

Managing stakeholders during a Lean Transformation

At Ad Esse we have worked with a large number of clients on a range of assignments – from simple process change to complex organisation-wide transformations. Be it in the public, private or third sectors, a common feature is that all assignments have a set of stakeholders, and success depends on taking into consideration, all stakeholders' needs and trying to meet them.

We have published previous articles about general stakeholder management which applies when you are changing just about anything in your organisation, and in specific case studies we have described managing particular groups. In this article, we focus on our approach to stakeholders in organisation-wide Lean transformation.

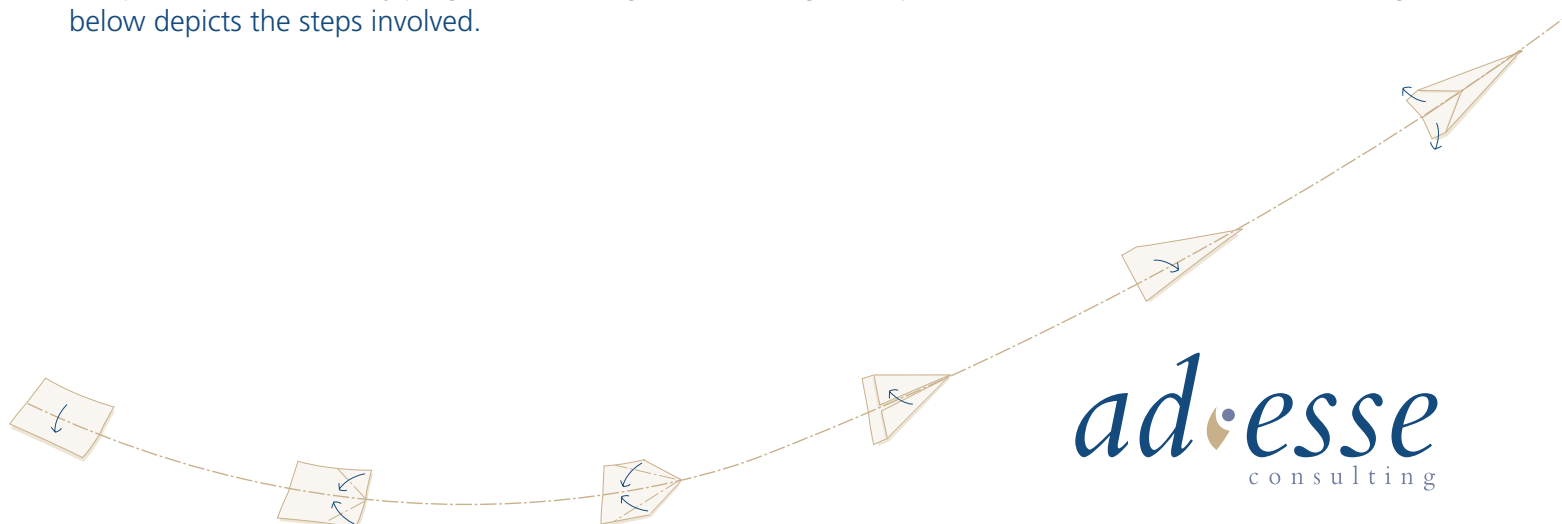
There are many other articles and case studies on our web site that deal with the principles and practice of Lean, so we do not intend to replicate those here, but it is worth noting that when we talk about Lean implementation we mean the application of a philosophy, a management approach and a selection from a set of tools. Each of our clients and organisations are unique, and whilst principles hold true, every implementation is bespoke and depends entirely on the outcomes of a Lean diagnostic.

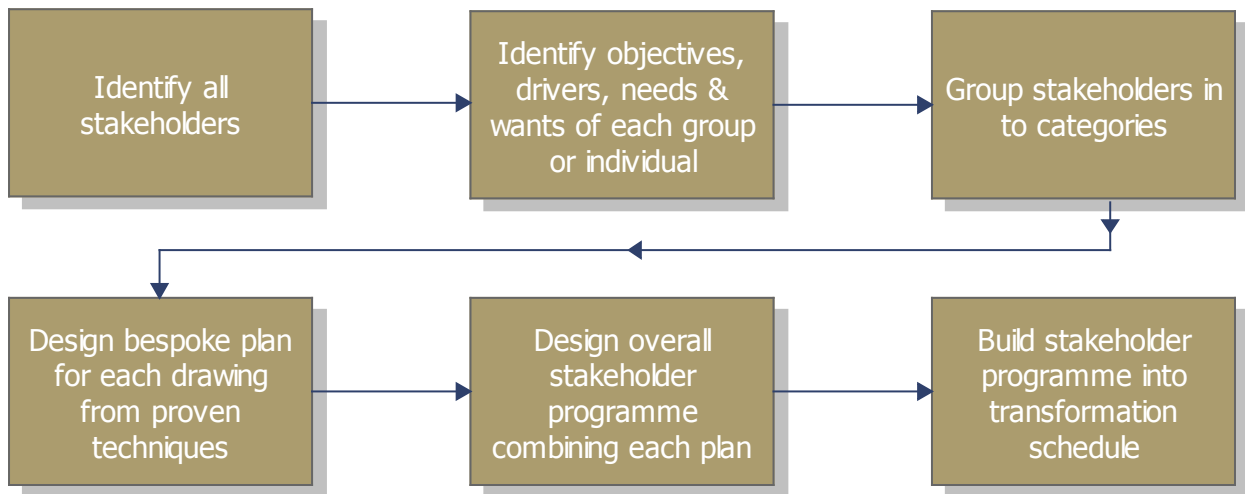
Part of the diagnostic work involves the identification of stakeholders, their perspectives, needs and wants, including any known data on their disposition to change and improvement, or even more specifically, Lean as an approach. All of our staff are experts in Lean, which by necessity involves being expert in transformation.

