

A view into the world of change communications

This survey was developed by the Burson-Marsteller EMEA Change Communications Practice and conducted by Penn Schoen Berland. Respondents count 483 HR and communications decision makers across 10 European markets, including UK, France, Germany, Italy, Spain, Switzerland, Norway, Finland, Sweden, and Denmark.

The survey identifies key drivers and barriers to successful handling of strategic change Processes, which types of strategic changes companies have experienced in the past five years and which strategic changes they expect to see in the years to come.

The following presentation presents the findings of the survey. The different cultural backgrounds of the respondents can have affected the answers – this has not been taken into consideration in the presentation of the results.

Burson-Marsteller, EMEA, October 2010

The B-M definition of strategic change

Burson-Marsteller defines a 'strategic change' as a significant and complex change that is of fundamental importance to a company's business, with implications across business units and functions.

Strategic changes can be triggered by various internal and external factors and are, thus, characterized as either internally initiated or externally imposed strategic changes.

The main aim of the survey is to uncover how strategic changes are handled with regards to internal stakeholders and change of employee behavior.

Internally initiated change processes include:

Leadership transition New strategic direction
New vision, mission and values
New product launch
Organizational restructuring

Externally imposed change processes include:

Crises impacting the organization
Closing of factories, relocations etc.
Downsizing

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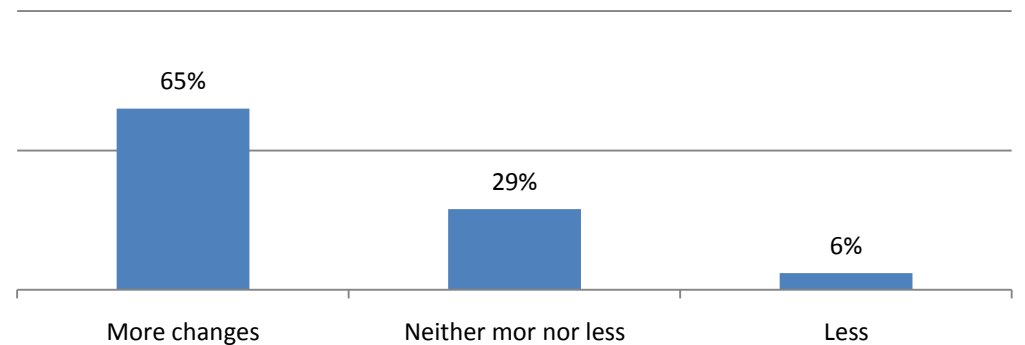
Is the current economic climate changing corporate reality?

The survey indicates that the number of strategic changes has risen considerably in the past two years due to the current economic climate. 65% of companies state that they have experienced more changes in the last two years.

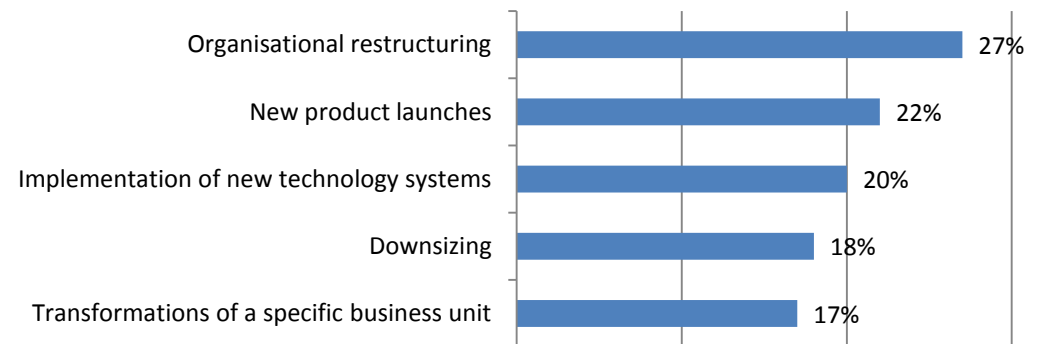
The strategic changes experienced are both demanding and difficult to handle. 50% of companies have restructured and over a third have downsized in the past five years. (See appendix, table 1a)

There are no indications that the current development will be halted in the coming years. 51% of companies expect to see more strategic changes in the next 2 years due to the economic climate. Internally initiated strategic changes in particular are anticipated. Organizational restructuring and new product launches are expected by 27% and 22% respectively, while downsizing are only expected by 18% of companies.

Q: Would you say your company has experienced more or less changes in the last two years?



Q: What sort of changes, if any, do you anticipate the company to experience in the next two years?



