



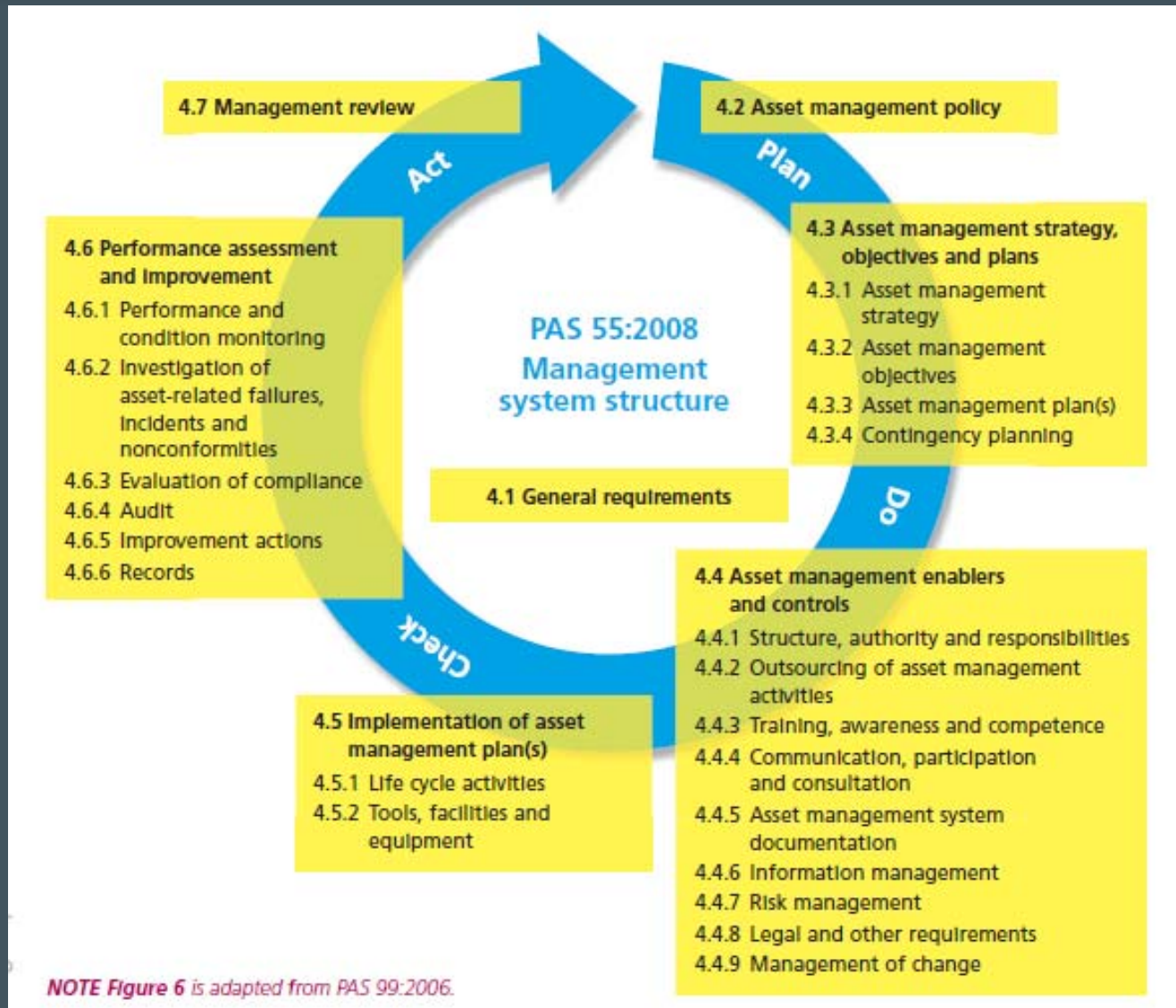
Managing Change

How to effectively deploy new technologies and processes
in your company

By Joel J. Barger, P.E.
Project Director
Meridium

- Have you never implemented software as part of a business solution?
- Is the word “change” rarely used in your company?
- Have you implemented software projects before and learned through experience that achieving business success requires more than installing software on a server?

