





Spotlight

## Designing transformations for an adaptive High Performance Organisation



Companies are under constant pressure to change. Geopolitical conditions, economic fluctuations, new customer needs, and social requirements or technologies require them to constantly improve or even reinvent themselves. This often requires fundamental strategic and organisational realignment. The ability to transform has become a decisive competitive factor for High Performance Organisations.



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Business transformation is a far-reaching process of change that aims to ensure or increase the organisation's long-term performance. A transformation is successful if the set business objective has been achieved in the long term. Possible intentions of a transformation are:

- **Strategic realignment** toward new customers and markets
- Fundamental **expansion of the product or service portfolio**
- Use and development of **new technologies** in the company

- **Digitalisation** of business processes and introduction of new IT systems
- Elimination or integration of **strategic partners**

Each of these requires demanding adjustments to team structures, working methods, and skills. Ultimately, aspects of the corporate culture are called into question. Successfully managing the complexity of the transformation process requires a holistic understanding of the strategic, organisational, technical, and social dimensions, as well as a systematic approach.

Fundamental changes in an organisation often generate the following reactions on an emotional level:

- **Confidence:** "Finally, things are changing!"
- **Denial:** "We are already very successful!"
- **Fears:** "What will happen to my job? Will my position still exist?"
- **Withdrawal:** "Another reorganisation! Well, it'll pass."

The confidence and enthusiasm of top management and the project staff involved at an early stage often differ significantly from the rest of the organisation. Those affected refuse to accept the need for change, have vague fears of what is to come, and react by withdrawing. Project management should take this into account. A pure top-down communication of the objective and the rough procedure cannot generate positive emotions toward the change.

The result is, at best, incomplete implementation and, at worst, can jeopardise the company's success.

In a targeted approach to corporate transformation, the most critical challenges should be consciously addressed.

- **Lack of clarity about goals:** Goals are not shared and cannot be achieved
- **Internal focus on change within the company:** Customer centricity is lost
- **Lack of implementation speed:** Transformation is not noticeable and therefore not completed
- **Loss of key persons:** Performance of the remaining teams decreases
- **Insufficient level of detail in new procedures:** Work continues to be done in the old way

Risks in the transformation process can be minimised by a clear attitude on the part of management and a demonstration of leadership. This includes careful and flexible planning and preparation, a systematic and holistic approach, and the consistent involvement of stakeholders in the development and implementation of solutions.

### Ensure readiness for transformation, manage transformation, and anchor change

hpo distinguishes between three stages of transformation management:

