

Change Management

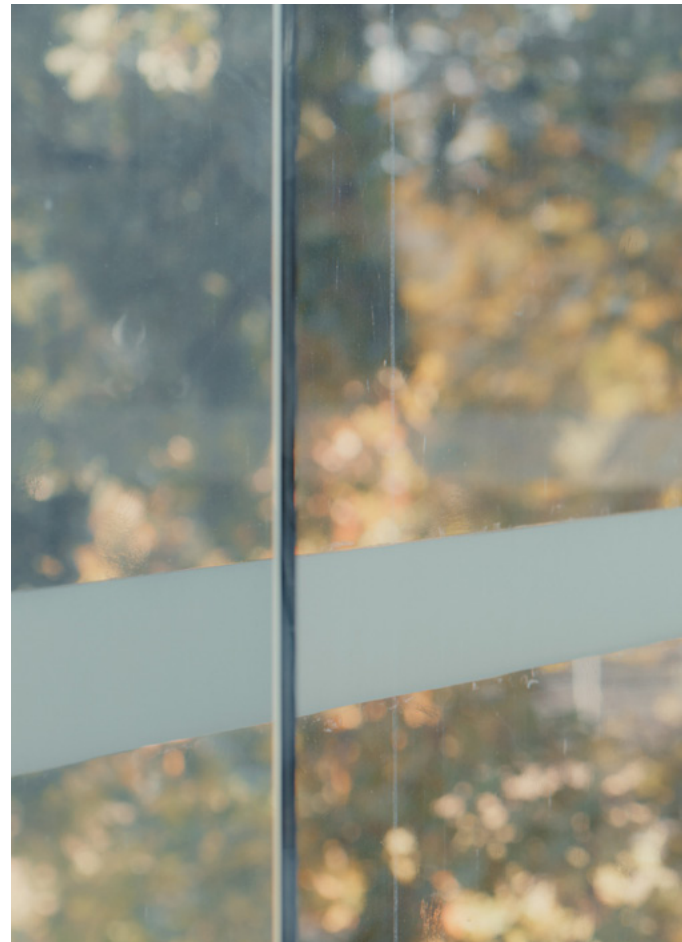
Gaining Trust and Empowering Success



Change is hard—in life, and in business. As a result, 75 percent of change initiatives fail. So, what do companies who succeed in change management have in common?

They start by understanding the “why” behind the change, including the impact it will bring to everyone it touches. And then they commit to putting in the hard work to make the change happen. To achieve this, they build a learning culture where leaders and employees have ownership of transformation. They manage, acknowledge and ease employee resistance to change. They acknowledge the issues that they have to overcome and create a path for success to take everyone on the journey safely.

Change management is the art and science of leading an organization through substantial transformation. It requires boldness in the face of inevitable resistance and clear, measurable goals rooted in an articulate and thoughtful answer to the question: why change? Because when that question doesn't have a good answer for the people change effects, the subsequent lack of buy-in inevitably leads to failure.





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For every change, there is a reason

Change doesn't happen *to* an organization, it happens *with* an organization. Truly meaningful change needs to have a deep understanding of the problems that the change intends to fix, the opportunities the change intends to create, and what success after change will look like.



The pandemic clearly brought into focus many possible reasons for change. Not the least of which is the fact that the people who walked out of our office buildings in spring 2020 are not the same people businesses are trying to figure out where to put today. Teams shifted, priorities were realigned, markets adjusted. In other words, time marched on.

As a result, too many businesses today are trying to fit square pegs into round holes. Attempting to put new people, new priorities, new business realities into a space and place and economy that was designed for different people, different priorities, and different realities. Which is why so many of us find ourselves talking about “hybrid working” with no one really agreeing on what it means. Too often, we make the mistake of thinking it should mean the same thing for everyone.

The reality is that there is no one-size-fits-all solution to “hybrid working” (or any kind of change), and change management is the only way to address that reality.

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The science and art of managing change

While the reason for change may always be different, the goals of change management are nearly always the same: get people through the change curve from shock to commitment.