An Example - PAS 55 - "What you should do"



The Five Meridium APM Work Processes

APM Foundation



Failure Elimination



Asset Strategy



Mechanical Integrity



Asset Safety



What People Believe...

Drives What They Do!

A Story about 3 Different People...



What it takes to make a person believe that change is possible is different for each person. There is no “one-size-fits-all” when it comes to change.

- **Business Need**
- **Vision**
- **Financial Payback (ROI, RONA)**
- **Clear Management Direction**
- **Leadership**



- The Significant Emotional Event
- The Significance of the Event affects:
 - The rate of change
 - The size of change

Emotional Events - Industrial



• Fukushima Daiichi Nuclear Power Plant – 2011

The New York Times

Asia Pacific

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You're in.

Report Finds Japan Underestimated Tsunami Danger

By MARTIN FACKLER
Published: June 1, 2011

TOKYO — [Japan](#) underestimated the danger of tsunamis and failed to prepare adequate backup systems at the Fukushima Daiichi nuclear plant, a team of inspectors from an international nuclear regulator said Wednesday in a critical report that was released as the Japanese prime minister prepared to face a no-confidence vote in Parliament.

[Enlarge This Image](#)



Toshfumi Kitamura/Agence France-Presse — Getty Images

Prime Minister Naoto Kan, right, during heated parliamentary debate Wednesday over opposition calls for his resignation.

Related

[In Japan, a Culture That Promotes Nuclear Dependency \(May 31, 2011\)](#)

[Company Believes 3 Reactors Melted Down in Japan \(May 25, 2011\)](#)

problems.

In its preliminary report on the nuclear crisis, which echoed earlier criticisms of Japan's inadequate safety measures, the team, from the [International Atomic Energy Agency](#) in Vienna, also called for stronger regulatory oversight. Steps should be taken, it said, to ensure that "regulatory independence and clarity of roles are preserved in all circumstances."

This seemed to repeat a widely held criticism in Japan that collusive ties between regulators and industry led to weak oversight and a failure to ensure adequate safety levels at the plant.

The report did offer some praise, particularly to Japanese plant workers for braving dangerous conditions to try to bring the stricken plant under control. But it did not address some of the main criticisms of Japan's handling of the crisis, including initially understating the extent of the damage, and slow decision-making that worsened the plant's

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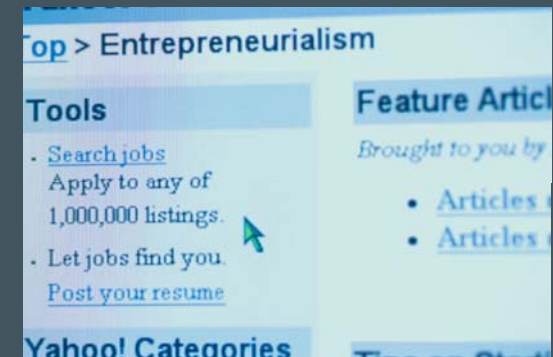
Descendants
Now Playing

- **BP Explosion and Oil Spill – 2010 – Deepwater Horizon**



Quote from USA Today -

“CEO Kent Kresa also said Northrop will continue to sell non-productive assets. Last year, it sold its headquarters in Los Angeles.”



Financial predictions for 2012...

On the Edge of Recession

It's been a disappointing economic recovery since the end of the financial crisis in mid-2009, with US gross domestic product (GDP) growing by only about 2 percent in real terms. The main result of this disappointing growth has been the persistently high number of unemployed in the US. The current rate of GDP growth is insufficient to dent the huge pool of long-term unemployed.

By Andrew Tilton
Senior US Economist,
Goldman, Sachs & Co.



