

**Small Businesses Can Operate
More Effectively by Adopting
Practical, Systematic Change
Management Approaches**

Innovative Management Tools LLC



Innovative Management Tools LLC
912 Merry Lane
Milladore, WI 54454 U.S.A.
(715) 340-9606
<http://www.innovmgt.com>

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Small businesses operate in an environment that is more complex and challenging than ever before. New markets, new technologies, more demanding customers, more empowered employees and the dramatic rise in competition in the new global economy each pose, to one degree or another, a significant challenge to small businesses.

While there are many different challenges impacting small businesses today, the one constant throughout is *change*. To operate more profitably and in a more sustainable way, or even to maintain current operating levels in some cases, it's critical that small businesses embrace and respond to change deliberately and systematically.

Challenges Faced by Small Businesses

Small businesses face challenges in any number of different areas each day. These challenges include everything from technology to customer service, and they underscore the need for small businesses to quickly and fully respond to change in order to succeed over the long term.

Costs. Small businesses today wrestle continually with rising costs, especially those related to materials, insurance, energy, and labor. The particular difficulty here for small business owners is that they can't always pass along their cost increases to their customers, and they eventually run out of areas where they can make cuts.

Capacity. One of the key struggles for businesses is how to manage growth opportunities or successes while also keeping control of related costs associated with new hires and equipment. In short, business owners are continually challenged by how to get more work done with the same resources until they are in a position where they can afford to invest in additional staff and equipment.

“Letting go of the expert.” Many times in the development and growth of a small business the owner and/or founder must learn to let go of being “the expert” and trust in the skills and knowledge of his or her employees. The critical challenge for many business owners and founders is to do this without losing control.

Business improvement. Most businesses want to improve but often struggle to find either the time or budget to take on needed or helpful business improvement strategies. The challenge is how to undertake these improvements, such as new management techniques or technology practices, without incurring “too much pain” in the process.

Employee training. Because small business resources are often stretched thin, employees don't always get the depth of training they need or get training when they need it most. These training shortfalls can have an adverse impact on everything from customer service to order fulfillment.

Technology. Constant changes in technology create at least two key challenges for small business owners and managers. First, they must first find the time and expertise to evaluate new, promising technologies for their businesses. Secondly, once they've made a technology purchase, they must have access to qualified training resources to help them use this technology to their fullest advantage, which includes successfully competing with larger enterprises and reaching existing or potential customers in new markets that would otherwise be unavailable.

Customers. Customers today expect faster, more personalized service. In addition, the rise of national “big box” retailers means that small businesses often have to offer more personalized service, or special services, to compete effectively. As a result, this puts an even greater premium on training.

Innovation. Small businesses can be slow to innovate, such as taking advantage of new technologies or manufacturing processes to enhance existing products and services, or to create new ones altogether. Whether caused by a lack of time or staff resources, their inability to innovate can impede their progress and growth.

Each of these areas is critical for small businesses. They are also examples of areas where the ability to anticipate, plan for, and engage in change can positively impact a small business's prospects for success.

An Introduction to Change Management

As the term suggests, “change management” is essentially the way an individual or an organization manages change. More broadly, change management is about the processes that an individual or organization proactively implements in responding to change in a planned and systematic way.

Change management processes take into account many factors. These include the change itself, the people that are affected by the change, and the area or areas (such as individual departments or business units) that are impacted by the change and that are responsible for responding to the change. Change management processes also involve helping people understand the reasons for the change, and developing plans to address the change.

Change Management: What To Look For

The following are several key areas that small businesses must address to successfully implement change management processes. Each of these areas also represents an acceleration point for small businesses wishing to “gain traction” in pursuing their change management objectives.

Vision, Direction, and Goals. Small businesses are best able to improve when everyone knows what the company’s vision, direction, and goals are. While it does take time to communicate these properly, once this investment is made it normally pays for itself through improved communication, greater production efficiencies, faster product-to-market speed, and other ways.

Employees. For any organizational change to ultimately take root, employees must be involved. Countless studies demonstrate time and again that employees who are included in a change process feel better about themselves, their jobs and their futures in general. Small business owners who ask their employees for input and tap into their experience in the change process will succeed in realizing a happier, more productive, and loyal workforce.

Supervisors and Managers. Small businesses often have one or more supervisors or managers who function as a conduit between the business owner and the owner’s employees. A change management plan for these types of small businesses must address the critical intermediary role performed by these individuals, who help the organization grow by managing the day-to-day communication flow between the owner and his or her employees.

Real-World Environments and Outcomes. Effective change management processes help employees develop skills and action plans based on real world examples, not fictional examples. By using applications from the real world, employees can learn new skills that transfer to their jobs more easily and, as a result, better equip themselves to support the pursuit of their companies’ goals and visions.

Physical Communication Opportunities. E-mail, teleconferencing, and other methods of communication have dramatically changed the way that small businesses communicate both internally and externally. However, while these tools have contributed to tremendous increases in productivity, it is also true that personal communication is vital to achieving long-term change because of the fact that people are innately social creatures who thrive on the heightened level of communication (e.g., verbal and non-verbal) that is only possible when they meet in-person. Change management approaches that facilitate in-person exchanges will have an advantage as tools for achieving measurable progress.

Small, Incremental Change. As small businesses evolve, employees want to know how changes affect their department and their jobs. Business owners, managers, and other decision makers who can help employees feel a sense of accomplishment with their jobs will end up creating a more energized, productive and committed workforce.

The key to making this happen is for small business owners and managers to break down large change initiatives into manageable increments so that employees can more easily understand the change, internalize it, and make it a part of their regular workflow. This approach is also important because change that is introduced in smaller increments is generally less threatening and more easily accepted. Also, incremental change leads to success more quickly, and when employees experience one success after another they gain confidence and view change more positively.

