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LEADING CHANGE

FINSECA
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eBRIEFS
PRACTICAL IDEAS
FOR TODAY'S
FIELD LEADERS

Volume Two

Leading Change: Leading Others

A Guide for Financial Security Professionals

Finseca Foundation

Leading Change: Leading Others

A Guide for Financial Security Professionals

"Everything you do involves change. What are you doing right now, as an organization, to make your big decisions — why you exist; what your goals are; what your key metrics are for the organization; what you want to accomplish; and the process you use to determine where you are spending your precious time, energy and resources? To me, answering those questions is the best way to lead your team through change because that's all at the foundational level."

Ed Deutschlander
North Star Resource Group

Research funded by the Finseca Foundation

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Foreword

Kelly Kidwell, CEO, Pacific Advisors

As an optimist and visionary leader, I believe that change is something to get excited about. I can't help but imagine the new possibilities for growth and innovation. However, that is not the case for all, and I have made plenty of mistakes based on the assumption that the team will feel as excited as I do. Be careful! What you see as an exciting opportunity may feel like a huge threat to your team.

These are some of the things that have helped our team survive and thrive during change:

Build a transition plan and assign a transition team and accountability owner. Mapping out a 90-day workflow – even if you think it is a small change – will ensure you do not make a mistake. And, remember, what you think is a small change may not seem small to others.

When introducing a change, put yourself in the shoes of the five people you respect the most at work. Think through what threats they may see in this change. No matter how positive you may feel, they will surely find something that will make them uneasy. The best way to identify threats is to think about what team members are saying about the change to their partners when they get home.

Establish a feedback loop that doesn't feel disruptive or dangerous. The best way to do this is to identify a person who team members are comfortable giving candid, honest feedback about the change. This ombudsperson should be highly respected by both leadership and the rest of the team. As an advocate of the team, this is a crucial role. As a leader, you must remain focused on the ultimate vision and goals. The ombudsperson helps to keep you grounded in reality and ensures team members' voices are heard.

Stay true to yourself and your business values, and above all, remember to practice humility. Humility to know that you cannot possibly know everything that is going to come up and humility to ask others for help.

Kelly Kidwell is the Chief Executive Officer of Pacific Advisors, a West Coast-based financial services firm that specializes in advanced estate, business, charitable and philanthropic planning.

Kelly started his career in financial services in 1987. In 1993, he founded Pacific Advisors and has grown the firm from a small Southern California boutique to a Guardian Master Agency Award and Diamond International Management Award Agency. Today, Pacific Advisors has more than 200 staff and advisors as well as 2,500 active brokers, more than 10,000 small-business clients, 45,000 policyholders, $15.6 Billion of Life Insurance in force, and over $2.9 Billion of Assets Administered.

For the last four years, Kelly has been named a Top-of-the-Table producer by the Million Dollar Round Table Foundation, the industry's most prestigious award. He is the President-Elect of the GAMA International Executive Committee and a top donor of the Finseca Foundation.

The Finseca Foundation expresses its sincere thanks to Mr. Kidwell for his commitment to the profession and his generosity as a major donor to the Foundation.

About Us

The Finseca Foundation

The Finseca Foundation is a 501(c)(3) nonprofit organization dedicated to conducting and promoting research and education to enhance the profitability and productivity of field leaders in the financial security profession.

Since its creation in 1990, the Finseca Foundation has funded major studies on leadership topics, including future trends for firms and advisors, attracting high-quality prospects, recruiting and selecting new advisors, launching new advisors, retaining successful advisors, mentoring and coaching practices, effective local marketing, building successful advisor teams, developing high-performance leadership teams, and launching new frontline (sales) managers.

Our Contributors

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About This eBook

Finseca Foundation eBooks are digital white papers that deliver tightly focused research results and best practices for the financial security profession. The strategies and best practices shared in this second eBook of the Leading Change series provide managers and leaders with the knowledge, skills and abilities to:

- Prepare your team for change.
- Engage your team in the change process.
- Increase your team's capacity for change.