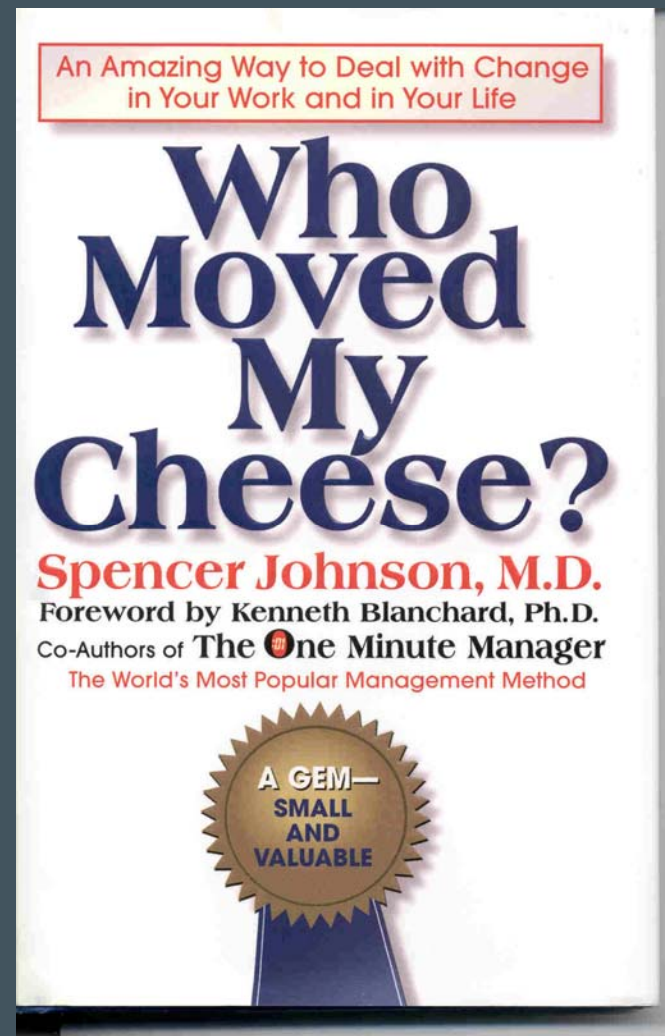
Credit: Reuters/Lucas Jackson

- **New Equipment**
- **Plant Updates**
- **New Government Requirements**
- **New Business Improvement Process**
- **New Software**

What about the last person in our story?

Companies today are full of “change survivors,” cynical people who’ve learned how to live through change programs without really changing at all.

-Jeanie Daniel Duck



Embrace Thine Enemy

...Befriend them

...Convince them

**...Make it their responsibility to
improve on your vision**

Leaving People Behind

- **Re-Assign**
- **Isolate**
- **Early Retirement**
- **Layoff**



While the path to success is
not well defined the the
road to failure is very well
known!



Steps to Transforming Your Organization

1. Establish a Sense of Urgency

2. Forming a Powerful Guiding Coalition

3. Creating a Vision

4. Communicating the Vision

5. Empowering Others to Act on the Vision

6. Planning for and Creating Short-Term Wins

7. Consolidating Improvements & Producing Still More Change

8. Institutionalizing New Approaches

Steps to Asset Performance Success

1. Tie emotional event to the urgency of success

2. Create Leadership that can drive others

3. Create the Vision

4. Communicate the importance of Asset Performance

5. Engage and Train others

6. Demonstrate Results - Find 5 savings stories

7. Communicate your savings to a larger audience. Don't stop!

8. Continue to demonstrate value. Document and Automate. Take the program to a new level. Keep managing the dynamics



Creating Urgency

Create Urgency

Leaders rally Support

Create the Vision

Communicate Vision

Engage Others

Demonstrate Results

Communicate Results

Strategize Success

What does it take to create an effective sense of urgency in a company?

