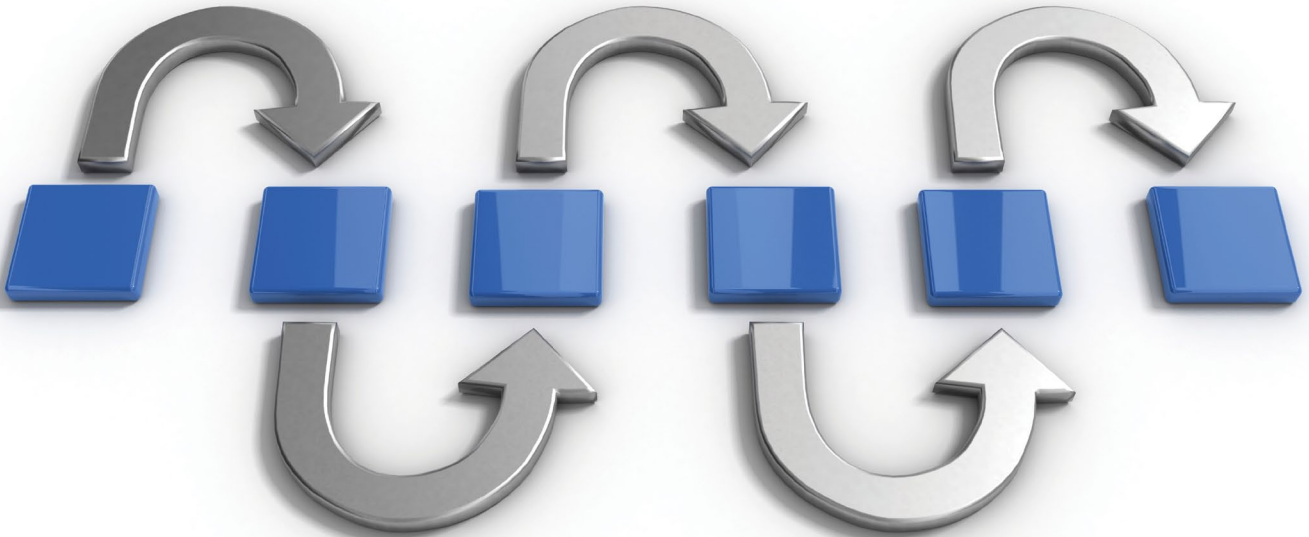


SIX STEPS FOR DRIVING CHANGE MANAGEMENT



*Enacting cultural change in an organisation is never easy. Cascading this change from the board level is harder still. But when the business has become underproductive, rapid organisational change should be driven from the top to secure the business' medium-term future. In this article, **Geoff Wilmot**, CEO of Centaur Media plc, outlines six steps that will help to create change and take your business forward*

Centaur Media plc, the UK-based specialist B2B publishing company, was founded in 1981 by Graham Sherren; a creative entrepreneur with a personality reflective of a man who kept a black Labrador by the name of 'Rebel'. When Centaur listed on the Main Market in 2004, Geoff Wilmot was Group CFO.

While the founder had created a positive cultural brew of entrepreneurialism and paternalism anchored around an ethic for

integrity, energy and experience, Centaur was under-exploiting its potential as a result of organisational and cultural inefficiencies. There was a reluctance to invest in central service infrastructure, and the 'owner-manager' culture in business unit managers had led to a siloed organisation, offering limited internal collaboration or communication.

In addition, when Geoff became CEO in late 2006, it was clear that the business

model was in the autumn of its original incarnation. Although Centaur had achieved high levels of organic growth and was No.1 in each of its markets, 60 per cent of its revenue was still in print format, which faced increasing competition from digital media. This structural challenge was exacerbated by the cultural and organisational issues outlined above. Working with a handful of senior executives, he set about implementing root and branch organisational change.



