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# Driving Change: Organizational Change Management for TBM Success

**Your Guides:**  
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# Introductions

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- Take 5 Minutes
- Turn to a Person Near You
- Introduce Yourself
- Business Cards

# Agenda

- What is Organizational Change Management?
- Considering Corporate Culture
- Kotter's 8 Step Process
- Synthesis & Discussion

# Discussion

- What comes to mind when you hear “*Organizational Change Management*?”
- Ever been through a company reorganization? Merger or Acquisition?
- How was the change handled by leadership? By Employees?
- What did resistance look like, if any?





# Organizational Change Management

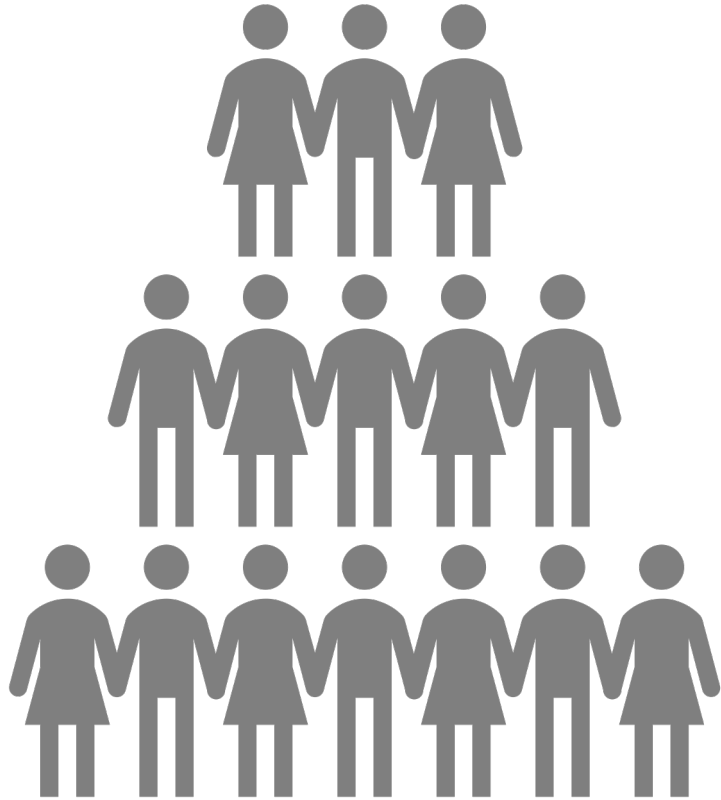
# What is Organization Change Management (OCM)?



Organizational Change Management (OCM) is a structured approach to transitioning individuals, teams, and organizations from the current state to a desired future state.

# Considering Corporate Culture

# What is Corporate Culture?



Can you identify the predominant culture of the company you work for based on the following slides?

Corporate culture refers to the **shared values, beliefs, behaviors, and norms** that shape how employees interact, make decisions, and work within an organization.

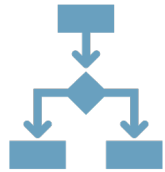
It influences everything from leadership styles and workplace environment to communication and company priorities.

A strong corporate culture aligns with business goals, enhances employee engagement, and defines how a company operates both internally and externally.



# Corporate Culture Archetypes: Summary

## Hierarchical



*Structure & Control*

## Clan



*Collaboration & Community*

## Market Driven



*Results & Competition*

## Innovation/Adhocracy



*Creativity & Agility*

## Customer-Centric



*Service & Responsiveness*

## Purpose-Driven



*Mission & Impact*

# Corporate Culture Archetypes: Hierarchical

## The Hierarchical Culture:

- Emphasizes stability, structure, and control.
- Often has formal processes, clearly defined roles, and centralized decision-making.
- Leaders must present change initiatives as extensions of existing systems, ensuring alignment with established rules and structures.
- Resistance is common when initiatives challenge the status quo, making clear communication and top-down leadership critical.

**Walmart:** With its vast global operations, Walmart follows a strict hierarchy, from store employees up to district managers and corporate executives. Policies, processes, and decisions tend to come from the top down.

# Corporate Culture Archetypes: Clan

## The Clan Culture:

- A family-like environment, that values collaboration, trust, and loyalty
- Employees expect to be part of decisions and are motivated by a sense of community.
- Successful change relies on framing initiatives as collective efforts that benefit everyone.
- Leaders must foster open dialogue and ensure that employees feel heard throughout the process.