"...when about 75% of a company's management is honestly convinced that business-as-usual is totally unacceptable."

Establishing Leadership

Create Urgency

Leaders rally Support

Create the Vision

Communicate Vision

Engage Others

Demonstrate Results

Communicate Results

Strategize Success

“Wave after wave of programs rolled across the landscape with little positive impact.”

-Michael Beer, Russell A. Eisenstat, and Bert Spector, “Why Change Programs Don’t Produce Change” referring to staff level led change programs.

Establishing Leadership

Create Urgency

Leaders rally Support

Create the Vision

Communicate Vision

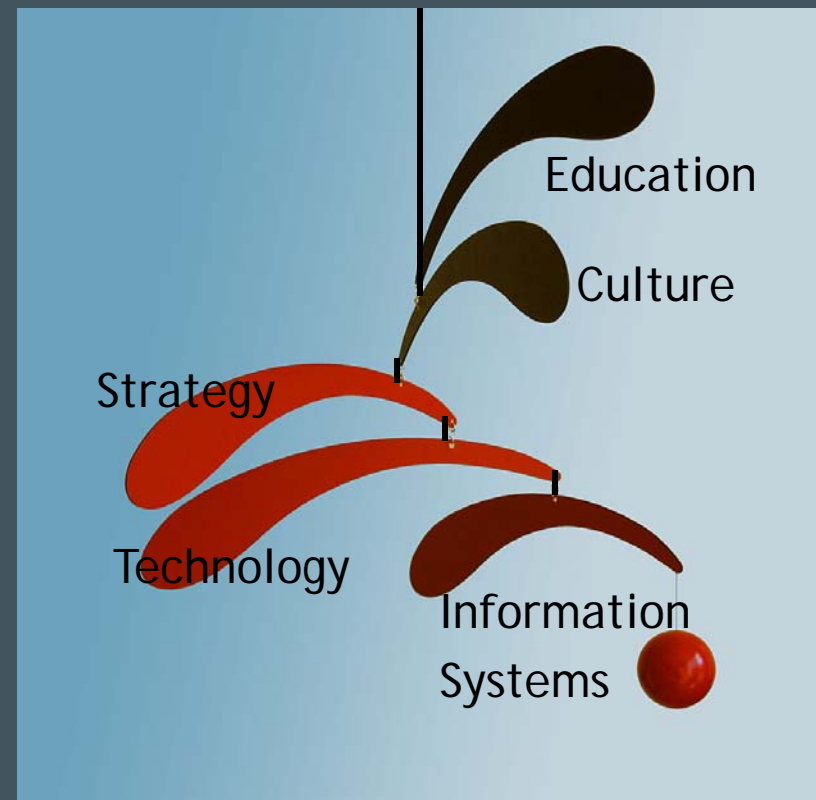
Engage Others

Demonstrate Results

Communicate Results

Strategize Success

What kind of people does it take?



Establishing Support

Create Urgency

Leaders rally Support

Create the Vision

Communicate Vision

Engage Others

Demonstrate Results

Communicate Results

Strategize Success

How many people does it take?

Create the Performance Vision

Create Urgency

Leaders rally Support

Create the Vision

Communicate Vision

Engage Others

Demonstrate Results

Communicate Results

Strategize Success

Can you communicate your vision in 5 minutes?

Do you know where you are going?

Can you develop a strategy from this vision?

Create the Performance Vision

Create Urgency

Leaders rally Support

Create the Vision

Communicate Vision

Engage Others

Demonstrate Results

Communicate Results

Strategize Success

Will your vision inspire people intelligently and emotionally?

Will your vision move people to a place where there is no other option but to act?

Communicating the Vision

Create Urgency

Leaders rally Support

Create the Vision

Communicate Vision

Engage Others

Demonstrate Results

Communicate Results

Strategize Success

Take Over the TV Station

Airtime is everything.

Reinforce your message in everything that you do.

Use every event to tell your story.



