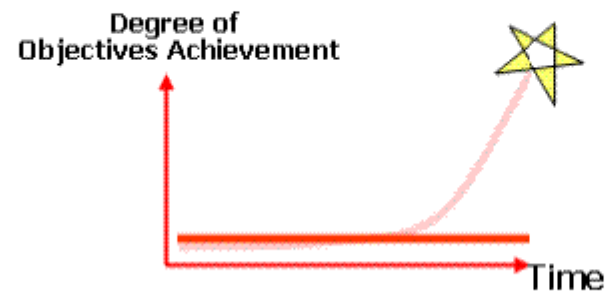
"Our Top One!"

Our **Expectations**



Pattern "A"
*Successful Change/Collaboration
Pattern*

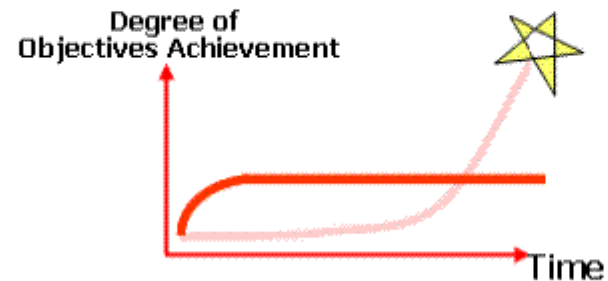
... and what we typically get



Pattern "B"
No Take-Off Breakdown



Pattern "C"
Crash Landing Breakdown



Pattern "D"
Hijacking Breakdown

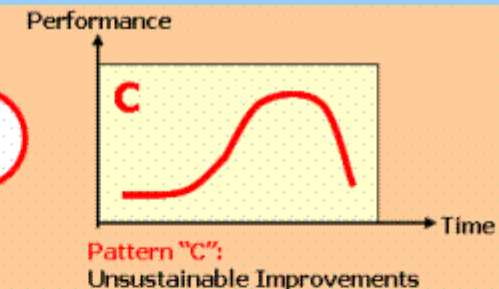
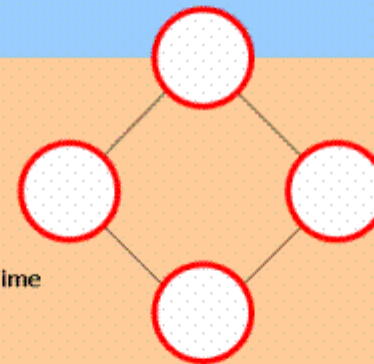
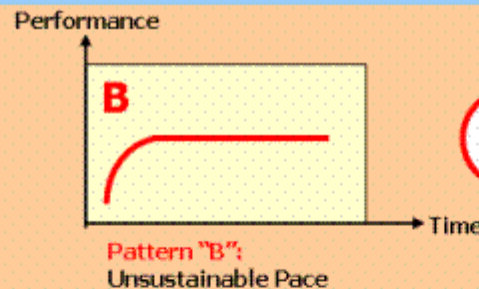
Taking **Change Patterns** seriously