As commercial real estate change experts, Cresa is regularly tapped to help clients navigate this change curve. We partner with clients to develop change management strategies that have demonstrable outcomes. This includes:



Defining

a driving purpose— understanding why they are making a change.



Addressing

the human side of change that takes into consideration psychological safety.



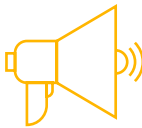
Acknowledging

that change cannot happen with a snap of the fingers and a hope that everything will be OK.



Working

through a process around change and adoption with active engagement on behalf of all involved in the change.



Allowing

voices to be heard and addressed.



Understanding

the issues and concerns that arise when we hear those voices, recognizing where people need additional time and guidance for acceptance and buy-in to be comfortable with what the change means to them and their future.



Participating

actively in the process— facilitating the journey by keeping organizations from getting stuck and resorting to old habits with compassionate forward momentum.



Informed by this roadmap, change management initiatives increase awareness, desire, knowledge, and ability to change. It reinforces goals critical for the successful implementation of any new initiative, project, or program. Change management fosters and facilitates capabilities around change readiness and adoption while managing, acknowledging, and easing employee resistance to change to increase the probability of success.

There are two critical elements of successful change management that combine the science of data-informed decision making with the art of understanding and responding to the fluid dynamics of inevitable resistance to change.

First, the science.

At the onset of any change in how, where, or when people work there needs to be a clearly articulated reason that considers the potential impacts change will have on those doing the work. Too often, leadership is disconnected to the realities of how work gets done and make decisions that derail the function of work, not only reducing productivity but increasing a cultural divide. When it comes to the physical way the change is materialized from an organizational level, an “us vs them” mentality can impact levels of service, what you deliver to customers, and even research and development in lab settings.

This is why it is so critical to engage those impacted by change to inform data analysis and gain a deeper understanding of both the intended and unintended consequences of change. This first step of data analysis is also the first step of gaining buy-in. Some elements of this process are to:

- Develop a change management charter.
- Identify, map, and engage project stakeholders and ambassadors.
- Map current occupants of the facility to be changed.
- Understand cultural aspects of influence and the impact on teams and team members.
- Develop “day in the life” employee experience plans.

- Organize and facilitate townhall and focus groups.
- Conduct collaborative working sessions between stakeholders and the project design and delivery team for user feedback.
- Prioritize and implement employee feedback for incorporation into the design.
- Facilitate stakeholder sign-off.

Building upon the data collected and assessed in this process, it is then essential to communicate. Because no matter how well-researched the change may be, you only go as fast as the slowest mover in change. In communicating change, it is important to consider the following:

- Develop a stakeholder and audience organizational structure.
- Work with the client internal team to shape the communications strategy.
- Initiate communications with a campaign introduction.
- Craft messaging and map communications channels, aligning messaging with key dates for release or access.
- Develop a communication mechanism for employee feedback.
- Develop regular communications content and cadence from late pre-construction through the transition to the new location.
- Support communications for “Day 1” activation of the site and transition communications to the internal client team and end users.

Now the art.

The art of communication is the heart of success. Informed by data, the most important aspect of communication isn't what just you say, but how you listen.

When we work with businesses to inform and communicate change, it includes:

- Impacts on brand and marketing.
- Alignment with enterprise goals.
- Vision sessions and focus groups to help align around the change.
- Training, learning, and development sessions.
- Intentional engagement rolling out all of the above.

With open ears and open minds, it is important to craft a communications strategy that takes into account not only *how* to communicate, but who should do the communicating.

According to a recent study conducted by Prosci, a world leader in change management research, the majority of employees prefer to receive messages about organizational change directly from senior leaders. Organizational messages are preferred to be received from the CEO or executive leadership while 67% of employees want to see personal messages about change from their immediate supervisors. This is where people can directly see how the change will positively impact their work-life. Effective communications tools must be developed, so that the change is clearly defined, including the business reasons for the change, the risks of not changing, and why the change is happening now. But the messenger is just as important as the message.