Communicating the Vision

Create Urgency

Leaders rally Support

Create the Vision

Communicate Vision

Engage Others

Demonstrate Results

Communicate Results

Strategize Success

- Communication begins as leadership is built
- Leverage corporate strategies
- Get involved on every related meeting agenda
- Go wherever you need to go to tell the story
- Create an information Web site
- Leaders “walk-the-walk”

Empowering Others

Create Urgency

Leaders rally Support

Create the Vision

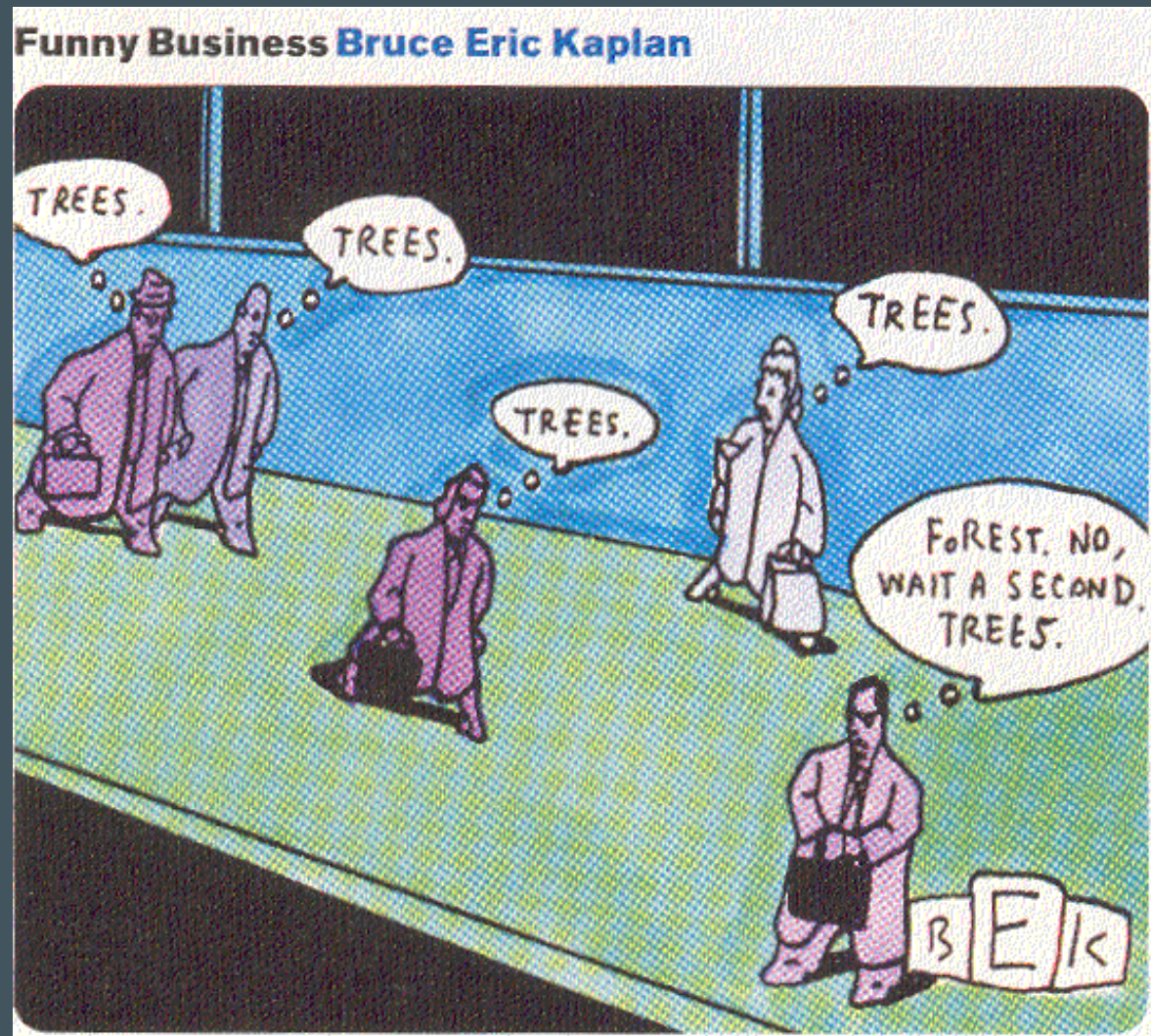
Communicate Vision

Engage Others

Demonstrate Results

Communicate Results

Strategize Success



Engaging Others

Create Urgency

Leaders rally Support

Create the Vision

Communicate Vision

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Demonstrate Results

Communicate Results

Strategize Success

“No one shows up in the morning thinking, ‘I guess I’ll see how badly I can mess up today,’ but an unenlightened management can put them in that frame of mind by 9 a.m.”

-Tom Young - Former President of Martin Marietta

Demonstrating Results

Create Urgency

Leaders rally Support

Create the Vision

Communicate Vision

Engage Others

Demonstrate Results

Communicate Results

Strategize Success

Most people won't go on the long march unless they see compelling evidence within 12 to 24 months that the journey is producing expected results.

-John Kotter

Demonstrating Results

Create Urgency

Leaders rally Support

Create the Vision

Communicate Vision

Engage Others

Demonstrate Results