**Zappos:** Family-like, employee-first environment, emphasizing collaboration, cultural fit, and open communication. Prioritizes happiness, teamwork, and customer service.

- Focused on results and competition, thrives on achieving performance goals, profitability, and market leadership.
- Change strategies should emphasize measurable outcomes, such as increased efficiency, reduced costs, or enhanced market positioning.
- Leaders must demonstrate how the initiative supports organizational success to gain traction in this results-oriented environment.

**Nike:** Intense focus on competition, performance, and brand dominance. Prioritizes innovation, aggressive marketing, and market expansion to stay ahead of competitors. Goal-oriented, rewarding high achievers and pushing boundaries in product design, athlete endorsements, and global reach.



# Corporate Culture Archetypes: Innovative / Adhocracy

## **Innovative/Adhocracy Culture:**

- Agile and risk-tolerant, prioritizes creativity, experimentation, and adaptability.
- Leaders can implement change effectively by encouraging innovation and framing initiatives as opportunities to test and iterate new ideas.
- Piloting changes in smaller teams before scaling them organization-wide can help maintain momentum and engagement.

**Google**: Thrives on creativity, experimentation, and bold innovation, fostering a flexible, risk-taking environment. With a flat structure and collaborative culture, it empowers employees to develop cutting-edge technologies like AI, Android, and Google Search, driving continuous industry disruption.

# Corporate Culture Archetypes: Customer-Centric

## Customer-Centric Culture:

- Focused on delivering exceptional customer experiences. Prioritizes flexibility and responsiveness to customer needs.
- Change initiatives should align with the organization's customer-focused goals, such as improving service quality or enhancing customer loyalty.
- Employees are more likely to embrace changes when they see a clear connection to customer satisfaction.

**Disney:** Prioritizes exceptional guest experiences, storytelling, and service excellence, ensuring immersive, memorable moments. Employees are empowered to go above and beyond, fostering strong customer loyalty and satisfaction.



# Discussion

- What might your corporate culture be?
- Have you worked elsewhere and noticed a different corporate culture in action?
- Ever experience a significant company change as an employee in two different companies?





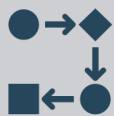
# Kotter's 8 Step Change Management Framework



# Kotter's 8-Step Change Model



**John Kotter** is a leadership and change management expert, best known for his **8-Step Change Model**, introduced in his 1996 book *“Leading Change.”*