So, what does this look like in real life?

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of employees want to see personal messages about change from their immediate supervisors.

Realizing successful change

We recently helped launch a Future Workplace Pilot Program designed to learn more about how employees currently work, understand how their pre-COVID work environments supported them, and discover ways to improve their future workplace as they return to the office with increased flexibility.

We conducted 20 pilots with one client alone, with teams around the globe, informed by over 30,000 survey responses, 275 focus group participants, and 40+ leader interviews. Findings from the research helped inform and design the future workplace for this global tech leader.



Because our change management approach was informed with purpose and included input from stakeholders affected by the change, the resulting plan deployed a variety of tools that empowered the end-user to become champions of change as they saw how it would benefit them directly. To help augment those champions of change, we built internal websites and change collateral, specific to each site to further communicate the change while gathering stakeholder feedback to assess the success of the strategy.

Ultimately, it was the buy-in of the team that made this project a success.

With another fast-growing client, we helped address their real estate portfolio strategy to keep up with the addition of new employees representing diverse functionalities across the business and around the world. With an average annual growth of 15%, the client was pressed to make informed decisions about how to manage its global real estate portfolio and customer relationship management. We partnered with them to create a world-class portfolio strategy that allowed cost avoidance in market due to space reutilization and provided a workplace framework and design standard that had the flexibility of a long-term shelf life to navigate them through future shifts in company growth.



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Change is inevitable

Change, as they say, is constant (and rarely is it in the form of a pandemic). Businesses will always have new people, new priorities, new spaces, new customers, and new technologies to manage. Successful businesses will also anticipate future-proofing their business for the inescapable change that is just around the corner.

The reasons for change and the goals we have for change will be different for each business and for each season of change. But the importance of gaining employee buy-in will always be critical for success.

With this in mind, as you look toward the next big change in your organization, remember to anchor that change with a management strategy that is informed by data and executed with artful communications. Hire an expert in change management to help navigate this process. While change may seem vaguely intuitive, you cannot measure the impact of the damage that didn't happen as a result of engaging with a strong change management plan. Some things to think about in structuring that plan include:

- Find your why—if you can't clearly articulate the business case for change, you probably shouldn't do it.
- Stakeholder engagement—get feedback from the people who will be impacted by this change.
- Recognize the change fatigue many people are feeling after the past few years of uncertainty. There will always be resistance to change from some, but that can be mitigated with a clear, well-communicated plan.





**But if you do nothing else, do this:
Listen. Communicate. Repeat.**

Because if you aren't engaging with people about why the change is happening or what benefits it has for them, and if you aren't listening to their concerns, they will answer those questions on their own. And when they do, it will inevitably derail your plans for change and with it, your goals.



Global E-Commerce and Technology Company

Project Location: New York, NY

Size: 650,000 SF and \$25M+ portfolio

Project Stats

- Coordinated seamless relocation of Fashion Stores and Devices divisions, safeguarding \$1.5M+ in inventory including robotics and supercomputers
- Implemented and executed risk management strategies, minimizing disruptions for 5,000+ end users and project stakeholders
- Delivered diverse spaces, including bespoke client-facing meeting rooms, highly secured executive suites, cutting-edge incubation labs, and a vibrant marketplace/café
- Conducted UAT testing, overseeing resolution of 1,100 items across 13 floors
- Completed operational fit-up for 100+ amenity spaces including conference rooms, nurturing mother's suites, training rooms, event spaces, lounge areas, a roof-top dog run, and outdoor terraces



Gaming and Entertainment Company

Project Location: Renton, WA

Size: 111,004 SF across three floors

Project Stats

- Integrated Capital Project Management, Change Management and Move/Launch services into a unified and seamless approach supporting Board members and team leads facilitating all end users requirements
- Facilitated multi-phased Move and Lease Exit requirements
- Championed a seamless and effective employee communications strategy through coordination with key leadership
- Project was completed on time and 15% under budget

For more information, please visit:

cresa.com