Communicate Results

Strategize Success

...people don't believe in a new direction because they suspend belief. They believe because they're actually seeing behavior, action and results that lead them to conclude that the program works.

Communicating Results

Create Urgency

Leaders rally Support

Create the Vision

Communicate Vision

Engage Others

Demonstrate Results

Communicate Results

Strategize Success

While celebrating a win is fine, declaring the war won can be catastrophic.

Use short term wins to tackle even bigger problems.

-John Kotter

Communicating Results

Create Urgency

Leaders rally Support

Create the Vision

Communicate Vision

Engage Others

Demonstrate Results

Communicate Results

Strategize Success

- Take over the TV station again
- Publicize the success stories up and down the management ladder
- Share with other areas of your business
- Stress that this just the beginning

Strategize Success

Create Urgency

Leaders rally Support

Create the Vision

Communicate Vision

Engage Others

Demonstrate Results

Communicate Results

Strategize Success

How do you institutionalize the change?

By continuously demonstrating and communicating how the new approach, behaviors and attitudes have improved performance.

Strategize Success

Create Urgency

Leaders rally Support

Create the Vision

Communicate Vision

Engage Others

Demonstrate Results

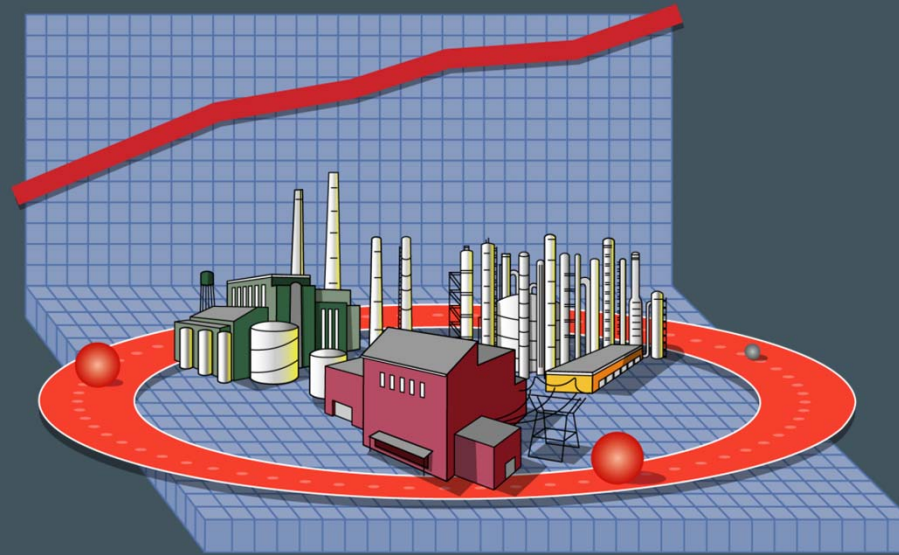
Communicate Results

Strategize Success

How do you know you've achieved your Goal?

