

LEADING CHANGE

An Action Plan

JOHN KOTTER

JOHN KOTTER is a professor at the Harvard Business School, where he has been on the faculty since 1972. His area of specialization is business leadership. Dr. Kotter is also the founder and principal of Kotter Associates, a consulting firm based in Cambridge, Massachusetts. He is the author of several books including *The New Rules: How To Succeed in Today's Post-Corporate World* and a frequent contributor to the *Harvard Business Review*. Dr. Kotter is a graduate of MIT and Harvard.

SUMMARIES.COM is a concentrated business information service. Every week, subscribers are e-mailed a concise summary of a different business book. Each summary is about 8 pages long and contains the stripped-down essential ideas from the entire book in a time-saving format. By investing less than one hour per week in these summaries, subscribers gain a working knowledge of the top business titles. Subscriptions are available on a monthly or yearly basis. Further information is available at <http://www.summaries.com>.

MAIN IDEA

In recent years, a number of businesses and other organizations have attempted to transform themselves through a variety of initiatives – reengineering, acquisitions, downsizing, total quality management, and others. With relatively few exceptions, these programs generally fail to deliver the anticipated results. Why is that? Predominantly because of a lack of business leaders who can inspire and motivate the people within the organization to act differently.

Thus the single most important challenge in transforming any organization for the better is to find and develop strong leaders. Good business leaders make change happen. Leaders also lock-in the long-term benefits of those changes by encouraging people to continue learning new skills and develop new abilities. By so doing, business leaders continue to strengthen and build the competitive capacity of the business. This process also positions the firm strongly to be able to respond more effectively in the future to the ever changing demands of the global economy.

In the volatile economic environment of the twenty-first-century, business leadership will be the key differentiator between success and failure.

Section 1 – The Need For Business Leaders Page 2

In the real world, most attempts to change business organizations for the better fail because:

1. There is so much inertia to overcome it usually can't be achieved in a single step.
2. High-quality leadership is required rather than management, even if the management is excellent.

Therefore, first and foremost, changing an organization requires leaders who understand and execute the business change process.

Section 2 – The Process For Creating Effective Business Changes Pages 3 - 7

The steps involved in producing successful and lasting change of any magnitude within a business organization are:

The Change Process	1	Establish a sense of urgency.
	2	Create a guiding coalition.
	3	Develop both a vision and a strategy.
	4	Communicate the vision.
	5	Empower employees to act.
	6	Generate short-term wins.
	7	Consolidate gains to build momentum.
	8	Anchor changes in the culture.

Note that the sequence shown is also important. In effect:

- Steps 1 - 4 break down the status quo.
- Steps 5 - 7 introduce the new practices.
- Step 8 makes the changes stick.

Although it is possible to be working on several of the steps simultaneously, if any of the steps are skipped altogether, problems may arise during the later stages of the business change. It's important to build a strong and durable base if the inbuilt inertia which naturally exists is to be overcome.

Section 3 – The Business Organization of the Future Page 8

The business organization that will prosper in the competitive environment of the twenty-first-century will be a learning organization which has effective business leaders not only at the top of the hierarchy but right throughout the entire organization.

In short, economic success in the twenty-first-century will be directly related to how successfully an organization can create leaders who drive the ongoing changes that will be required.

Summaries.Com

The Ultimate Business Library



We condense **300+ page** business books into **8-page** summaries.

By reading summaries, you'll get the **key ideas** in **30 mins**, so you can spend more time turning your ideas into **dollars**.

Knowledge is Power — Invest in Your Future

For just **\$2 per week**, you will...

- > Learn from the mistakes and success of the smartest people in business;
- > Get fresh ideas, strategies & motivation that could be worth millions to you;
- > Follow emerging trends, so you can catch the wave before your competitors do;
- > Catch up on the classics you always wanted to read.

1,000 Top Business Book Summaries

Our catalog includes summaries on a range of topics for aspiring entrepreneurs, managers, and consultants.

BUSINESS PLANS

MANAGEMENT

PRESENTATIONS

SALES

LEADERSHIP

MOTIVATION

STRATEGY

AND MORE