COMMUNITY COMMENT

Martin Balaam
Managing Director
BT Engage IT

“You should first understand what the group’s core objectives are and how integrated it should be. Are you a collection of different companies where the group’s ownership allows each the freedom to be autonomous, or associated businesses where being part of the same group might afford you comparative advantage in, for example, customer base? Or, do you want to be seen as ‘one company’ to your customers? Certainly, if you can show that being part of your group has allowed each business to grow more than if they had been left standalone, then the group is genuinely adding value.”



COMMUNITY COMMENT

David Turner
CEO
HEROtsC

“Cultural change needs to be management led as the biggest challenge is to win the hearts and minds of all stakeholders, although mainly people that are in your business. In my experience, that is where many projects fail. One needs to understand that cultural change is not an overnight win. Done properly, it takes a minimum of six months to really change the behaviours in your business. And one can only enact these types of changes if the people that are going to drive this through have the same value and belief structure of the business leaders.”



COMMUNITY COMMENT

Andrew Powell
Chief Operating Officer
Colt Technology Services
Group Limited

“You need a CEO that has the courage and self belief to do the right thing for their business; and, in parallel, a No.2 that can execute operationally. Too many CEO’s say they ‘want change’ but they must drive it through despite the exposure to genuine ‘career risk’, because they will be held accountable for their actions. CEOs like to be liked but their bold actions may mean not being liked by everyone all of the time. And, to effectively manage the board, analysts and shareholders in parallel, an excellent No.2 will help to deliver operationally on their vision.”

Based on his recent experiences of the change management process, Geoff recounts six key steps that enabled Centaur to break out of its silos and for organisational change to take place:

1. Invest in good people – you’ll need to have the right people in place that understand why the business strategy is changing and that are engaged and passionate about its future direction; in addition, you need to be prepared to invest in quality staff in key management roles. In our case, that was particularly relevant in the central service departments. Once performance of those departments improved, it quickly created mutual respect across business units, improved communication and control and released business unit heads from wasteful administration duties.

2. Standardise key business processes and systems – with a major part of our revenue derived from print, the direction of our business was clearly moving towards a more digital future. Our previous experience in digital had been largely experimental, as it had with many during that period, but our ideas were taking too long to come to fruition: different business units weren’t joined-up and each was essentially doing the same thing, just in a different way. To remedy this we adopted a single web platform for all business units and a ‘best of breed’ approach to delivery.

3. Balance localised with centralised systems – you don’t want to destroy the entrepreneurial flair already inherent in the business, but not everything need be localised; we centralised some of our shared support services (those areas that were truly specialised), such as software development support and web production functions, and we delivered significant economies of scale by bringing them together.

4. Align internal and external communications – there was no real structure in terms of cascading messaging from the top down, so we took time to consider how we would explain the business strategy, not just to City analysts but also to our internal management, to explain what the business was all about, what the objectives were and how they and their business units fitted into the overall strategy.

5. Introduce incentives for collaboration – unsurprisingly, given the siloed nature of the business, we needed to move from a culture of ‘eat what you kill’ (individual business units benefited more than the wider business team from bringing in new business) to a more collaborative, shared service environment. We introduced some company-wide elements into the incentive packages of key managers to encourage this and help support other areas of the business.

6. Foster cross-company knowledge-sharing – we introduced organisational changes to help align different parts of the business and brought together managers from larger market groupings on a monthly basis, so as to develop a wider marketplace perspective. The intention is that this will inform internal discussion and enable business units to break out of their silos and take advantage of new, cooperative opportunities.

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Geoff Wilmot
CEO
Centaur Media plc

Geoff is CEO of Centaur Media plc, one of the UK’s leading specialist business media and information groups. He was CFO of the group until his appointment as CEO in November 2006. Prior to that, he held senior financial management roles in a range of industry sectors with The Thomson Corporation plc, Scruttons plc, Dexion Group plc and Morgan Crucible plc.

Contact Geoff through www.criticaleye.net

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