Knowledge Exchange



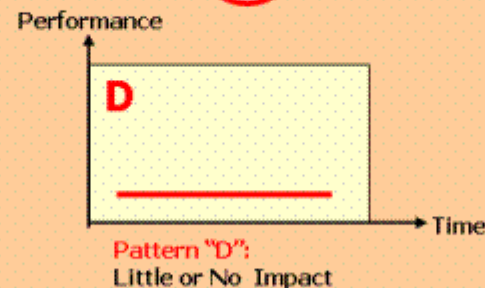
Learning Opportunities

- Resistance Dynamics
- Diffusion Dynamics
- Cultural/Cont. Factors



Learning Opportunities

- Resistance Dynamics
- Diffusion Dynamics
- Cultural/Contextual Factors

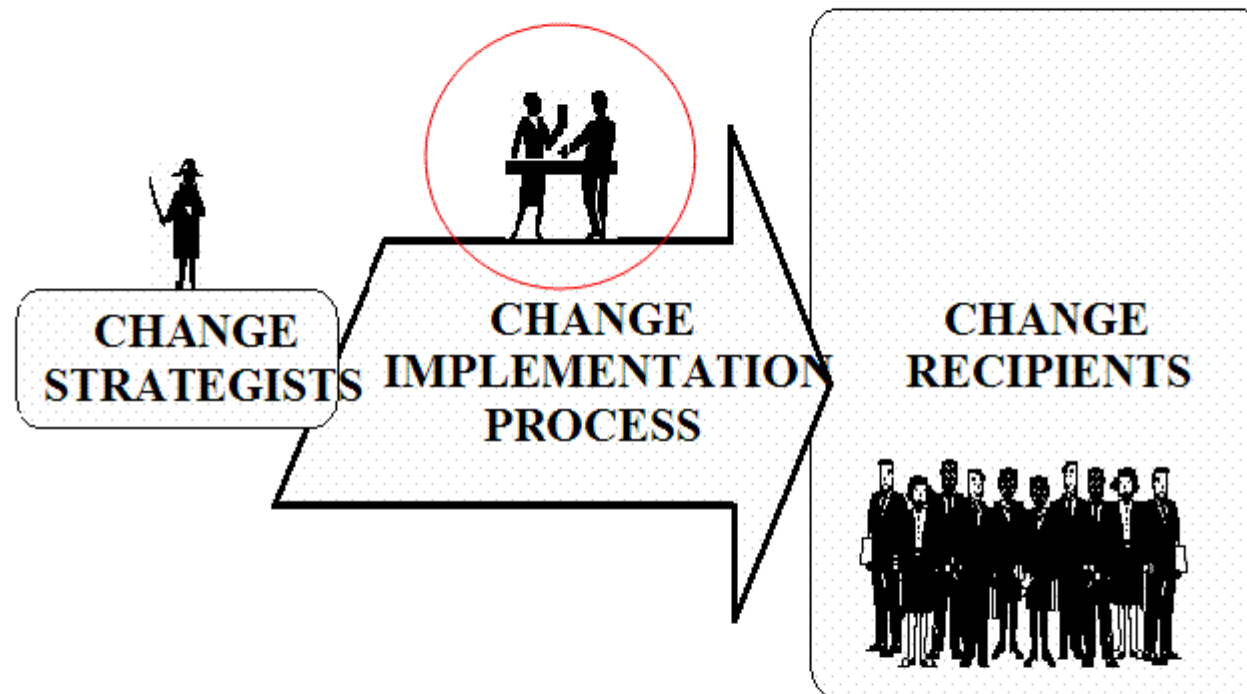


Knowledge Exchange

*... and what is **BEHIND***

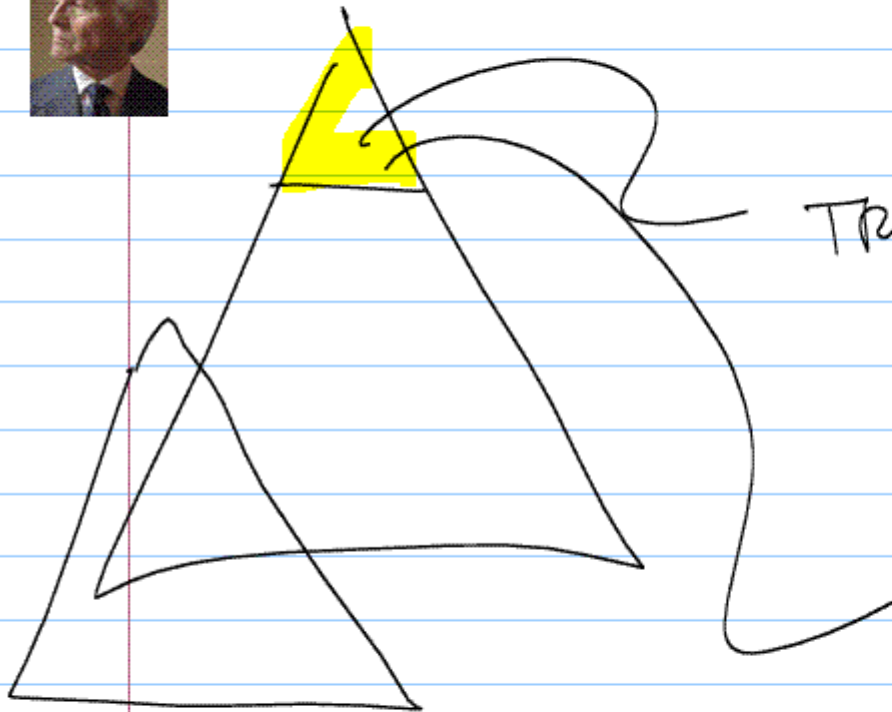
Organizational resistance	82%
Insufficient exec. sponsoring	72%
Unrealistic expectations	65%
Inadequate process mgmt	54%
Unclear business case	46%
Lack of qualified resources	44%
Scope of expansion/uncertainty	44%

The challenge ...