Planning in advance drives effective change

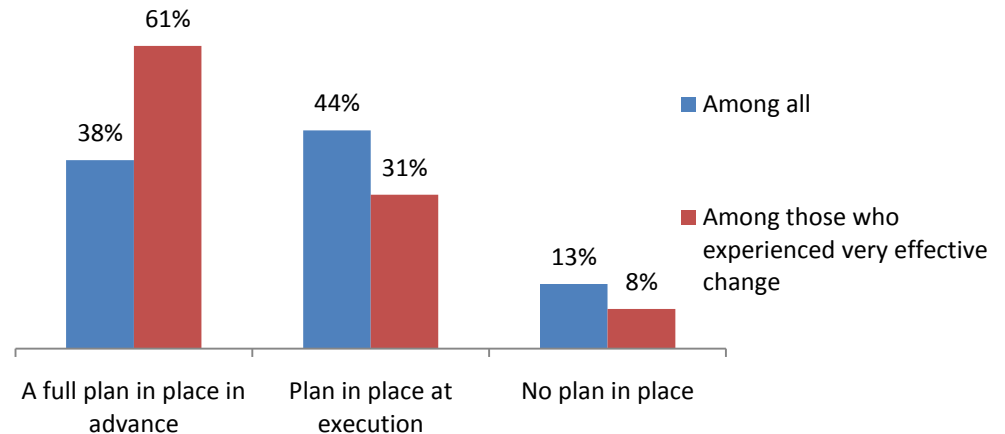
From the survey it becomes evident that handling strategic change is a great challenge to a majority of the companies surveyed. Just 23% of participating companies state that they are handling strategic change processes very effectively.

Q: In your opinion, how effective was your company's strategic change process?



Additionally, the survey indicates that having a plan in place in advance drives effective change. In fact, 61% of companies stating that they experienced very effective change processes had a plan in place in advance, whereas just 38% of companies overall did so.

Q: Did your company manage the change process using a strategic plan?



At what stage should employees be involved in change processes?

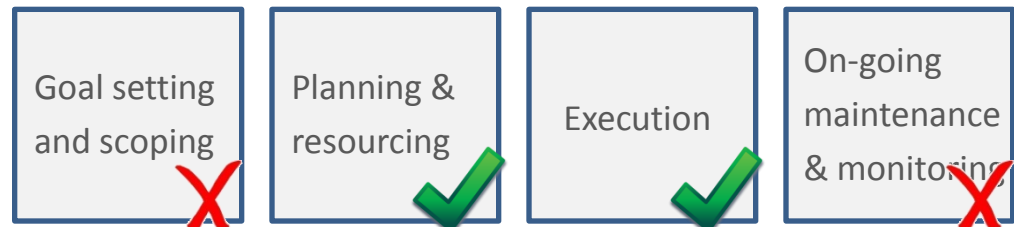
There are indications that very few companies engage employees in the early stages of a strategic change process. In fact, less than 25% of participating companies engage employees in the earliest goal setting and scoping phases, and even less are engaged post-execution. (See appendix, table 4a).

However, it is suggested that companies handling strategic change very effectively, more often than the average company, involve employees in the goal setting and scoping phase. Likewise, the survey shows that the most successful companies keep employees engaged throughout the whole change process – from goal setting and scoping to post-execution monitoring.

Companies handling strategic change process very effectively tend to involve employees at an early stage and continue all through the process



Companies handling strategic change process at an average level involve the employees around execution

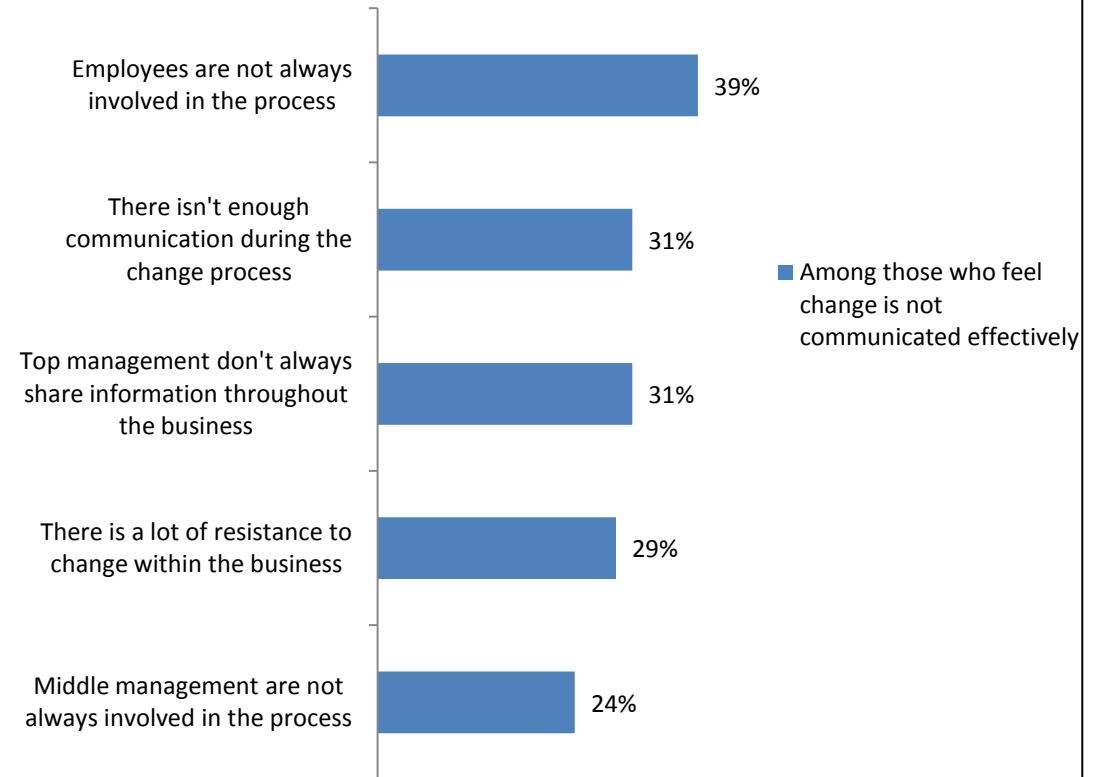


What are the key barriers to effective change processes?