Our staff understand the concepts of change, numerous business models and dozens of improvement tools and techniques. But what we understand most is that the best technical approaches in the world will not work unless all stakeholders are considered and managed in a way consistent with their objectives and needs, and that the needs of different stakeholders are balanced.

Our stakeholder approach has been built up over a period of years and stems from experience and the belief that we need to identify stakeholders and manage them according to their different needs throughout any transformation.

The process we use is very pragmatic and begins at the diagnostic phase of Lean transformation. The diagram below depicts the steps involved.





At each step we use a number of proven tools that help us accurately identify, classify and support stakeholders. We believe the critical success factors to stakeholder management are:

- Identifying the full range of stakeholders – don't be lured into identifying only the most vocal or the most obvious
- Classifying accurately to enable you to give each group the right level and type of attention
- Careful and respectful interaction with each group, to maximise appropriate engagement.

Essentially we believe that in a Lean transformation stakeholders will fall into four groups: those who lead the transformation, those who enable it, those who are affected by it and those who observe with interest (or none at all!).

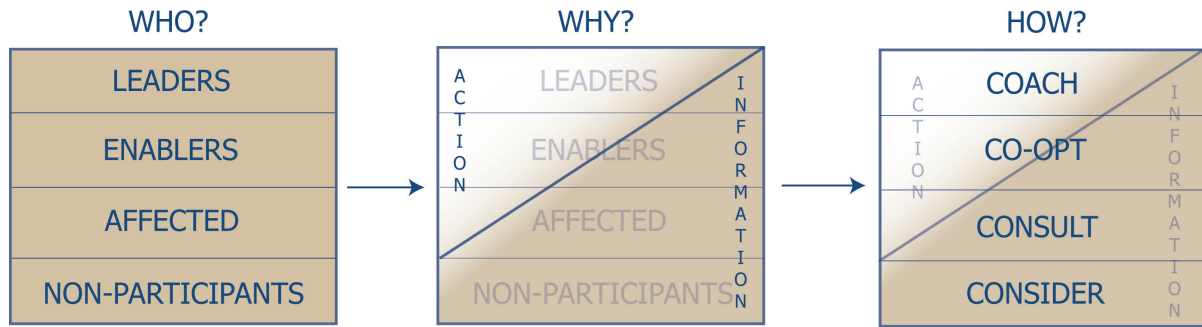
What changes, from category to category, is how actively involved individuals and groups should be or how much information they need. Those leading and enabling the change are highly actively involved and are developing information, those affected have less assigned action, but need more information, and the 'non-participants' also need information. Within each category we work with you to determine levels of influence, and the disposition, the concerns and the aspirations of each group or specific individuals. In our work with organisations we help plan precisely what action takes place, and what information is needed to encourage and support stakeholders. The method by which stakeholder management takes place also varies from group to group, as well as who is providing the support.

At a 'leading' level, we as experts tend to coach individuals to help them understand their role in leading a Lean transformation, and providing counsel as work progresses. The definition of leaders may be fairly obvious – Chief Executives, Directors and so on, but may include elected members for example. Our most senior clients value the opportunity to confide in us as professionals who sit outside of the organisation, but are intimate with its functions and culture.

The enablers of transformation are co-opted into the work from the outset. Enablers may be senior team members, Lean champions or middle managers who will live the principles and apply the practices from very early on. This early engagement accomplishes three things: it develops skills, allows individuals to gain confidence and encourages commitment. The individuals who will change the way in which they work can see for themselves that there are no hidden agendas and that new practices can make work life easier, as things become more efficient as well as more effective.

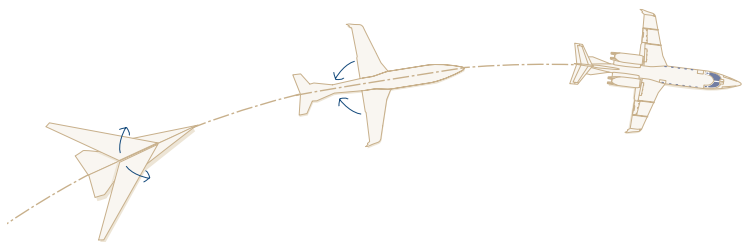
Those affected need to be consulted and engaged so that they receive the right level of information and involvement, making sure that they are not excluded or ignored. Communication needs are high, but this is not just about content, it's about frequency and channel. Neither is it a one-way information-giving process from top-down, but a true communication loop where information passes to enablers and leaders to keep transformation on track. Lastly, the 'non-participants', who may ignore or observe what is happening. This group, whilst less actively involved still have information needs and require equally careful management, and respectful consideration.

Ad Esse Stakeholder Management Approach



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Stakeholder management is a foundation stone in any Lean transformation and requires investment in time and effort. The planning and activity starts as soon as the transformation begins and remains interwoven and integral to the transformation, as much reviewed as any other part of the plan. It requires careful and consistent management and if undertaken correctly, will smooth the often challenging path of Lean transformation.



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PHONE: +44 (0) 844 826 6162 EMAIL: seriousfun@ad-esse.com WEBSITE: www.ad-esse.com