Reflecting & understanding the dynamics of
Diffusion, Change & Resistance

EIS SIMULATION **SCENARIO** & **MISSION**



TRANSPARENCY

~ EIS

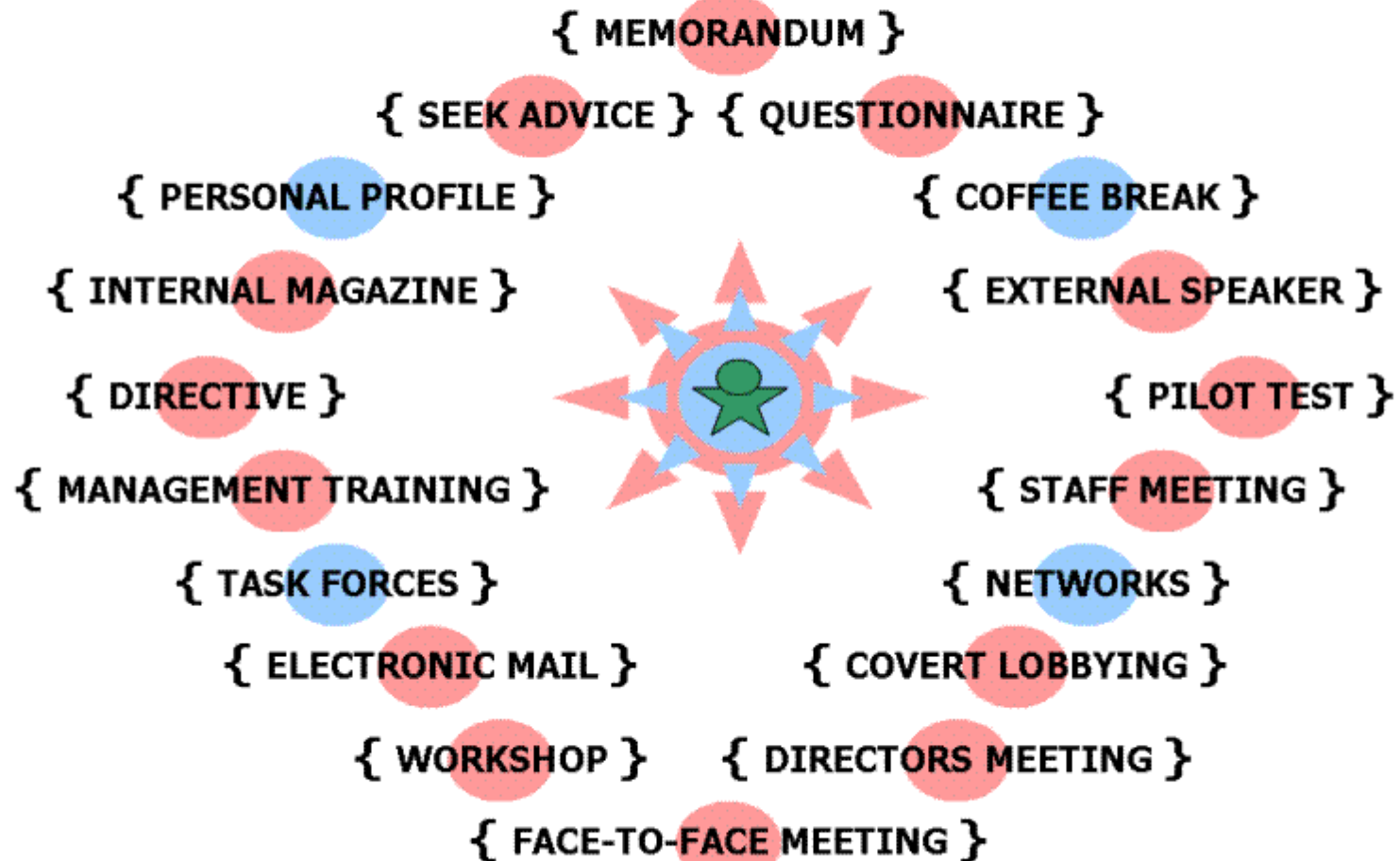
MISSION!