Proactive Instead of Reactive. Small businesses that anticipate the impact of change early in the process will almost always fare much better than those that wait until later to take action. The old saying, “an ounce of prevention equals a pound of cure” certainly applies here. Taking the time to address the impact of change early on more often than not saves time when compared to scenarios where change is not addressed until later in the process and employees find themselves fixing problems and “putting out fires” as a result.

Employee Validation. Complex change takes time to initiate, implement, and fully integrate into a department or organization—perhaps several months or even years. Effective small business owners and managers understand that they can do a better job of facilitating lasting change by validating their employees throughout the process. This validation can be demonstrated in a variety of ways and can include collecting employee input, listening to employees’ ideas, clearly defining employee roles and responsibilities, removing barriers to change, and recognizing employees for their accomplishments.

Benefits of Applying a Change Management Approach

In today’s economy, there are at least two truths about change as it relates to small businesses: (1) it is constant, and (2) it is happening faster and in more complex ways than ever before. Greater competition, more informed and demanding customers, and continuing technological advances, just to name a few factors, are combining to raise the bar for running a small businesses in an optimal way.

As a result, small businesses that wish to improve their overall operating performance will almost certainly have to embrace change—and do it in a planned and systematic way. Those small businesses that are able to succeed in proactively responding to change will very likely suffer fewer setbacks, will be able to push through new ideas for products and services faster, and will capture greater market share as a result.

The Innovative Management Tools Approach—Proven Solutions for Helping Small Businesses Successfully Manage Change

Innovative Management Tools (IMT) offers small businesses practical, proven solutions that address seven key areas for effective change management and overall process improvement.

1. Using the Next-Level Supervisor as the Conduit to Employees

IMT recognizes the value of having a small business’s vision and direction reinforced through its next level of supervision. As often as possible, these visions and directions should be brought into the day-to-day lives of employees, driving decisions and keeping employees focused on those activities that support the company’s goals. All IMT activities focus on making sure that a company’s overall goals and visions are understood at the onset or are considered as decisions are made.

2. Engaging Employees in the Change Process

IMT understands that small business owners and managers cannot make good, long-term decisions during the change process without first understanding how a decision will impact employees and the business’s operating processes. The best way to do this is to tap into the knowledge and experiences that employees offer *before* making a decision. By getting employee input early on, employees are much more likely to support the company’s vision and direction. Also, facilitating this kind of healthy exchange early in the change process is a great way to cultivate a healthy work environment, even though initially employees may not welcome a particular change.

3. Providing Concrete, Real-World Environments and Outcomes

IMT tools allow small businesses owners and managers to work with real world visions and scenarios that “ring true,” that are meaningful for employees, and that set the stage for learning and development. These non-threatening activities are aimed at including employees from the beginning of the change process, before any negative feelings and influences have taken root.

4. Building Physical Communication Opportunities in a World of Electronic Communication

IMT activities are designed to take advantage of a signature human trait: social interaction. The activities bring employees together in non-threatening, productive, and meaningful exercises and discussion. In short, the activities facilitate the kind of in-person exchange that has time and again proven critical to achieving lasting and significant change.

5. Capitalizing on the Power of Small, Incremental Change

All IMT tools are designed to help small business owners and managers facilitate change by introducing it in small, incremental “chunks.” By using the tools to effect change incrementally, employees are able to grasp change in a way that builds confidence, allows them to experience success, and to more easily commit to the business’s direction and vision.

6. Investing Time Upfront—Instead of Paying Later

One of the key philosophies behind the IMT approach is that it emphasizes preparing for, thinking through, and evaluating upcoming changes before taking action. IMT encourages business owners and managers to take the time to properly address the implications of change upfront so that time spent handling greater challenges later is minimized or avoided altogether.

7. Creating a Positive Environment Throughout the Change Process

IMT tools give business owners and managers the opportunity to create a positive change environment by including employees in the decision-making process, by listening to their ideas, and by acknowledging that employees’ contributions are valid, desired, and worthy of consideration.

Innovative Management Tools—Practical Solutions for Optimizing Small Business Performance

IMT provides real world, systematic, measurable, and repeatable approaches to help small businesses manage change effectively. IMT activities rely on a back-to-basics communication model (people talking to people) that integrates minimal time investment, tangible applications of management principles, employee involvement, and realistic action plans for success in virtually any environment or organization.

Each IMT activity is built around a core change management principle or best practice. These principles and practices currently include change preparation, task management, barrier elimination, process improvement, strategic planning, skills assessment, marketing development, communication improvement, structured brainstorming, priority management, and employee recognition.

IMT activities help small business owners and managers focus on achieving incremental improvements to become more efficient and effective. As a result, these common sense, employee-empowering activities provide small businesses with the tools they need to manage change successfully now and for years to come.

About Innovative Management Tools

Innovative Management Tools LLC is a training firm offering change management assistance for small businesses, mid-size companies, and other organizations. IMT provides change management techniques through facilitated training sessions to help small business owners, managers, supervisors, and other workers better adapt to rapid growth, downsizings, mergers, acquisitions, departmental restructurings, and other changes.

IMT training sessions are held at organization sites and provide information and action steps that attendees can apply in their organizations the very same day. These sessions are designed to be practical, engaging, motivational, and flexible, and to ultimately help organizations better effect successful change. The sessions are supported by corresponding training kits, which the company produces and distributes.

IMT techniques are marketed to companies and other organizations as well as to consultants wishing to enhance the services they offer.

To learn more about Innovative Management Tools, visit www.innovmgt.com



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912 Merry Lane
Milladore, Wisconsin 54454 USA

Telephone: (715) 340-9606
Fax: (715) 457-2040

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