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Leading the Way Through the Forest

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Where Do You Spend Most of Your Time and Energy?

- Financial management
- Operations management
- Human resources
- Leadership and communication
- Vendor relations
- Advertising and marketing
- As a technician (serving clients)

What Is Leadership?

- The process of mobilizing people, their ideas, and their energy.



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Leadership vs. Management

- Management is getting people to do what needs to be done
- Leadership is getting people to want to do what needs to be done
- Managers push. Leaders pull. Managers command. Leaders communicate.
- Management: creating an environment for performance
- Leadership: creating an environment for fulfillment and growth

Changing Business Environment



- In 4 years, Facebook has grown from 0 to 70 million active users
- Last year, 17,000 new grocery products were introduced; the average store carries 30,000 items
- Today, the average person makes 5 career changes during their worklife

Change in the spa world

- In US, one out of three beauty professionals changed jobs last year, a national turnover rate of 33%
- 25% of all positions were filled with inexperienced workers
- Meanwhile, customer expectations continue to escalate
- How can we deliver customer service in this environment?

Challenges Affecting the Spa Industry Today

- Outmoded Compensation Plans
- Global Labor Shortages
- Lack of industry-wide standards for defining spa categories and best practices
- Burgeoning competition, market saturation in some markets
- Sustainability

Resort Spa Challenges

- Connecting with clients
- Giving the spa a personality within the larger brand
- Corporate HR understanding of spa culture
- High expectations of clients

What is Change Management?

The discipline of planning, organizing, and controlling organizational change to:

- More effectively solve current business problems
- Anticipate future business problems or opportunities

Changes in Your Business

QUESTIONS:

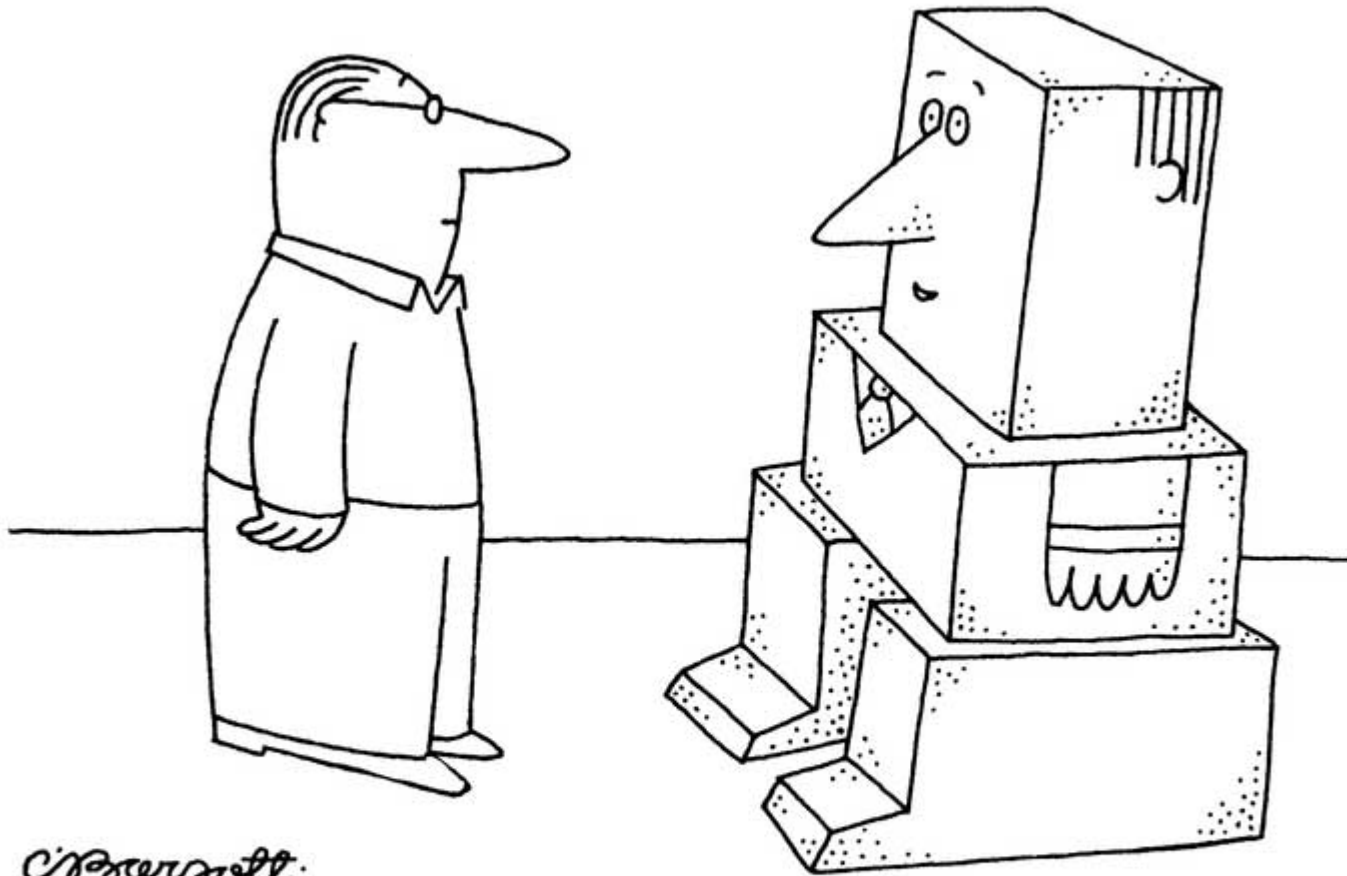
- What changes are you trying to implement or deal with in your business?
- What are the greatest challenges or obstacles in implementing the change?
- What are you relying on (enablers) to ensure the change happens?