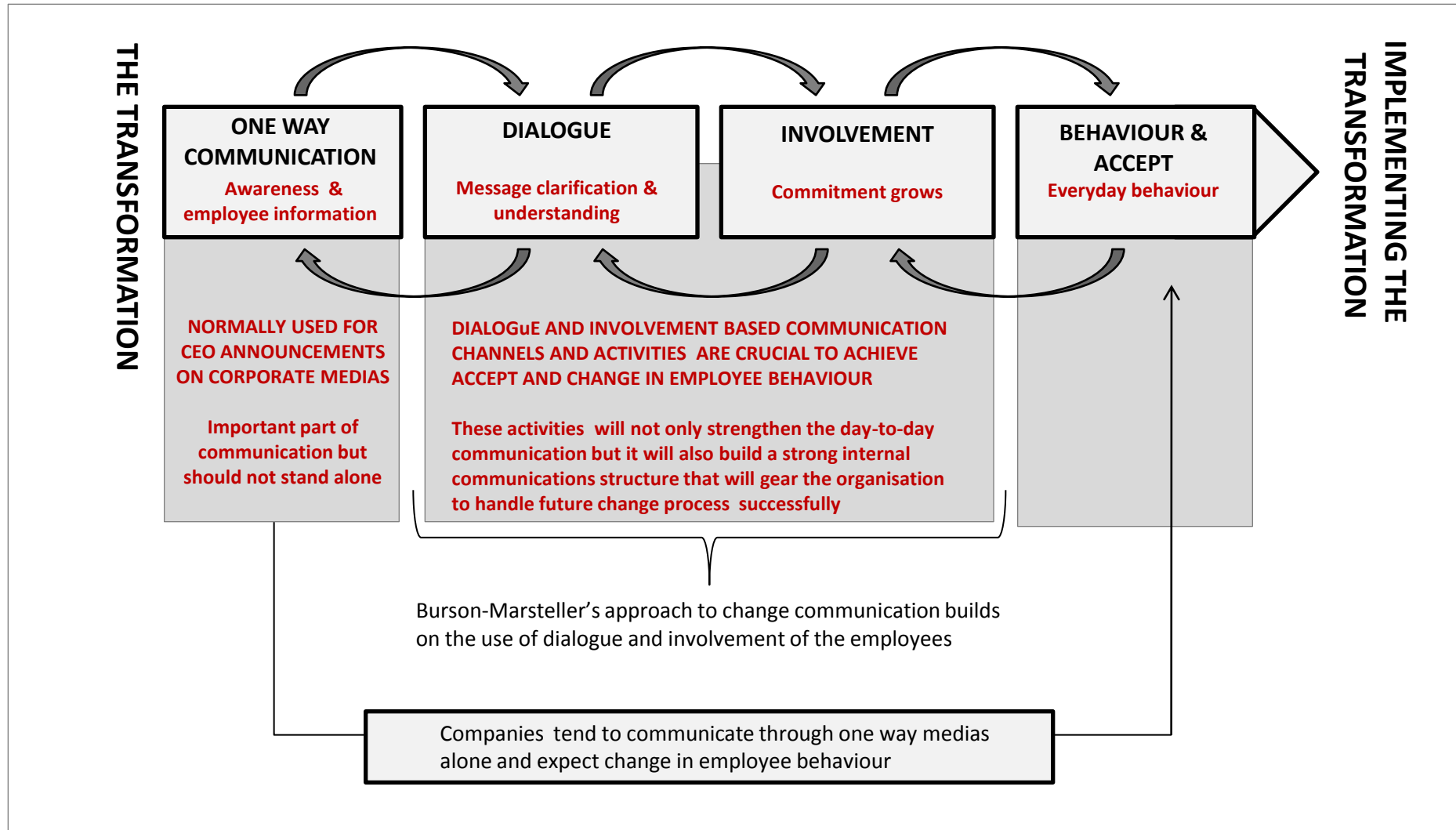
Among other things, insufficient involvement of employees and lack of communication during the change process are cited as key barriers to successful strategic change.

39% of companies that feel change is not effectively communicated cite insufficient employee engagement as a key barrier. 31% points to lack of communication during change processes as a key barrier and 24% state that insufficient involvement of middle management poses a great barrier to communicating strategic change effectively.

Q: If the changes are not communicated effectively, why is that?