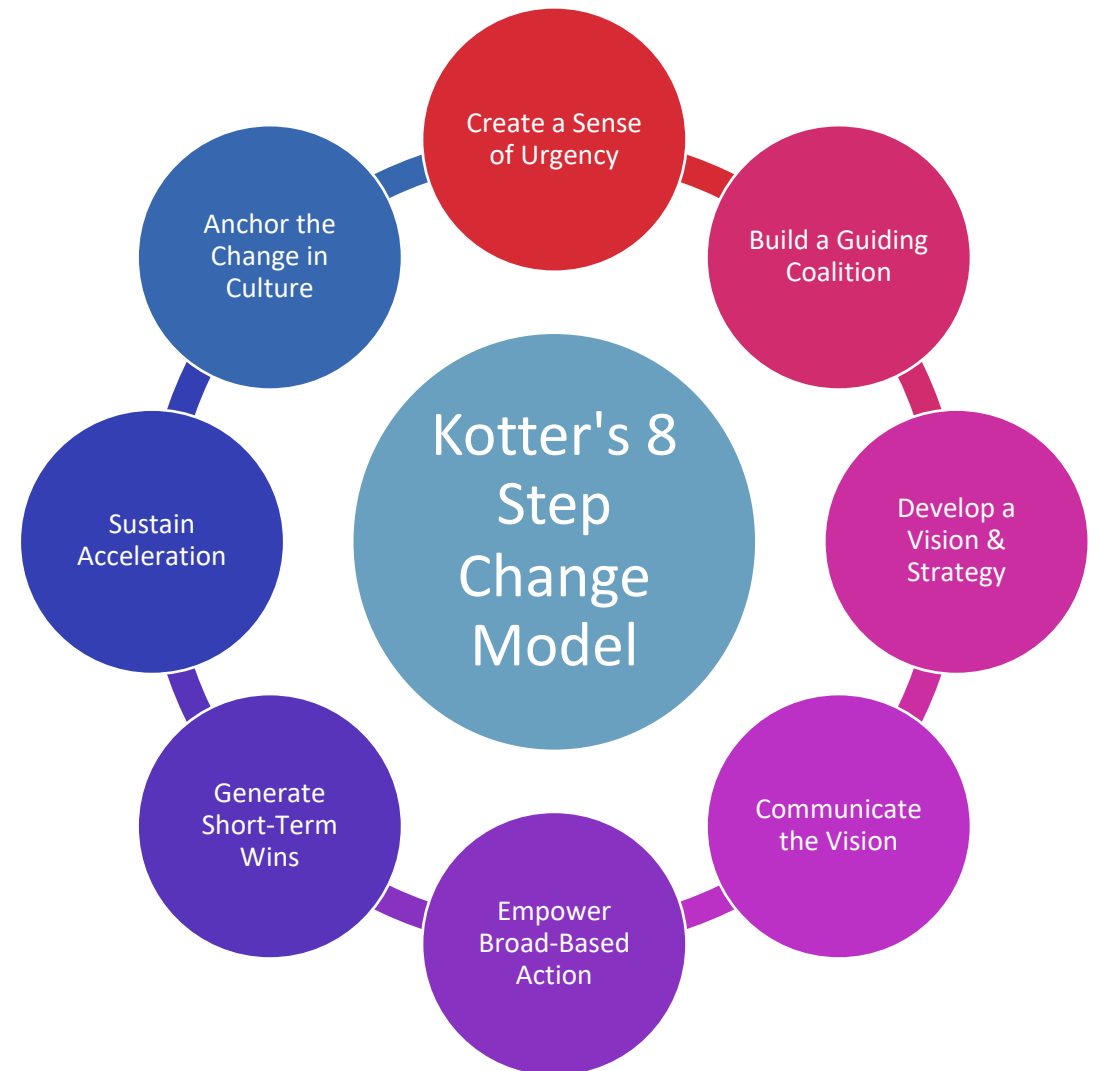
His framework provides a **structured, step-by-step approach** to overcoming resistance, building momentum, and ensuring lasting change.



It emphasizes **leadership, communication, and employee engagement** to drive organizational success.

# Kotter's 8-Step Change Model Overview

1. Create a sense of urgency.
2. Build a guiding coalition.
3. Develop a vision & strategy
4. Communicate the vision.
5. Empower broad-based action.
6. Generate short-term wins.
7. Sustain acceleration.
8. Anchor the change in culture.



# Step 1: Create a Sense of Urgency

## Step 1:

- The first step emphasizes the need to build momentum for change by helping employees see its importance and urgency.
- Leaders must communicate risks of inaction, highlight opportunities, and rally support through compelling reasons for change.
- This step helps overcome complacency and creates initial motivation for transformation.

## Examples of Creating a Sense of Urgency;

1. Use Data & Evidence – Present compelling facts, market trends, or performance metrics showing why change is necessary (e.g., declining sales, customer dissatisfaction, industry shifts).
2. Share a Visionary Story – Tell a compelling story about the risks of inaction and the benefits of change to create an emotional connection.
3. Engage Key Stakeholders – Hold meetings with influential employees, executives, or customers to discuss concerns and build early buy-in.
4. Encourage Open Dialogue – Facilitate discussions where employees can voice concerns and recognize the urgency themselves, fostering collective awareness.



# Step 2: Build a Guiding Coalition

## Step 2:

- This step involves forming a strong, diverse leadership team that champions the change effort.
- Leaders must identify key influencers, gain their commitment, and foster collaboration to drive momentum.
- A successful coalition includes leaders with authority, expertise, and credibility who can inspire and guide others through the transformation.

## Examples of Building a Guiding Coalition:

1. Identify Key Influencers – Select individuals across different levels (executives, managers, and frontline employees) who have authority, credibility, or informal influence within the company.
2. Form a Cross-Functional Team – Include members from various departments to ensure diverse perspectives and widespread support.
3. Gain Executive Buy-In – Secure top leadership sponsorship to provide resources and legitimize the change effort.
4. Foster Trust & Collaboration – Hold regular meetings or workshops to align goals, strengthen relationships, and create a shared vision.