Barriers to Change

- Arrogance about our success
 - “If it ain’t broke, don’t fix it”
- Denial that we are in trouble
 - Boiled frog syndrome
- Risk aversion, learned apathy
 - “We tried that before and it didn’t work”
 - “That’ll never fly around here”
- Owner vs. employee accountability

Barriers to Change *cont'd*

- Entrenched industry practices
- Employee resistance to change
 - Passive resistance (“wait and see”)
 - Active resistance
- Lack of follow-through
 - Creates “snap-back”
 - Makes employees skeptical about the next change
- Lack of leadership than can inspire followership



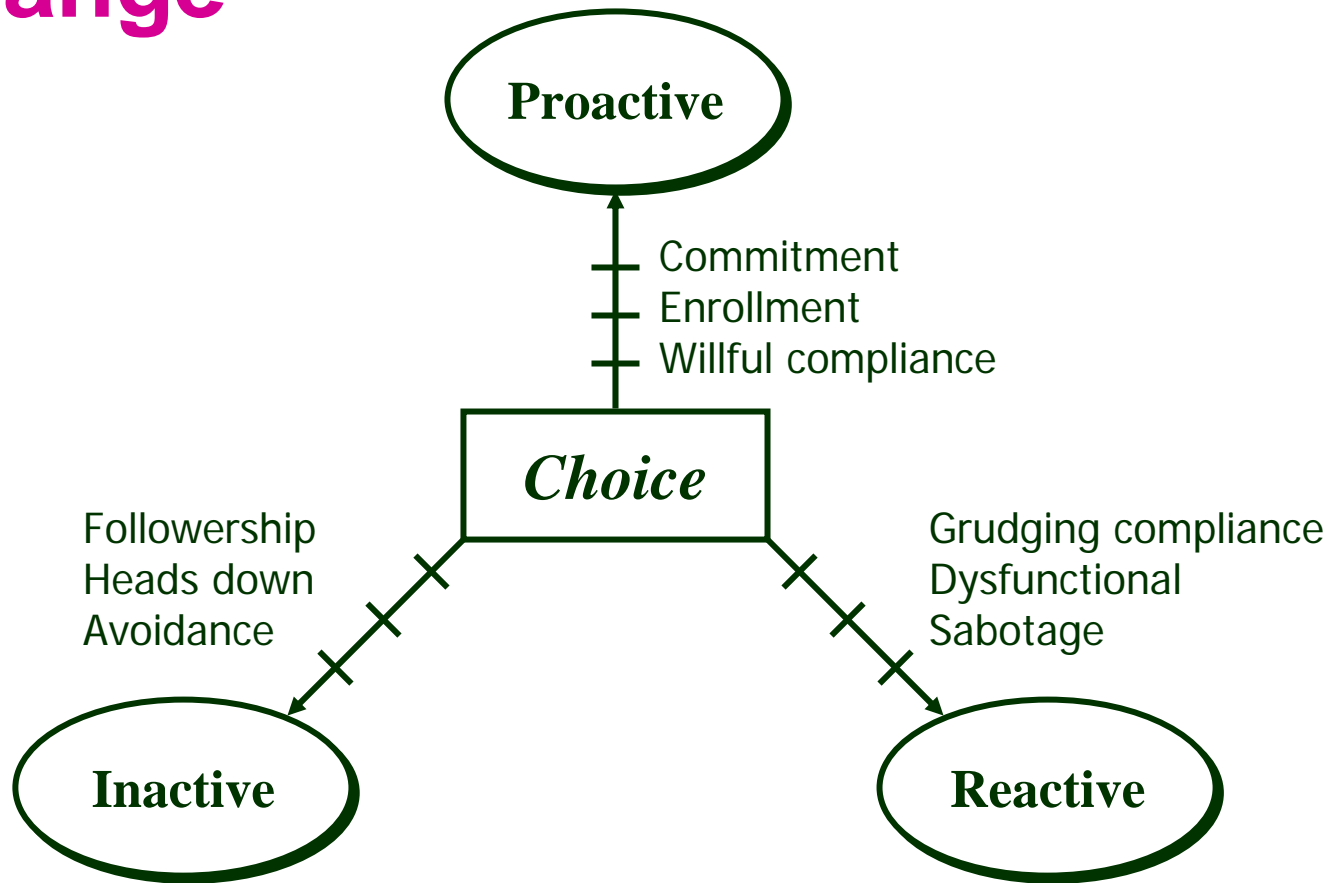
C. Perrotti

“No, I’m the candidate you can trust—the other guy is the candidate of change.”

Staff reactions to change

- Disengagement → “Quit and stay”
- Disidentification → “I used to be somebody”
- Disorientation → “Where do I fit in?”
- Disenchantment → “Ain’t it awful”