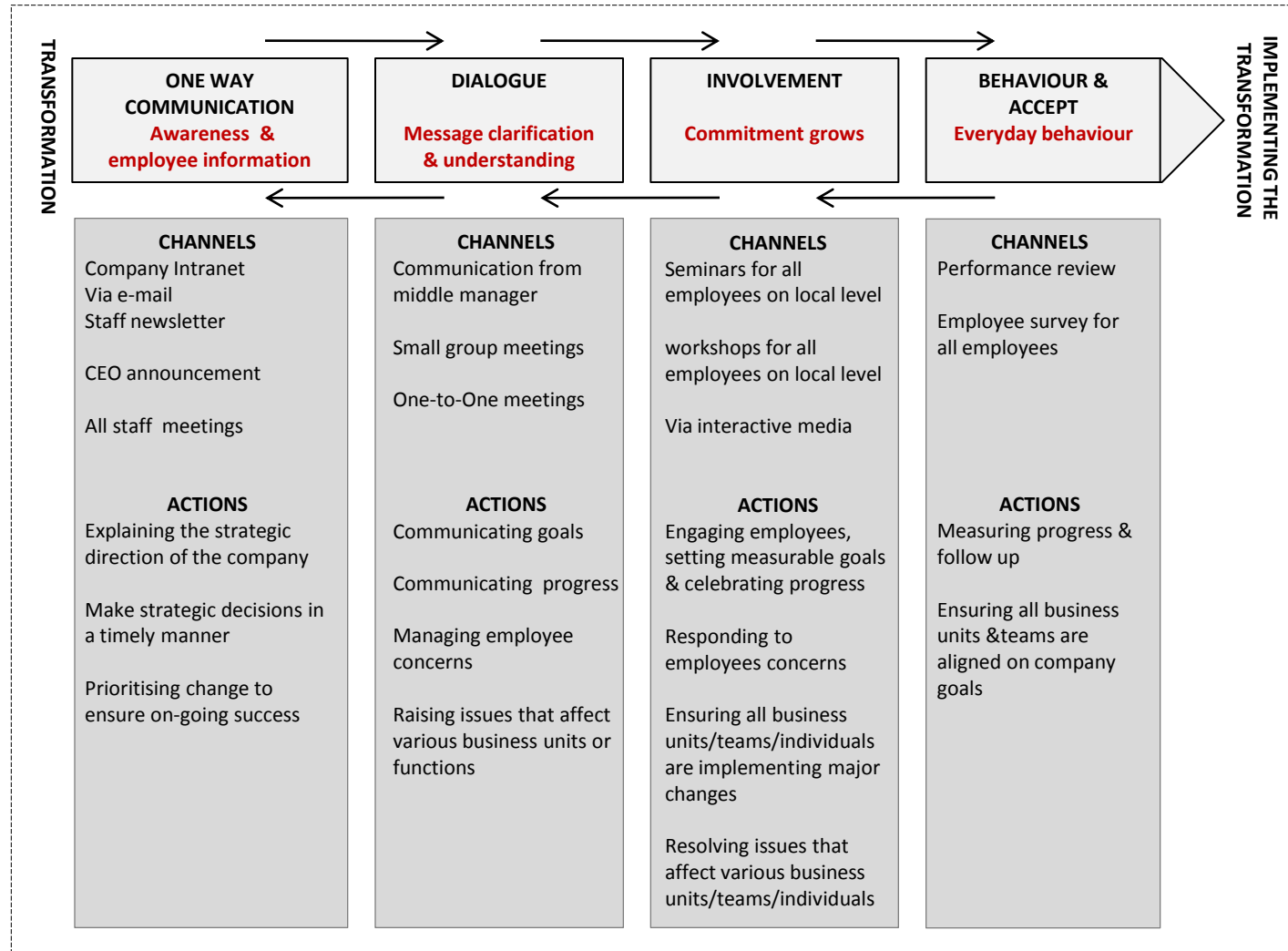
The B-M change communication model



The B-M change communication model with channels and actions

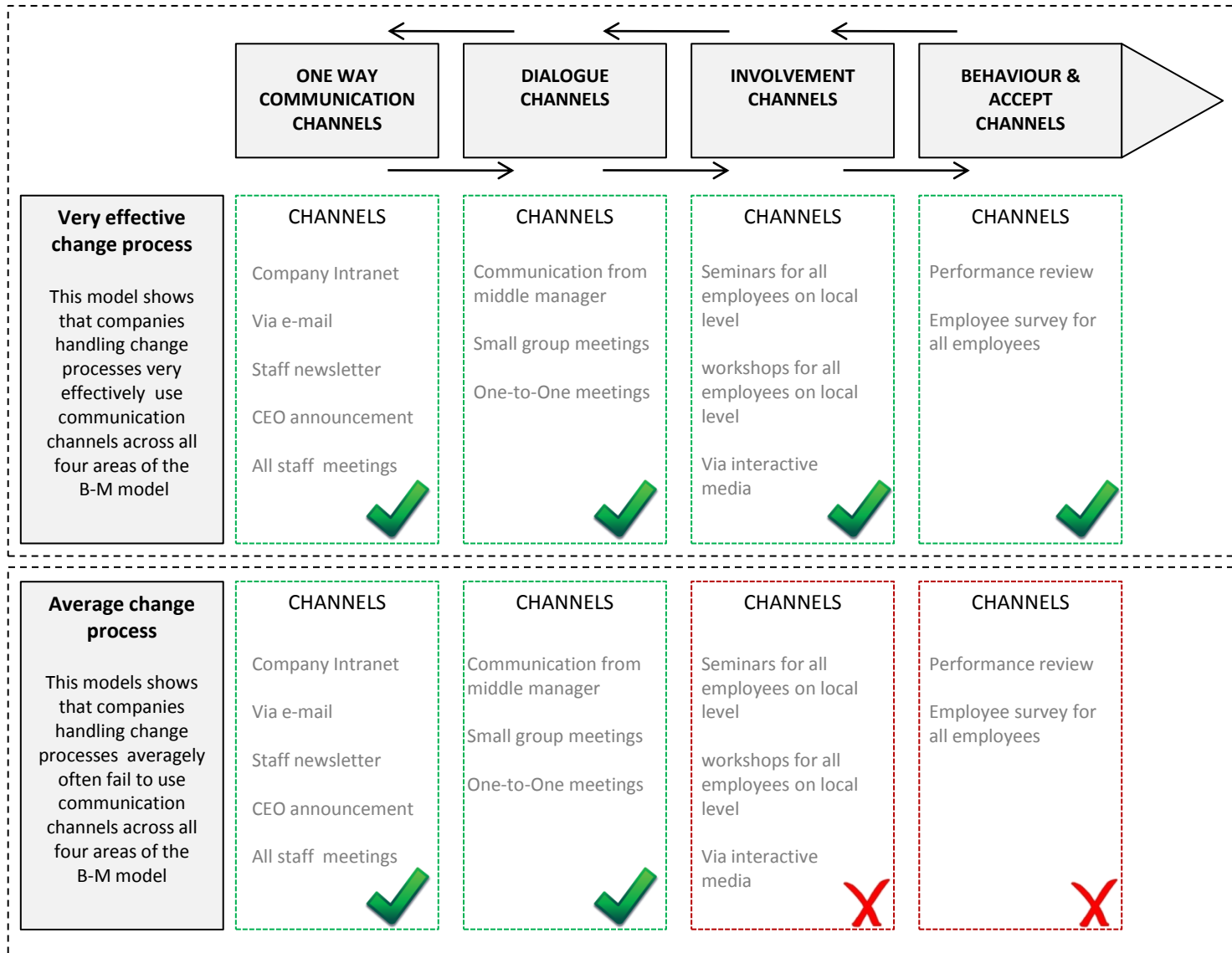
The B-M change communication model illustrates the four phases through which companies need to take their employees to effectively implement strategic change.

The truth is that true transformation requires change management actions and channels across all four areas. This is because the process of getting employees to understand change and respond accordingly is the same in all stages of human behaviour. It requires awareness and information, more clarification and understanding as information is processed and internalised, involvement as commitment to the change grows, and finally behaviour and acceptance into everyday activity.