How We Collected Our Data

Our writers conducted in-depth interviews with 15 industry executives to learn about change initiatives they have led. In addition to personal interviews, the Finseca Foundation conducted an online survey of 106 industry leaders to provide a snapshot of how top-performing leaders prepare themselves and their businesses to implement changes in their organizations. The interviews and survey referenced in this eBook reflect research results as of May 2019.

Terms Used in this eBook

In addition to offering different lead products, industry segments often use different terminology to describe their businesses and their people (for example, "advisor" and "agent," "agency" and "firm"). In this eBook, we most often use the terms advisor and firm. While you may use different terminology in your business, we encourage you to overlook the labels and titles and focus instead on the ideas and strategies shared by these industry leaders.

Introduction

Top 3

Ways leaders inspire people to accept and embrace change:

1. **Help them understand why the change is needed.**
2. **Explain how the change will affect them.**
3. **Connect the change to agency or firm values.**

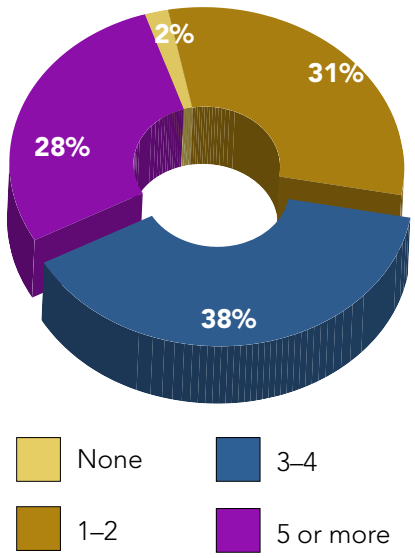
—FROM THE MEMBER SURVEY

> "First, engage with your team about what the change is. Help them understand what they are trying to solve. If people can understand the change, they're more willing to be a part of the solution."
>
> —Travis Hart, Wealth Strategies Group

Gartner, a human resources research and advisory company, reports that the average organization has undergone five enterprise-wide changes in the past three years.[1] Leaders in our research indicated an even greater rate of change. Sixty-seven percent reported their agencies and firms had experienced three or more significant changes just in the past year. Seventy-six percent were in the midst of a significant change at the time of the research, with another 16 percent anticipating more changes in the next 12 months.

FROM THE MEMBER SURVEY

How many significant changes have affected your agency or firm in the past 12 months?



Leaders can no longer afford to view change as a discrete event that they get through and then return to business as usual until the next change comes along. Today's leaders must embrace change as an ongoing and continual opportunity to grow and evolve.

Gartner also reports that only about one-third of change efforts are considered clear successes despite an abundance of best practices and tools available for implementing and managing change. What's the common denominator across the many unsuccessful change initiatives? People — their underlying beliefs about change, the range of emotions they experience while going through change, and their level of commitment to the change you are asking them to make.

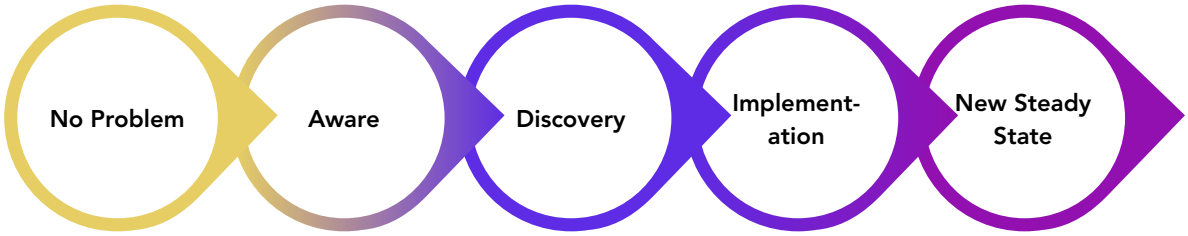
[1] Marcus Chiu and Heather Salerno, "Changing Change Management," Gartner (2019).

Of course, people are also the common denominator in successful change initiatives. The difference is in how leaders help them navigate through change — by reframing their beliefs about change, supporting them through the change process and inspiring them to embrace change for the opportunities it presents.