# Step 3: Develop a Vision & Strategy

## Step 3:

- Create a clear, compelling vision that outlines the desired future state and how the change will benefit the organization.
- Develop a strategic plan that includes key actions, timelines, and milestones to guide the transformation.
- A well-defined vision helps align efforts, inspire employees, and provide direction for decision-making.

## Examples of Vision & Strategy Development:

1. Define a Clear Vision – Example: “Transform IT into a cost-transparent, value-driven business partner optimizing tech investments for growth.”
2. Align with Business Goals – Ensure TBM supports cost efficiency, operational agility, and strategic IT investment.
3. Set Strategic Goals – Example:
  - Short-term: Implement cost transparency dashboards.
  - Mid-term: Optimize cloud spend and app rationalization.
  - Long-term: Embed TBM in business decision-making.

# Step 4: Communicate the Vision

## Step 4:

- This step focuses on effectively sharing the change vision across the organization.
- Leaders must use clear, consistent messaging through multiple channels to ensure understanding and buy-in.
- Communication should be engaging, transparent, and repetitive, reinforcing how the change benefits both employees and the organization.

## Examples of Communicating the Vision:

1. Executive Messaging – CIO and CFO hold town halls or video updates explaining how TBM improves IT cost transparency and business alignment.
2. Workshops & Training – Conduct TBM training sessions for IT and finance teams, ensuring they understand its impact on decision-making.
3. Storytelling & Case Studies – Share success stories of how TBM has optimized costs and improved business value in other organizations.
4. Consistent Updates – Use newsletters, intranet posts, and email campaigns to keep employees informed and engaged with TBM progress.

# Step 5: Empower Broad-Based Action

## Step 5:

- This step focuses on removing obstacles and enabling employees to take initiative in driving change.
- Leaders must eliminate barriers, provide necessary resources, and encourage risk-taking, ensuring employees feel supported and empowered to contribute to the transformation.

## Examples of Empowering Broad-Based Action

1. Provide Self-Service TBM Tools – Enable teams to access dashboards and analyze costs for informed decision-making.
2. Offer Training and Upskilling – Ensure employees have the knowledge and skills to implement TBM effectively.
3. Recognize and Reward Early Adopters – Celebrate TBM champions to build momentum and encourage participation.
4. Foster Open Communication Channels – Create feedback loops and discussion forums where employees can share challenges, solutions, and TBM insights.



# Step 6: Generate Short-Term Wins

## Step 6:

- This step focuses on achieving quick, visible successes to build momentum and reinforce the value of change.
- Leaders should identify small but meaningful wins, celebrate progress, and use these early successes to maintain enthusiasm and commitment.

## Examples of Generating Short-Term Wins

1. Implement a Cost Transparency Dashboard – Launch a simple, IT cost dashboard that provides quick insights into spending, showing immediate value.
2. Pilot a TBM Initiative
  1. One Business Unit – Start with a single business unit, prove cost savings, and showcase success before expanding company-wide.
  2. Limited-Scope Application TCO – Start with a single application, or small number of high-profile applications and showcase cost drivers and cost reduction levers.
3. Communicate Quick Wins – Share before-and-after comparisons in company meetings or reports to highlight early TBM successes.

# Step 7: Sustain Acceleration

## Step 7:

- This step focuses on building on early successes to drive long-term transformation.
- Leaders must keep momentum high, expand TBM initiatives, and continuously reinforce progress by addressing obstacles and scaling improvements.

## Examples of Sustaining Acceleration

1. Develop Long-Term TBM Roadmaps – Align TBM with company-wide financial planning, ensuring sustainable cost management practices.
2. Implement Regular TBM Reviews – Hold TBM performance meetings where leaders analyze trends, identify new cost-saving opportunities, and refine strategies. This could include:
  - Service Owner Reviews
  - Application Owner Reviews
  - Business Unit Reviews

# Step 8: Anchor Changes in Culture

## Step 8:

- The final step ensures that the transformation becomes part of the organization's culture by reinforcing new behaviors, embedding best practices, and aligning incentives.
- Leaders must continuously communicate TBM's value, integrate it into core processes, and develop future leaders who uphold the change.