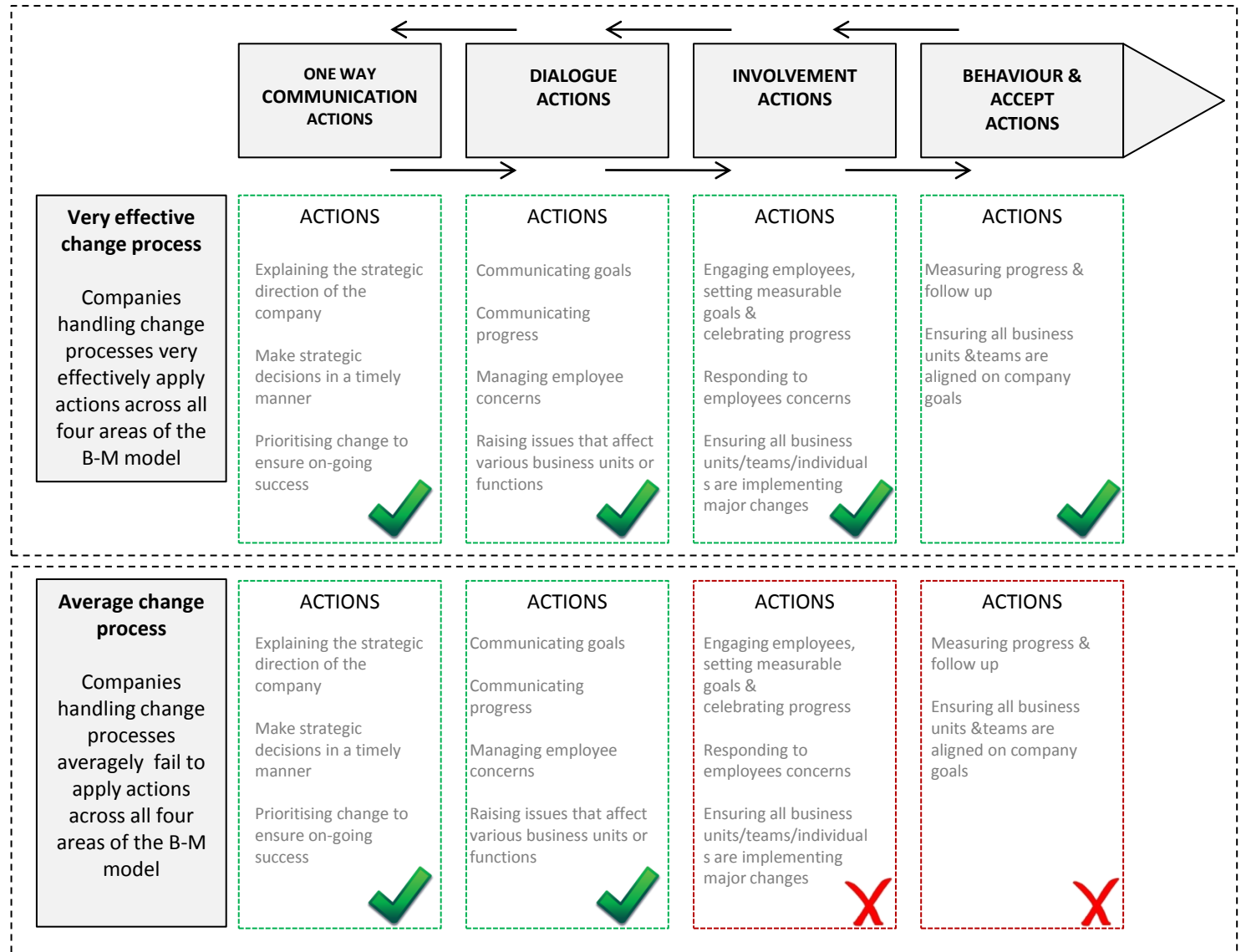
Through which channels are companies communicating change?

This model shows that companies handling strategic change very effectively communicate change via channels within and across all four phases of the B-M change communication model. Likewise, it shows that the average company often fail to communicate change via involvement-based channels and channels based on measuring progress.



Which actions do companies apply to change processes?

This model shows that companies handling strategic change processes very effectively are more likely to identify and apply actions within and across all four phases of the B-M change communication model to change processes than is the average company. (See appendix, table 3a)



Countries compared on parameters driving effective change

Companies that are handling change very effectively	Base	The UK	France	Germany	Italy	Spain	Switzerland	Norway	Sweden	Finland	Denmark
	23%	33%	7%	32%	53%	32%	21%	3%	21%	2%	24%

Companies that had a full plan in place in advance of the changes experienced	Base	The UK	France	Germany	Italy	Spain	Switzerland	Norway	Sweden	Finland	Denmark
	23%	33%	32%	32%	53%	32%	21%	3%	21%	2%	24%

Companies that are Successfully engaging employees	Base	The UK	France	Germany	Italy	Spain	Switzerland	Norway	Sweden	Finland	Denmark
	19%	30%	16%	19%	18%	8%	16%	6%	26%	16%	31%

Companies that are communicating via involvement-based channels	Base	The UK	France	Germany	Italy	Spain	Switzerland	Norway	Sweden	Finland	Denmark
	19%	30%	24%	17%	22%	10%	10%	16%	18%	18%	20%