When implementing a change, many leaders place a strong emphasis on organizational readiness — the project plan and the financial and human resources required for successful implementation. Those leaders who take the time to address the people side of change often focus entirely on the future vision and benefits the change will bring about. While a clear and compelling vision is important in the change process, it doesn't address the psychological impact of change — people's perceptions and underlying beliefs that influence their willingness to change.

One reason for this disconnect is that leaders are often much further along the change continuum when they introduce the change to their teams. When introducing new initiatives, leaders are typically at the implementation stage on the change continuum. They have already recognized the need for change, explored strategies and are ready to move forward. Their teams, on the other hand, are still in the earlier stages of the continuum. Some don't yet believe that change is needed. Others may be aware of the need but haven't committed to the solution presented by the leader.

The Change Continuum



The change continuum describes the stages of awareness people go through from being completely unprepared for change to accepting the change and fully integrating it into the businsess.

Turner, D. M., Launch, Lead Live: the executive's guide to preventing resistance and succeeding with organizational change. Saskatchewan: YNWP (2015)

Skipping these early stages as you lead others through change creates uncertainty, fear and resistance. Successful change leaders help people to prepare for and make sense of change.

In this eBook, field leaders who have led successful change initiatives share their strategies for:

1. Setting the stage for change.
2. Navigating the team through change.
3. Increasing the team's capacity for change.

What is the Change Continuum?

The change continuum, introduced by Dr. D.M. Turner in the book *Launch Lead Live*, identifies five phases of change people go through as they become aware of a problem or opportunity and work through to acceptance.

Phase	Characteristics	What You Can Do
1. No Problem	People don't recognize the need for change and may defend the current state.	■ Create awareness of the problem and opportunity. ■ Allow time for people to internalize the need for change. Minimize the immediate impact of the change.
2. Awareness	People seek to understand the advantages and disadvantages. They recognize that the change is inevitable and may experience high levels of uncertainty and feelings of frustration and fear.	■ Continue to socialize the value of the change and the consequences of not changing. ■ Create opportunities for interactive dialogue. ■ Communicate the intended outcome.
3. Discovery	People seek information to support the change and explore strategies for change. They begin setting goals and looking forward.	■ Model new behaviors, activities and/or environment. ■ Give people an opportunity to try out the change.
4. Implementation	People are receptive to the change. They seek support and reinforcement.	■ Make the new easier than the old. ■ Support desired behaviors and activities.
5. New Steady State	Change is internalized. There is no desire to return to the old system.	■ Reinforce the new environment. ■ Disable the old environment.

1

Setting the Stage for Change

Top 3

Ways leaders set the stage for change:

1. **Provide a clear goal.**
2. **Link the change to individual goals and aspirations.**
3. **Include the team in creating the change plan.**

—FROM THE MEMBER SURVEY

> "It all comes back to communication, empathy and giving people a path to navigate the change. The biggest mistake we can make is to say, 'Here's the change. Deal with it.' The better way is to say, 'Here's the change. Here's why. And here's how to adapt.'"
>
> —Ben Bjerk, Farm Bureau Financial Services

"People don't resist change. They resist being changed." This quote from organizational learning and systems thinking expert, Peter Senge, illustrates the importance of setting the stage for change. From the perspective of the change recipients, change often feels like something being done *to* them rather than *with* them. It can feel like something being driven by an external force rather than an internal desire to change.

Successful change leaders understand that they must address both the rational and the emotional aspects of change. They do this by:

- Creating agreement that change is necessary, and the solution presented is the right one for the organization.
- Involving the team in creating the change strategy.
- Helping people to make sense of change from a personal perspective.
- Building confidence that the change initiative will be supported to success.

Create Agreement about the Change

The first step in setting the stage for change is to get people to agree that change is needed. This may seem obvious, but it is something many leaders overlook. Leaders often assume that, once they've explained what the change is and why it is needed, everyone is in agreement. These leaders jump immediately into implementation while their teams are still processing their feelings about the change.

Another common mistake leaders make is assuming that people agree the solution being presented is the right one for the organization. As a leader, you may have spent months looking at alternatives and weighing options. But, if you haven't included your team in this process, they may not yet believe the solution offered is best for the organization and are probably still focused on how it affects them personally.