CONVINCE
TELESWITCHES
TOP MANAGERS

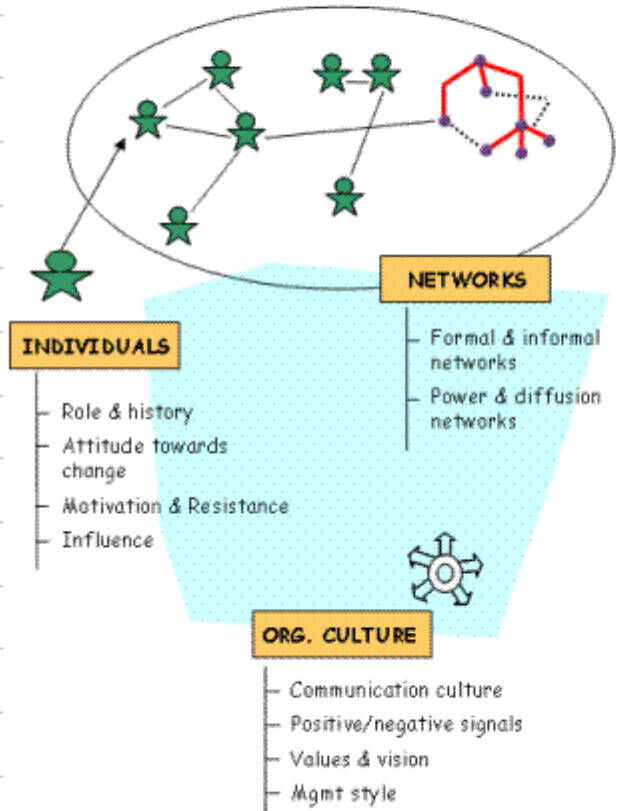
TELESWITCHES
CEO



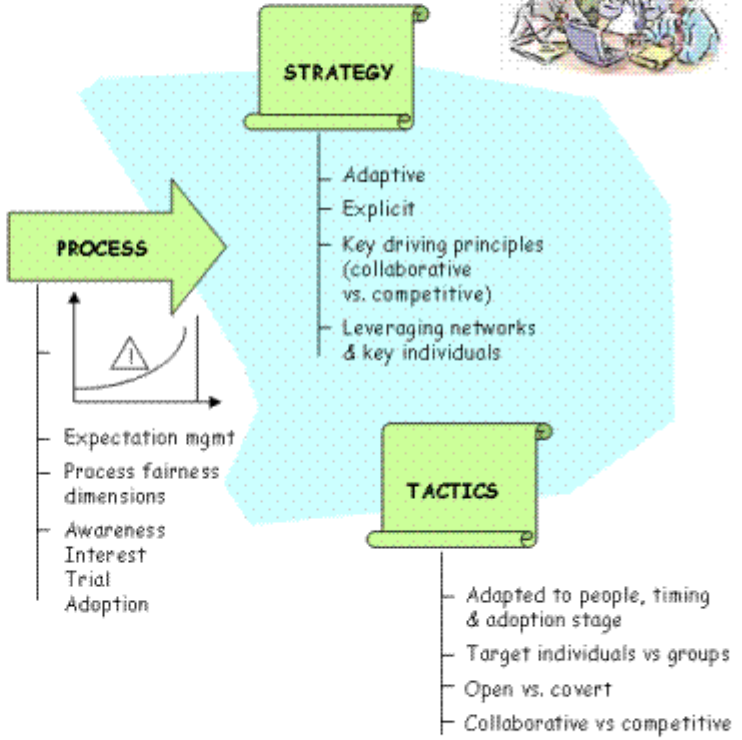
INITIATIVES / TACTICS / ACTIONS

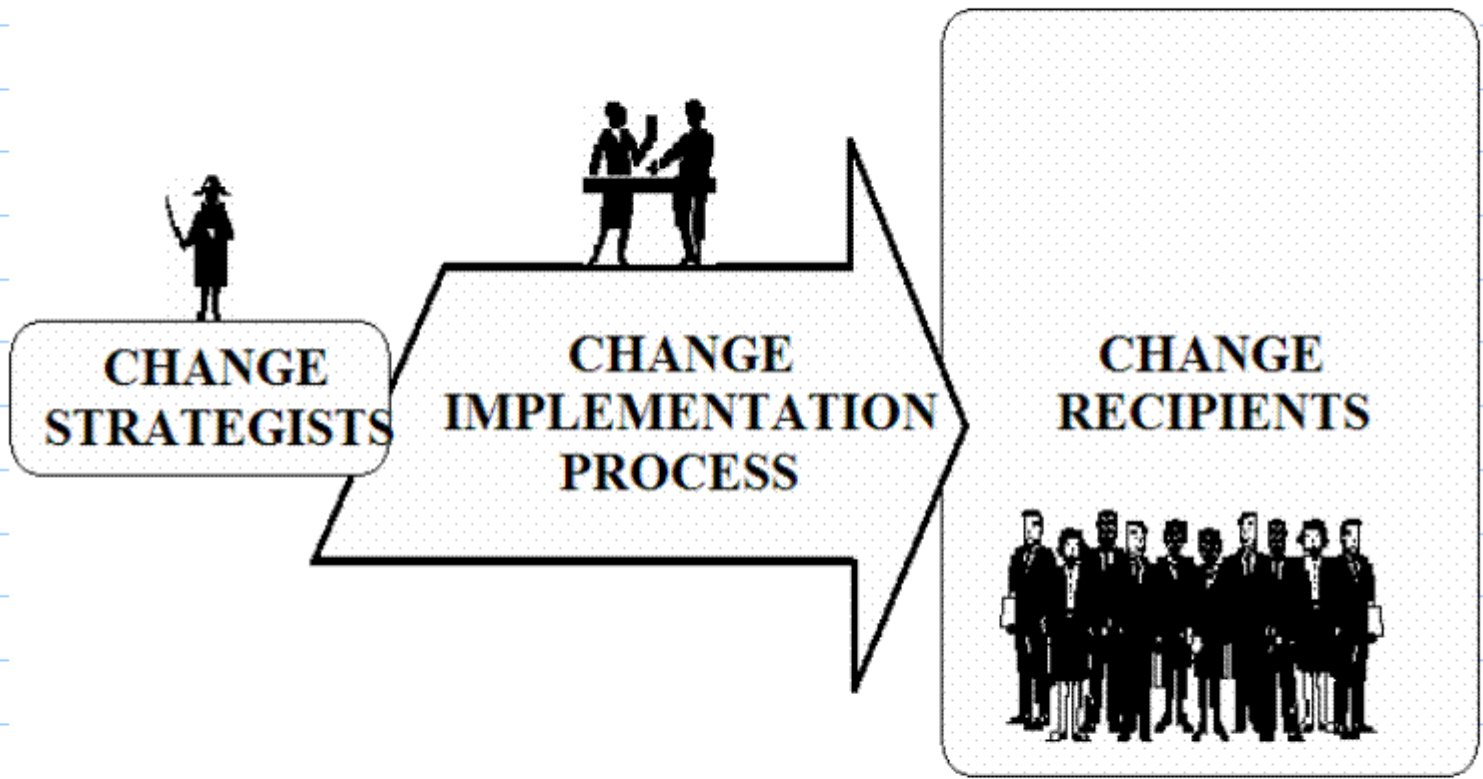


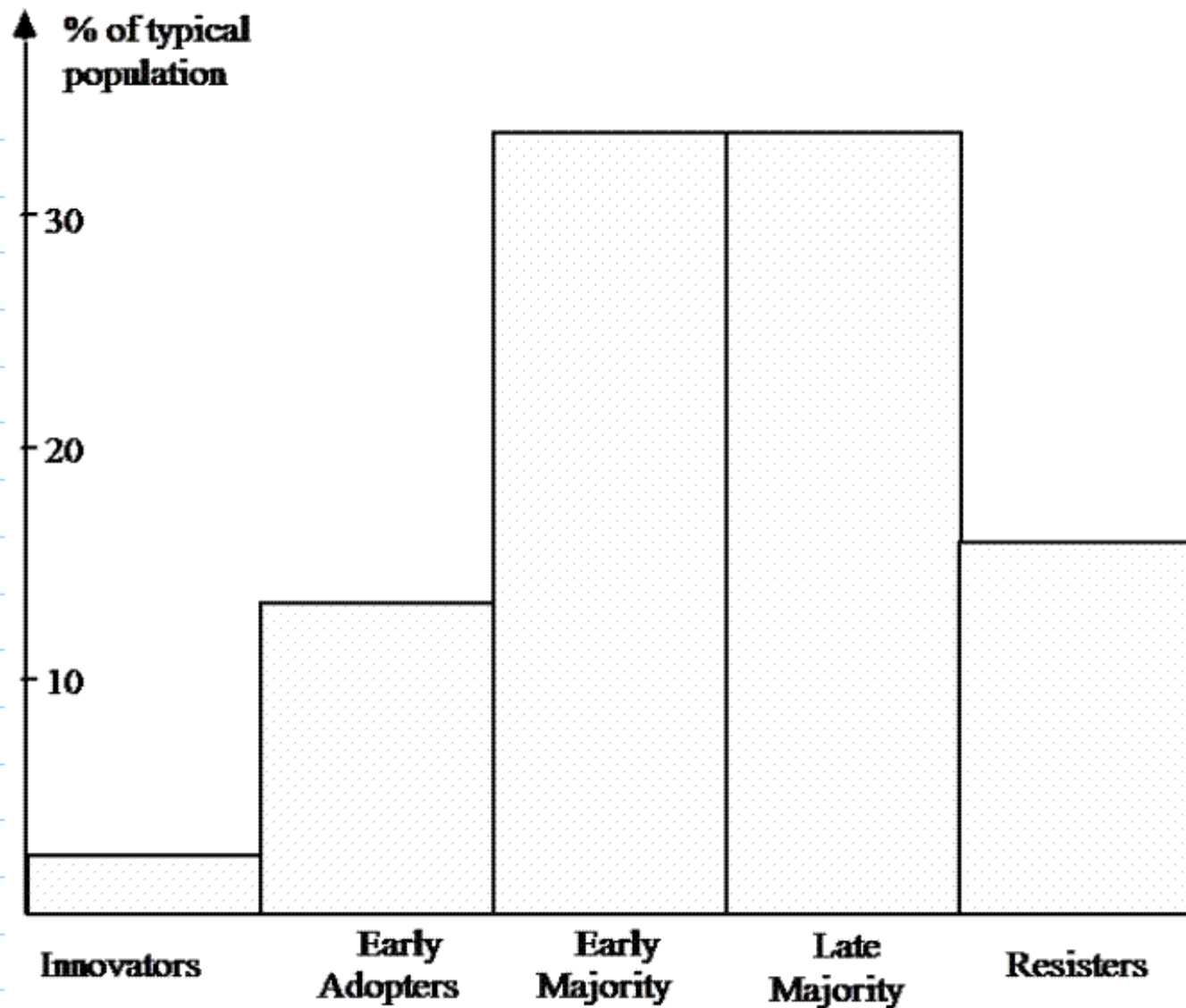
ORGANIZATIONAL DIAGNOSIS



EFFECTIVE ORG.^L INTERVENTIONS







ES Tactic	Diagnosis	A wareness	Interest	Trial
Personal profiles				
Task forces				
Coffee breaks				
Social networks				
Face-to-face meetings				
Internal magazine				
Electronic mail				
Memorandum				
Seek advice				
Management training				
Workshop				
Staff meeting				
Questionnaire				
External speaker				
Directors' meeting				
Pilot test				
Directive				?
Covert lobbying				?