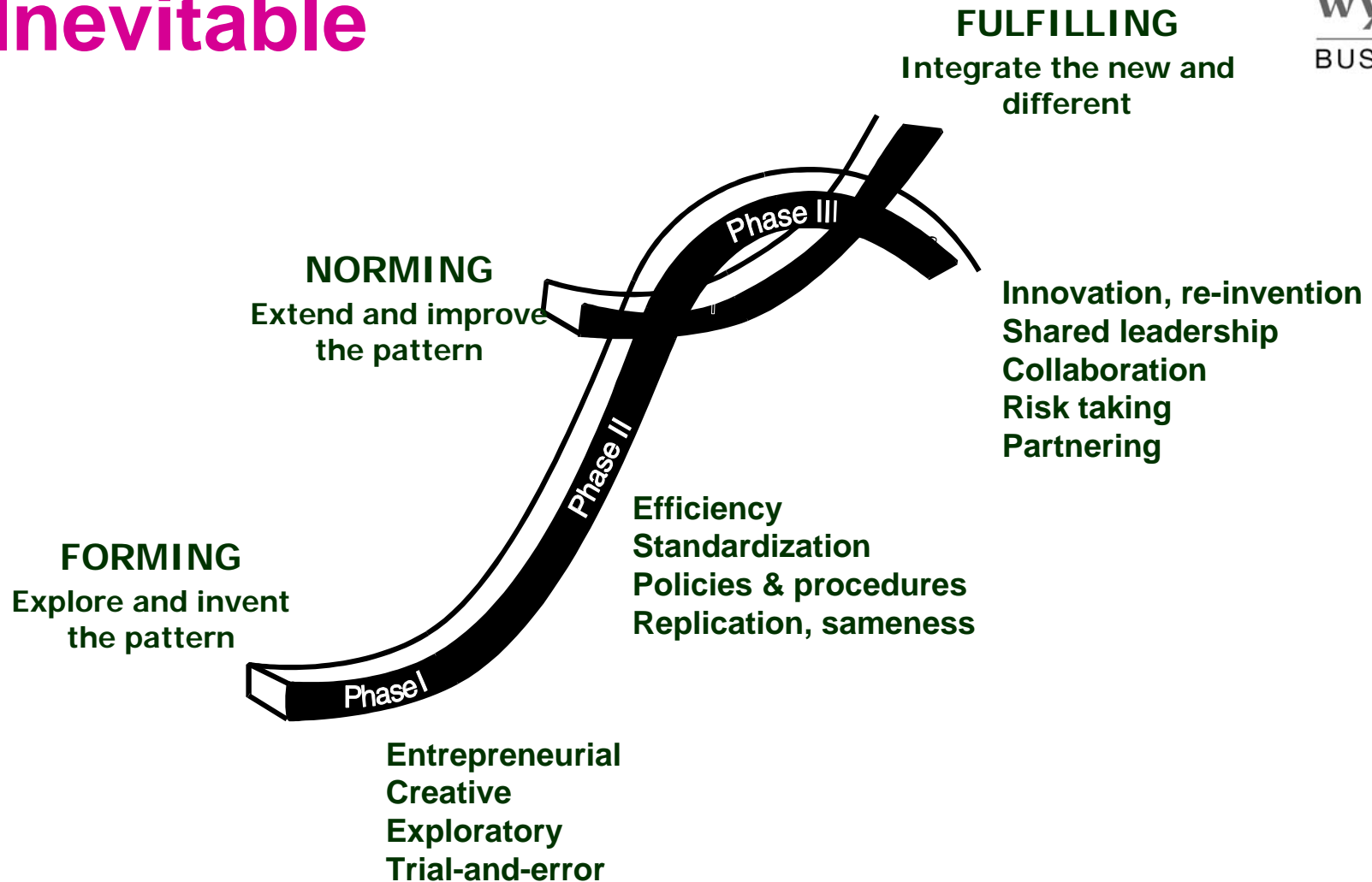
How Employees React to Change



Change Is Both Natural and Inevitable



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Why Do We Resist Change?



What Can You Do? Enablers of Change

- Provide strong leadership
- Seek the highest level of employee involvement
- Build coalitions, find champions and “change agents”
- Practice empathy; acknowledge employee feelings of loss
- Challenge traditional assumptions: your own and your employees’!

What Can You Do? Enablers of Change *cont'd*

- Set realistic goals and timetables
- Follow through until the change is complete
- Look for near-terms wins that build momentum and success experience

3 Keys to Managing Change

- **Demonstrate Empathy**
 - Understand that reactions are not logical
 - Suspend judgment, goal is to understand
- **Facilitate Communication**
 - Communication is not sending memos
 - Create understanding
- **Encourage Participation**
 - Gives staff opportunity for input and control

Empathy

- Developing empathetic relationships helps to:
 - Anticipate and plan for resistance
 - Provides support tool in times of instability
 - Allows you to plan degree of participation
 - Builds loyalty and commitment

Communication

- Poor communication
 - Destroys commitment
 - Damages morale
 - Generates resistance
 - Develops performance problems
- Communication guidelines
 - Whom – everyone who wants to know
 - What – anything that's not confidential
 - When – early and often
 - How – multiple modalities

Communication Behaviors

SIX BEHAVIORS THAT PREVENT COMMUNICATION

- Judging
- Superiority
- Certainty
- Controlling
- Manipulating
- Indifference

