Managing Organizational Change: Stop the Insanity!

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Mergers & Acquisition (M&A) activity continues to dominate the telecommunications industry. Although it is generally undertaken with the intention of offering better products and services to the marketplace, it often does just the opposite. Why? As telco managers focus on changing their organizational structure as a result of mergers, acquisitions, or plans to streamline, they begin to lose sight of the forest for the trees and forget their most important asset…the customer!

For example, many wireline and network companies are now becoming wireless and need to communicate their new sales and customer service strategies to the sales team, service people, technicians, and customer service reps in terms of "how do these changes benefit our customers?" They need to learn how to explain a new value proposition to customers.

Unfortunately, managers are so caught up in the process of change and the internal impact, they are failing to adequately address the external impact…frankly, they've got it backwards!

For example, one major telecommunications company had multiple divisions: long distance/transport, wireless, and network. Their biggest revenue source was in wireless, which sat opposite the other two divisions. This meant three different sets of people within three separate structures now had to come together and communicate a synergistic message to customers. However, the company wasn't focusing on legacy employee knowledge between the units in a way that could benefit existing customers and cross sell services. By implementing a well-designed performance improvement plan to reward and support knowledge sharing, team collaboration, and results, the company was able to improve their delivery of cross selling communications to their customers. Employees were motivated to team and target their top 10 customers that were potential users of both transport and wireless.

Let me give you an example of knowledge sharing and teaming. Reps that had a history of successfully selling one solution joined their counterparts in strategic planning sessions from the other division to share what they were doing to be successful. The counterparts who incorporated these "best practices" ideas were rewarded for this behavior, not just the end sale. Employees were recognized for sharing and validating their knowledge, and this ultimately led to more solution-based selling opportunities with a direct impact on sales.

This is a critical point. The biggest mistake companies make is thinking that they can change performance by rewarding employees for the final outcome and not the steps it takes to get there. By rewarding only the final results, companies reward the same top performers time and time again. By shifting rewards and recognition to behaviors and activities that lead to great results, companies recognize top performers and everyone else who shows improvement. This method encourages everyone to see clearly what is working and to duplicate those successes with their customers and prospects.

Similarly, when NYNEX and Bell Atlantic/GTE merged a few years ago to become Verizon, communicators took the concept of sharing to a new level. After the major telecommunications merger—whose locations and company cultures varied widely—employees were understandably distracted. Customer service and sales were suffering.

We created a coaching program that teamed groups from two locations together to form teams. When you have many different groups merging together, there is a huge opportunity to learn and create best practices.

This successful program for Verizon was based on my philosophy that in most companies the same superheroes take home all the gold and the company gets the incremental improvement of an elite group. Because this elite group is very small, the incremental improvement (while great) is still small overall. What if companies focused on helping the mass of everyday performers—the 80% Club—improve their performance? Imagine the incremental improvement companies would get if 90% of their employees improved just a little bit.

Performance improvement initiatives such as teaming can help a company's "middle 80%" improve and keep the focus on the customer during times of corporate change…provided managers can see the forest through the trees by developing and initiating these programs.

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