*Understanding the role of **Culture*** *(as important source of breakdowns)*

Knowledge Management Experiences in a global Consulting Company (1989)

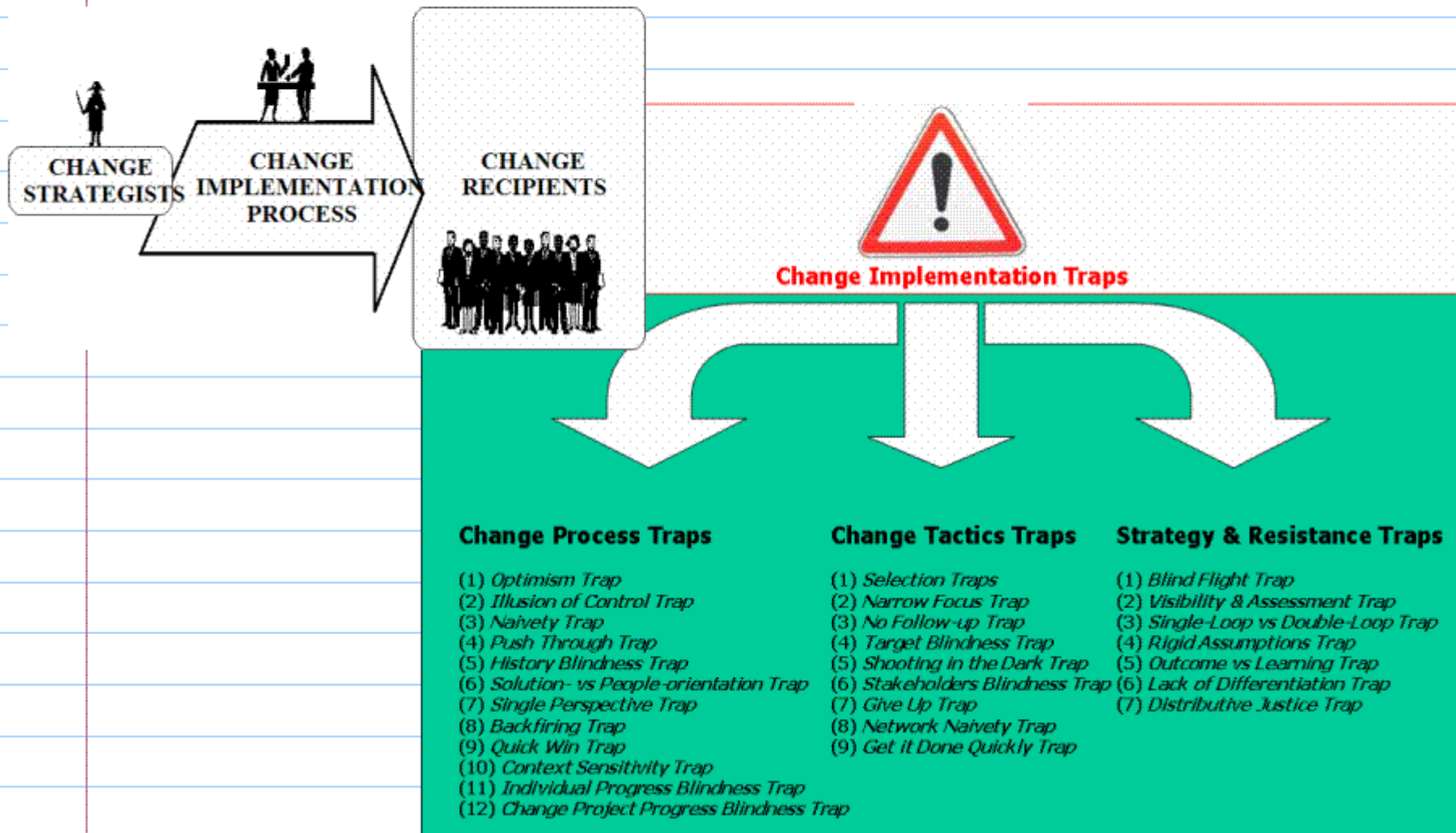
"The corporate psychology makes the use of the KM System **difficult**. Particularly the consultants career path which creates a backstabbing and aggressive environment in which ... people maximize opportunities **for themselves**"

"I am trying to develop an area of expertise that makes **me** stand out. If I shared that with you, you would get the credit, not **me**. It's really a cut-throat environment."

Knowledge Management Experiences in a global Consulting Company (1989)

"Power in this firm is your client base and technical ability. Now if you put all this information in a shared knowledge base, **you lose power**. There will be nothing which is privy to you, so you lose power. It's important that I am selling something that **no one else has**. Sharing expertise in the firm is just a 'dream'."

Change Implementation Traps





Thank you

Questions, Issues, ...

albert.angehrn@insead.edu