APPENDIX

1 Appendix, table 1a

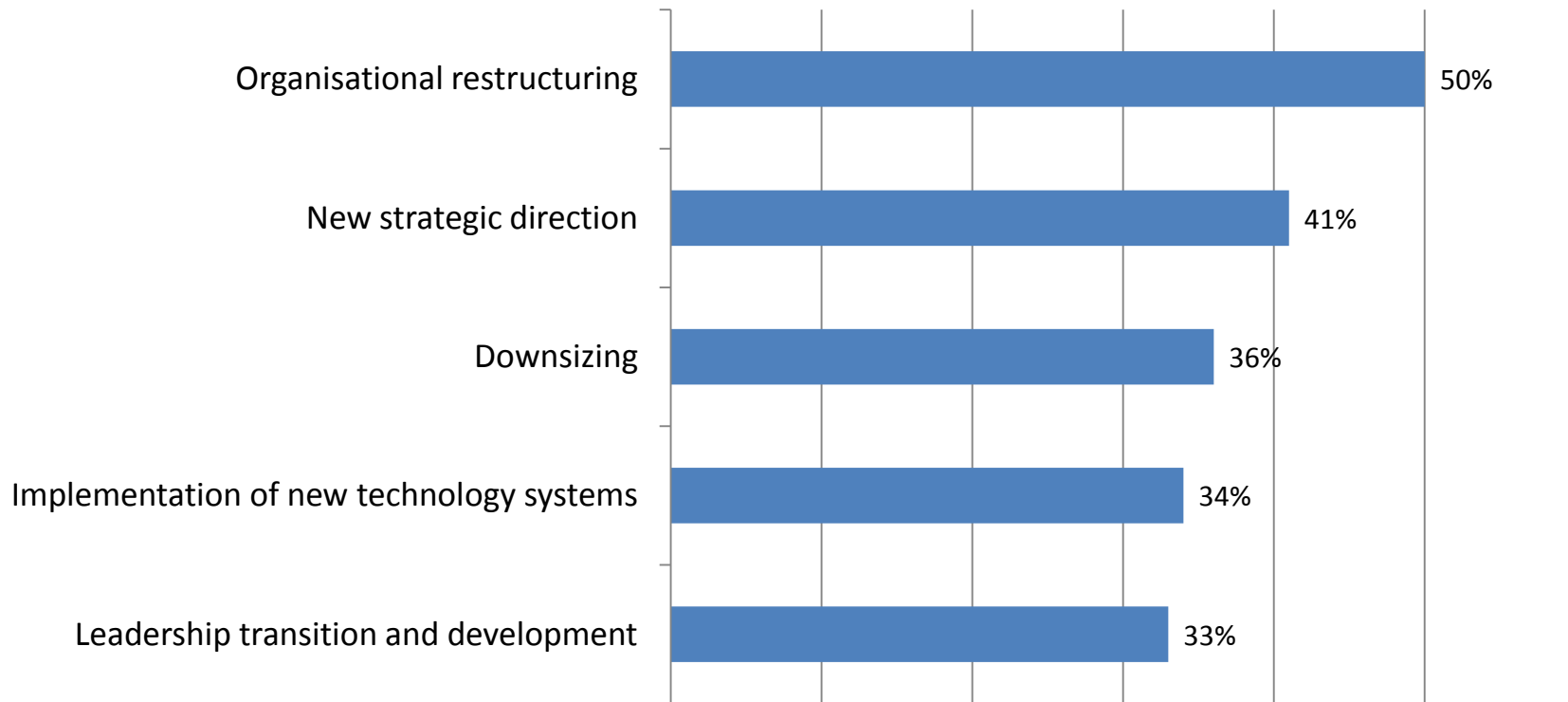
2 Appendix, table 2a

3 Appendix, table 3a

4 Appendix, table 4a

Appendix, table 1a

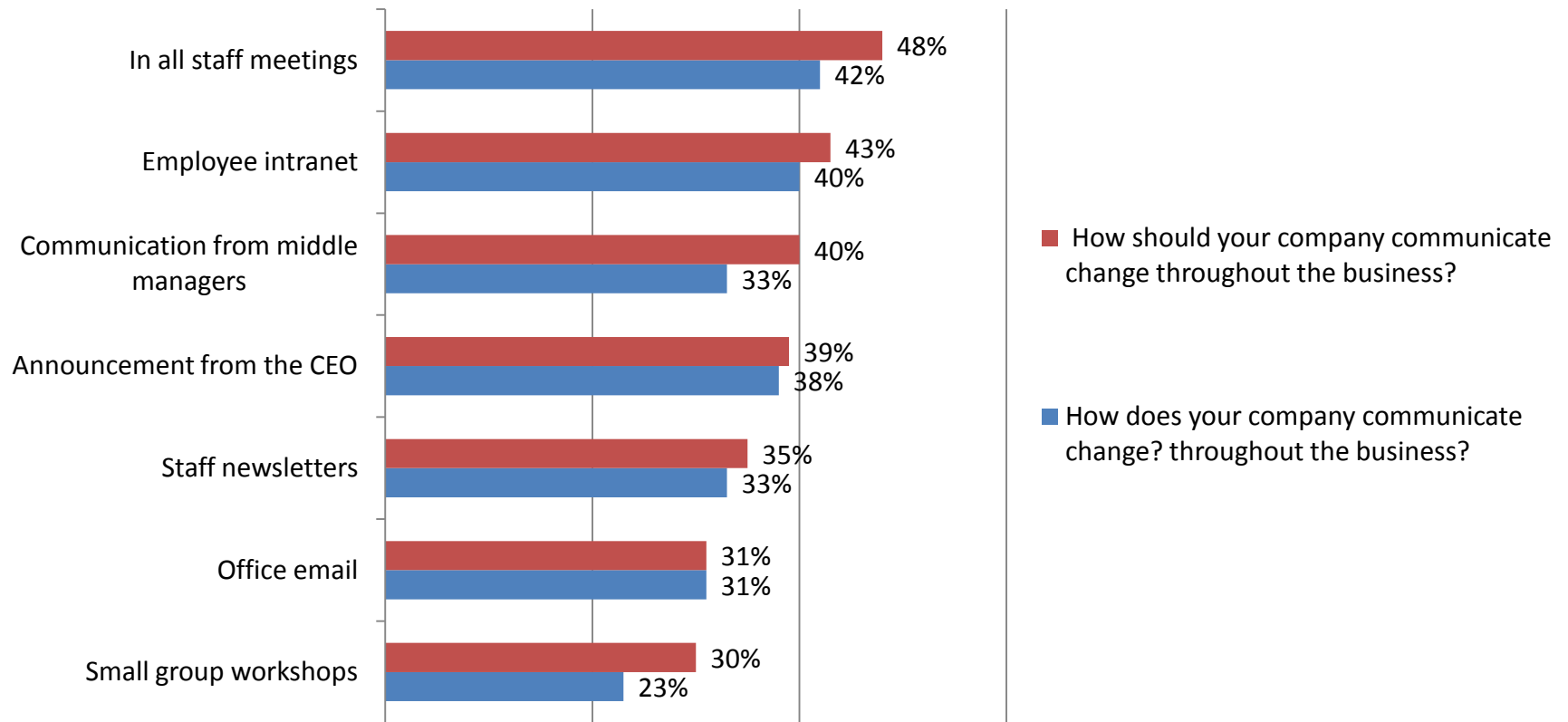
Q: What sort of strategic changes has your company been through?