Successful change leaders create a compelling story for change and communicate their change vision regularly and often. In group meetings and one-on-one interactions, they help people to understand why change is needed and why the planned solution is the best option.

Make the Team Co-Creators of the Change

In a 2019 change management report, Gartner reported that 74 percent of leaders say they involve employees in creating change strategy. Yet, of the 6,500 employees surveyed, only 42 percent felt they were truly included.[2] Why the disconnect? According to Gartner, more than 80 percent of organizations manage change from the top down. Senior leaders make decisions, create implementation plans and then roll out communications to gain buy-in from the workforce. In today's business environment, where organizations are flatter and people have different expectations about their roles in the workplace, this top-down approach has become much less effective.

An open-source approach is more transparent and inclusive. Teams are actively involved in creating the change strategy and implementation plan. Communication is focused on talking rather than telling. Leaders provide opportunities for dialogue and peer-to-peer interaction and encourage people to share their positive and negative reactions.[3]

Peyton Pourciau, Associate Director with Transamerica Agency Network, recently went through a significant change in his organization — a change that caused pushback and concern among some advisors. Peyton says pushback on a change initiative can quickly become pessimism and damaging gossip. He countered the negativity with transparency — being open, honest and transparent about every aspect of the change, to build trust.

"You want to be as open and as honest as you possibly can about the situation. You don't want people getting secondhand information," he says. "A lot of our insurance professionals have a lot of tenure here. They have friends in other offices within the organization that they talk to on a regular basis. You don't know how the message is being construed in other offices. You want to keep everyone abreast about everything that's going on because the last thing you want is secondhand information infiltrating your office. You want to head it off with total transparency."

[2] Ibid.
[3] Ibid.

Help People Make Sense of Change

Creating agreement about change fosters rational understanding, but it is not a guarantee of commitment. Until you help people make sense of the change from a personal perspective, you've only won their heads, not their hearts.

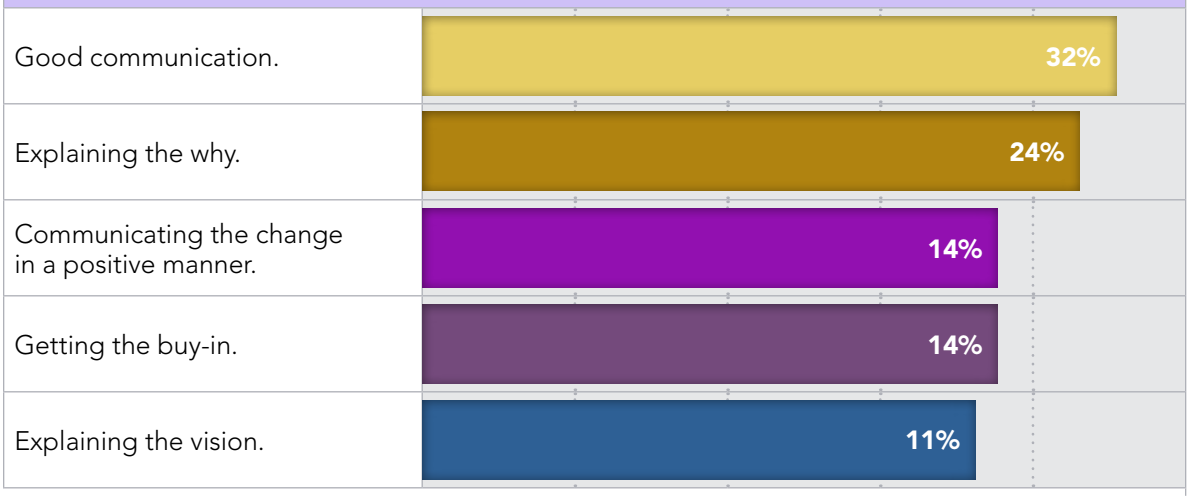
To help people make sense of change, you need to approach it from their perspective. What are their perceptions about the change? As a leader, you are focused on the business. Remember that what appears to be an opportunity to you may feel threatening to those viewing the change from a personal perspective. One of the most valuable things you can do to help people make sense of change is to help them understand how the change will affect them on a personal level.