## Examples of Anchoring Changes in Culture

1. Make TBM Part of Leadership Decision-Making – Ensure IT and finance leaders can use meaningful TBM insights in budgeting, investment planning, and strategy meetings.
2. Embed TBM into Employee Goals & Performance Reviews – Align KPIs, bonuses, and performance evaluations with TBM-driven financial accountability and cost optimization.
3. Reinforce TBM Success Stories – Continuously share case studies, cost-saving wins, and impact reports to sustain enthusiasm and commitment.

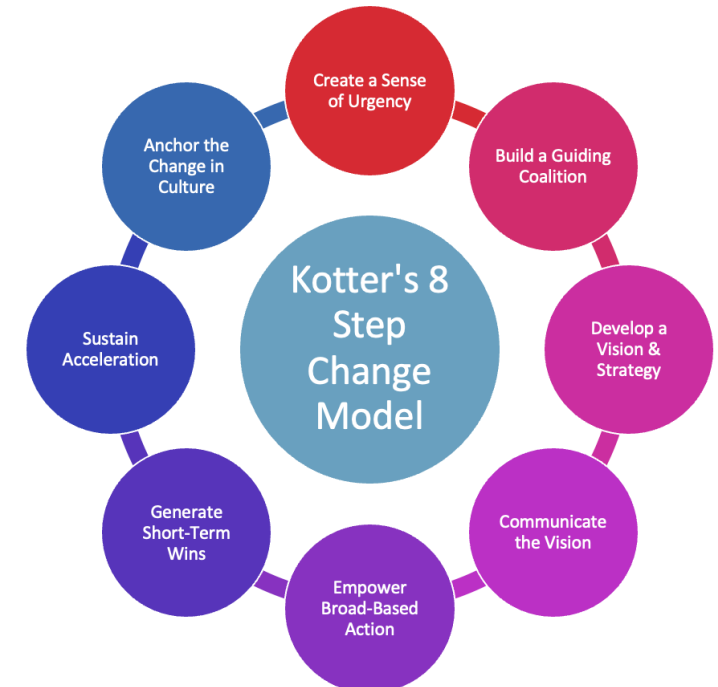
# Summary of Steps

Step	Description
<b>Step 1: Create a Sense of Urgency</b>	Build momentum by highlighting risks of inaction and opportunities for change.
<b>Step 2: Build a Guiding Coalition</b>	Form a strong leadership team to drive and support the transformation.
<b>Step 3: Develop a Vision and Strategy</b>	Create a clear, compelling vision and develop a strategic roadmap.
<b>Step 4: Communicate the Vision</b>	Consistently communicate the vision to ensure understanding and buy-in.
<b>Step 5: Empower Broad-Based Action</b>	Remove obstacles, provide resources, and empower employees to act.
<b>Step 6: Generate Short-Term Wins</b>	Achieve quick, visible successes to build confidence and momentum.
<b>Step 7: Sustain Acceleration</b>	Expand and sustain progress by scaling successful initiatives.
<b>Step 8: Anchor Changes in the Culture</b>	Embed the change into organizational culture through leadership and reinforcement.

# Align Culture and Strategy for Sustainable Change

1. Understand how culture shapes change perception and resistance.
2. Apply **Kotter's 8-Step Process** with your culture in mind.
3. Focus on measurable outcomes to showcase successes.

<p><u>Hierarchical</u></p>  <p><i>Structure &amp; Control</i></p>	<p><u>Clan</u></p>  <p><i>Collaboration &amp; Community</i></p>	<p><u>Market Driven</u></p>  <p><i>Results &amp; Competition</i></p>
<p><u>Innovation/Adhocracy</u></p>  <p><i>Creativity &amp; Agility</i></p>	<p><u>Customer-Centric</u></p>  <p><i>Service &amp; Responsiveness</i></p>	<p><u>Purpose-Driven</u></p>  <p><i>Mission &amp; Impact</i></p>





# Discussion

- Do you feel the need to drive change in your company's perception of TBM?
- Considering Kotter's 8 Steps, which step do you feel might be next for your company?
- If you could stop for a moment and consider the successes of your TBM team since you started your TBM journey, what comes to mind?



# Questions?



# Surveys

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