SIX BEHAVIORS THAT ENCOURAGE COMMUNICATION

- Description
- Equality
- Openness
- Empathy
- Problem-orientation
- Positive Intent

Participation

- Ask for input
- Seriously evaluate contributions
- Use those that are valid
- Don't use those that aren't practical, but make sure that contributors understand why
- Give credit to those whose ideas were used

Survey of Fortune 500 Companies



Top 10 Barriers

% of 500 companies

Competing resources	48%
Functional boundaries	44%
Change skills	43%
Middle management	38%
Long IT lead times	35%
Communication	35%
Employee opposition	33%
HR (people/training) issues	33%
Initiative fatigue	32%
Unrealistic timetables	31%

Top 10 Enablers

% of 500 companies

Ensuring top sponsorship	82%
Treating people fairly	82%
Involving employees	75%
Giving quality communications	70%
Providing sufficient training	68%
Using clear performance measures	65%
Building teams after change	62%
Focusing on culture/skill changes	62%
Rewarding success	60%
Using internal champions	60%

Another Viewpoint: Why Change Efforts Fail

1. Not establishing a great enough sense of urgency
2. Not creating a powerful enough guiding coalition
3. Lacking a vision
4. Undercommunicating the vision by a factor of ten
5. Not removing obstacles to the vision
6. Not systematically planning for and creating short-term wins
7. Not anchoring changes in the company's culture
8. Declaring victory too soon

Understanding and adapting to different behavioral different styles

Social Style Summary Chart

Control

	Analytical Low Assertive Low Responsive	Driver High Assertive Low Responsive	
Ask	Amiable Low Assertive High Responsive	Expressive High Assertive- High Responsive	Tell