Appendix, table 2a

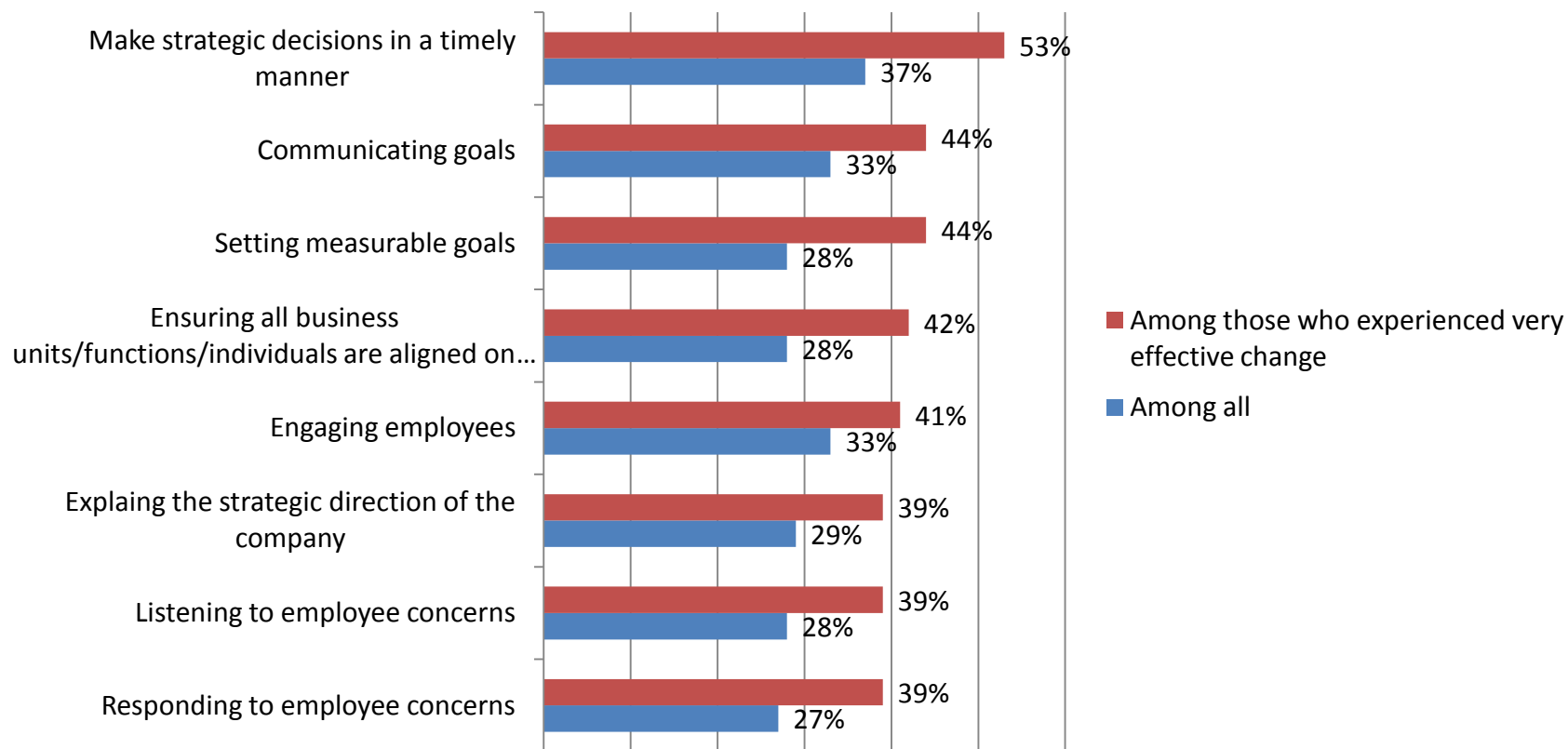
Q: In your opinion, how should your company communicate changes throughout the business?

Q: How, if at all, does your company communicate changes throughout the business?



Appendix, table 3a

Q: In your opinion, how important are the following in ensuring strategic changes are a success? (% critical to ensuring success)



Appendix, table 4a

Q: At what stage would employees typically hear about the change?