When people start saying...
"That's just the way we do things around here."

Questions?



“An organization’s ability to learn, and translate that learning into action rapidly, is the ultimate competitive advantage.”

-Jack Welch - Former Chairman, General Electric

Want to Learn More?

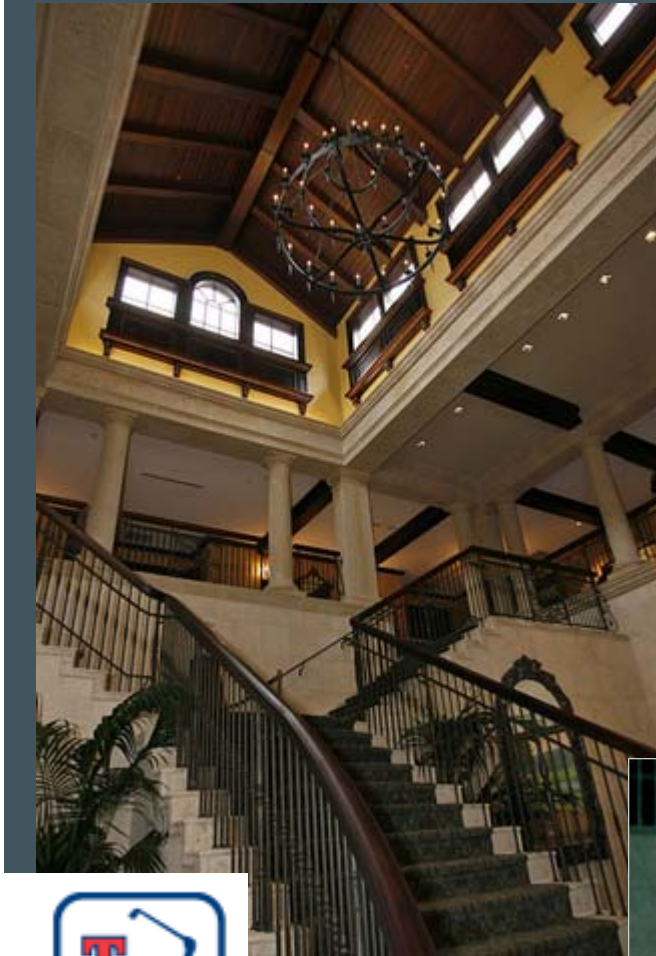


www.meridium.com

The screenshot shows the Meridium website homepage. At the top, there is a navigation bar with links for Contact Us, Careers, and Support, along with a search bar. Below this is a dark navigation menu with links for Software, Knowledge Center, Consulting, Training, Partners, Customers, News & Events, and Company. The main content area features a large banner for 'Quick Course e-Learning products' with the text 'Access to the Quick Courses is now available for purchase!' and a 'Click Here for an Interactive Demo' button. To the right, there is a 'On Demand Webinars' section listing 'Asset Answers Overview' (June 2011), 'Asset Strategy Optimization' (April 2011), and 'Asset Integrity Services Introduction' (March 2011). Below this is a 'We are Working With:' section featuring the Braskem logo and a link to 'View our selected customer list -> Case Studies ->'. At the bottom, there are three columns: 'News' with an article about Rhys Davies (1/10/2012) and Meridium's partnership with the University of Tennessee (12/13/2011); 'Video Gallery' with a 'Now Viewing:' section showing a video of a man speaking; and 'apmadvisor' with the current issue (December 2011) and a 'Subscribe Now:' form.

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