#### 1. Ensure readiness for transformation

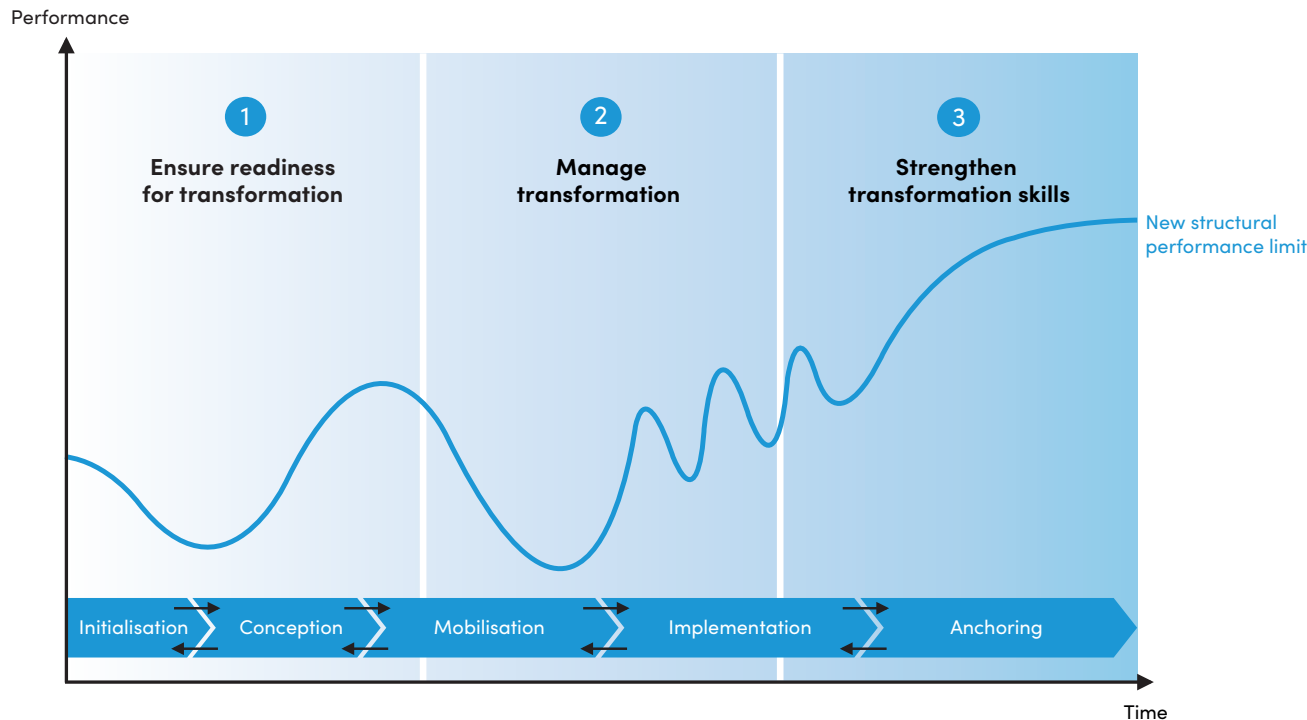
- Create a shared view of the current situation and future vision: Active involvement of decision-makers, knowledge, and opinion leaders in the project work
- Illustrate the necessary mindset and understanding of leadership
- Clearly address missing resources and how to obtain them (capacity, skills, financial resources, suppliers and external service providers)
- Plan transformation holistically and in a coordinated manner (strategy, business model, processes, organisation, technology, culture)

#### 2. Manage transformation

- Ensure and actively support leadership throughout the organisation
- Transparent communication and promotion of dialog
- Make quick wins visible through "lighthouse implementations"
- Address resistance and actively use conflicts
- Continuously weigh up the concept, objectives, and feasibility
- Support cultural and behavioural development

#### 3. Strengthen transformation skills, anchor changes

- Assume leadership and role model function
- Measure implementation and impact and make targeted adjustments
- Develop learnings from the transformation process and ensure adaptability
- Anchor new processes, behaviours, and culture in day-to-day business



## Case study: Strategic realignment in a medium-sized industrial company

### Initial situation

In a medium-sized industrial company with over 1,000 employees, a small group of management members and consultants had developed a new strategy. The announcement was met with reluctance within the organisation – reservations and concerns of the employees were not allowed to be discussed. Instead, close-knit project management was to ensure implementation, with a focus on meeting deadlines, according to employees. After the project was completed, top management celebrated the success – employees were relieved that “not that much had changed.” The company’s financial performance and market position remained unchanged.

### Solution approach

In order to ensure an effective transformation to a high-performance organisation, the strategy was refined in workshops. An extended number of key people were involved. In several sub-projects, the concrete solution was finally broken down to the

working level and anchored in the organisation in collaboration with those affected:

- The target model was rolled out locally in one division. The visible improvements strengthened the confidence of the entire organisation in the new strategy.
- An innovative customer was involved in order to further develop and optimise a new service in collaboration with the service department.
- Company management, the project team, and HR maintained a close exchange on the progress of the transformation and were able to identify and address unexpected challenges at an early stage.

As part of the sub-projects, selected managers were specifically empowered to ensure further implementation without the support of the consultants.

## hpo – your partner for the transformation to a High Performance Organisation

hpo combines decades of experience in managing and supporting transformation processes with a partnership-based approach to consulting and solutions. We consistently apply the principle of turning those affected into participants in all our projects, be it a strategic realignment of the entire company, a change in the business model or the optimisation of a supply chain. Embedded in the holistic organisational design, this approach ensures a high level of implementation success.



## unlocking performance

### Who is hpo?

hpo stands for High Performance Organisations. As experts for strategy, business processes, organisation and transformation, we have been supporting nationally and globally active clients since 1995 in releasing performance potential and transforming strategies into measurable results. With our holistic and partnership-based enterprise desing approach, we reliably lead them to their goal: a consistently designed and sustainably effective High Performance Organisation – fit for the future and with a clear competitive advantage.

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