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Toolkit Exercise 10.4

Aligning the Change With Systems and Building the Balanced Scorecard for the Change

Think about a change you are familiar with.

1. State the mission, vision, and strategy for the change.
2. Consider the mission, vision, and strategy of the organization:
 - Is the proposed change consistent with these?
 - If not, what needs to be done with the change or the existing mission, vision, and strategy to bring them into line?
3. Financial component of scorecard: If you succeed with the change vision, how will it appear to the shareholders or those responsible for funding the change?

How will you know (objectives and metrics)? Are some of these leading indicators while others are lagging indicators?

4. Customer component of scorecard: If you succeed with the change, how will it appear to your customers?

How will you know (objectives and metrics)? Are there leading and lagging indicators here?

5. Internal business processes component of scorecard: If you succeed with the change, how will it appear in your business processes?

How will you know (objectives and metrics)? Are there leading and lagging indicators here?

6. Learning and growth component of scorecard: If you succeed with the change, how will it appear to your employees and demonstrate itself in their actions?

What about the information and organizational capital? How will you and they know (objectives and metrics)? Are there leading and lagging indicators here?

7. Lay out the scorecard you've designed for your change and seek feedback.

8. Show how the different components are connected to each other by developing a strategy map for the change in the space below.

Please see study.sagepub.com/cawsey3e for a downloadable template of this exercise.

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Toolkit Exercise 10.5

Using the Risk Exposure Calculator

Consider a change initiative that you know is currently being considered for adoption and apply the risk exposure calculator to it.

				Score
Change Pressure	Pressure to produce Low High 1 2 3 4 5 Score:	Level of ambiguity Low High 1 2 3 4 5 Score:	Experience with change High* Low 1 2 3 4 5 Score: *Note: High and Low anchors are reversed for this item.	Out of 15 ___
Change Culture	Degree to which individuals are rewarded for risk taking Low High 1 2 3 4 5 Score:	Degree to which executives resist hearing bad news Low High 1 2 3 4 5 Score:	Level of internal competition Low High 1 2 3 4 5 Score:	Out of 15 ___
Information Situation	Degree to which situation is complex and fast changing Low High 1 2 3 4 5 Score:	Level of gaps that exist in diagnostic measures Low High 1 2 3 4 5 Score:	Degree to which change decision making is decentralized Low High 1 2 3 4 5 Score:	Out of 15 ___
Total Score =				

Using scoring criteria consistent with that developed by Simon:

- If your score is between 9 and 20, you are in the safety zone.
- Between 21 and 34, you are in the cautionary zone.
- Between 35 to 45, you are in a danger zone.

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1. Does the organization have an appropriate level of risk taking given the nature of the business it is in? Does it play it too safe, about right, or does it take excessive risks?
2. Does the approach help you in thinking about risk and what factors may be contributing to the overall risk levels?
3. Do the findings help you to think about what can be done to make the levels of risk more manageable?

Source: Adapted from Simon, R. "How Risky is Your Company?," *Harvard Business Review*, Vol. 77, #3, 1999, 85–94.

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Toolkit Exercise 10.6

Applying the DICE Model

Consider a change initiative that you know is currently being considered for adoption and apply the DICE model to it.

- Duration: How frequently is the project formally reviewed?
 - a) Time between project reviews is less than 2 months—1 point
 - b) Time between project reviews is 2–4 months—2 points
 - c) Time between project reviews is 4–8 months—3 points
 - d) Time between project reviews is more than 8 months—4 points
- Duration Score = _____
- Integrity: How capable is the project team leader? How capable and motivated are team members? Do they have the sufficient time to devote to the change?
 - a. Leader is respected, team is capable and motivated, and members have sufficient time to commit to the project—1 point
 - b. If leader or team is lacking on all these dimensions—4 points
 - c. If leader and team are partially lacking on these dimensions—2 to 3 points
- Integrity of Performance Score: (Your Initial Score \times 2) = _____
- Commitment of Senior Management: How committed is senior management to the project? Do they regularly communicate the reasons for the initiative and its importance? Do they convincingly communicate the message and their commitment? Is the commitment to the project shared by senior management? Have they committed sufficient resources to the project?
 - a. If senior management clearly and consistently communicated the need for change and their support—1 point
 - b. If senior management appears neutral—2 to 3 points
 - c. If senior management is reluctant to support the change—4 points
- Senior Management Commitment Score: (Your Initial Score \times 2) = _____
- Local Level Commitment: Do those employees most affected by the change understand the need and believe the change is needed? Are they enthusiastic and eager to get involved or concerned and resistant?

- a. If employees are eager to be engaged in the change initiative—1 point
- b. If they are willing but not overly keen—2 points
- c. If they are moderately to strongly reluctant to be engaged in the change—3 to 4 points

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