Emote

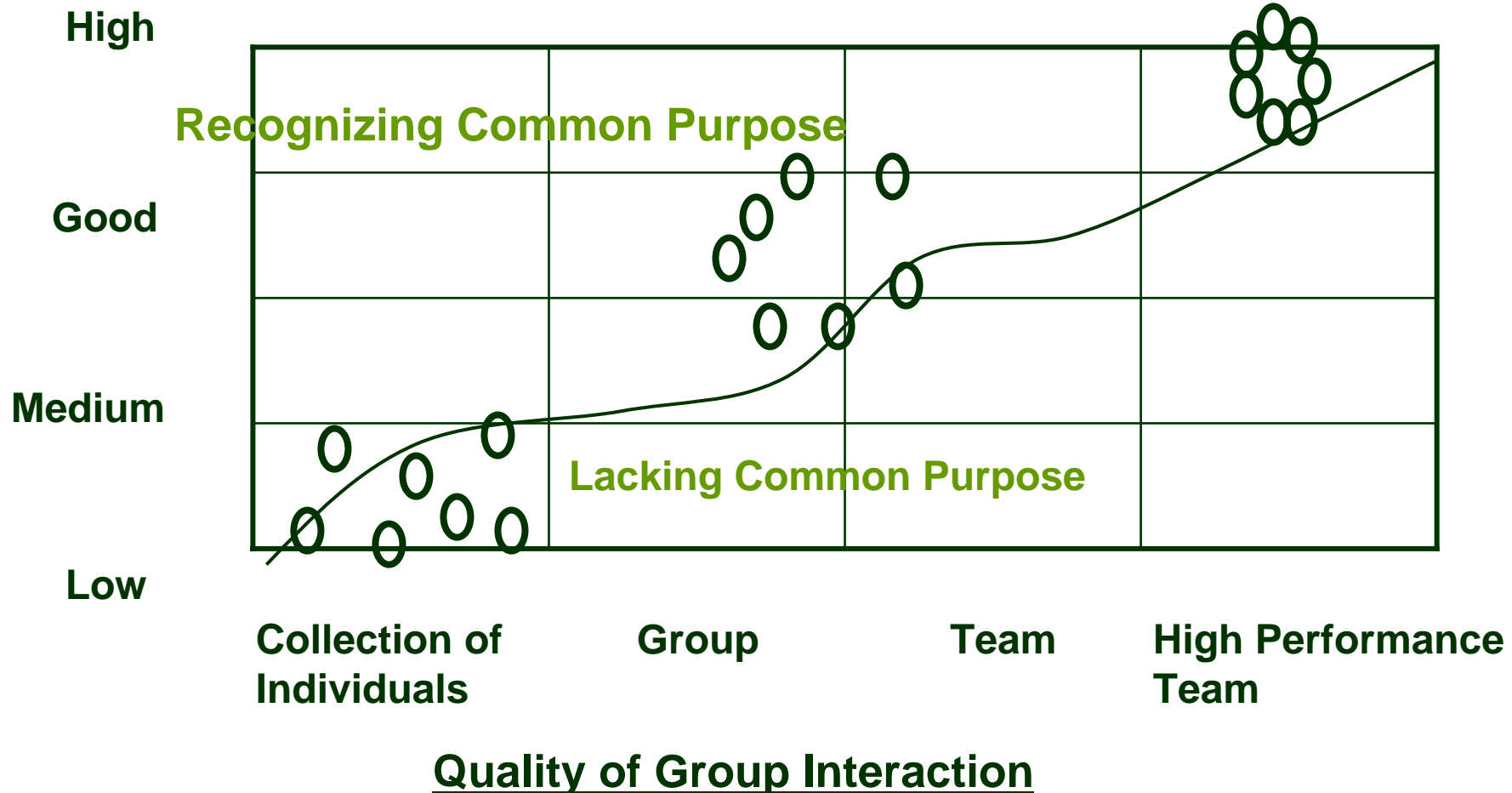
The Group Journey



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Performance Level

Share Responsibility



Action Plan

- Use team approach, involve everyone
- Make plans, loosely
- Be aware of timing
- Provide training and support
- Understand and work with resistance
- Expect “implementation dip”
- Change takes time



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THANK YOU FOR YOUR ATTENTION!

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