Leaders in our study emphasized the importance of talking with people one-on-one to allow them to bring up individual concerns. Shawn Smith, an Agency Manager for Farm Bureau Financial Services, recently led his team through a modification of the agent commission contract. Potential changes in compensation are always significant and agents understandably had concerns. To ease their concerns, Shawn communicated with his agents frequently — both in group meetings and one-on-one. "Once it came out, we sat down with each agent individually. We gave them a copy of the new contract, went over it, and explained how it worked," he says.

Communicating with people one-on-one helps squelch the secondhand, often untrue, chatter that goes on in the background. "I usually sit down individually with people and get a personal vibe," Shawn says. "I let them voice concerns and see how they're feeling. I try to just listen. It's about managing expectations and clarifying things that may not be true."

FROM THE MEMBER SURVEY

What was the most critical factor that contributed to a successful change initiative you were involved in?



Build Confidence for a Successful Implementation

The level of confidence your team has that the change initiative will be successful also affects their commitment to the change. Areas to address include building the team's confidence in:

- Their skills and capabilities in the new environment.
- Support that will be available to ensure their success.
- The change is real and not another "management flavor of the month."
- The implementation plan makes sense, is being executed well and will be successful.

The components of the change influence model introduced in *Leading Change: Leading Yourself* can help you to build confidence in your change initiatives.

Gain Perspective with Four Questions

To gain perspective on people's perception of change, ask them to answer these four questions:

What three words describe:

1. **What this change means for me?**
2. **My perception of this change?**
3. **My confidence that I will be able to participate in the new behaviors and activities brought about by the change?**
4. **My beliefs about the outcomes of this change?**

Turner, D.M., Launch Lead Live: the executive's guide to preventing resistance and succeeding with organizational change. Saskatchewan: YNWP (2015).

To Influence Change, Do This …	What it Does …	How it Prepares People for Change …	People Will Change Their Mindset and Behaviors If …
Communicate a Compelling Purpose	Fosters understanding and conviction.	Creates agreement. Helps people to make sense of change.	They understand what is being asked of them and it makes sense.
Create Reinforcing Systems	Reinforces change with formal systems and processes.	Builds confidence.	They see that the processes and systems will support the changes they are being asked to make.
Develop Skills	Develops new talents and skills required for successful change.	Builds confidence.	They have the skills and opportunities to behave in new ways required by the change.
Find Champions	Provides successful role models.	Builds confidence.	They see their leaders and colleagues modeling the new behaviors.

Basford, Tessa and Bill Schaninger. "The Four Building Blocks of Change," *McKinsey Quarterly* (April 2016).

Assess Your Team's Readiness for Change

The focus of most change initiatives is on organizational readiness — the scope and complexity of the change project, financial, human and material resources, impact on systems and processes, etc. Organizational readiness, however, is not the same as people readiness. To determine if your team is ready for change, you need to assess their level of understanding of:

- The need for change and the benefits and challenges it presents.
- Their confidence that the change initiative will be successful.
- Their understanding of your change vision.

Knowing the answers to these questions will help you to adjust communications and will lead to a much more successful implementation.

Sample Team Readiness Assessment

Rate the following statements on a scale of 1 (Strongly Disagree) to 5 (Strongly Agree).

The Need for Change

1. The organization needs to change.
2. I know what the vision for the change looks like.
3. I am aware of the reasons why change is needed.

Leadership

1. Senior leaders are committed to the change.
2. There is visible leadership of the change by the leadership team.
3. Leaders will support the staff during the change.

Attitude to Change

1. I believe the change will be beneficial for me.
2. I believe the change will benefit the organization.

Communications

1. The communications I have received so far about the change have been useful.
2. I understand how I can provide feedback on the change.
3. I think there is enough consultation with staff on the changes.

Preparation for Change

1. I have the necessary skills and knowledge to make this change work.
2. I think that change is usually well planned in this organization.
3. The organization usually provides appropriate training for those who need it.

Checklist: Setting the Stage for Change

Set the stage for change by:

- [ ] Communicating a compelling vision and clear outcome to foster understanding and commitment.
- [ ] Viewing the change from different perspectives to understand how people are personally affected.
- [ ] Talking with people one-on-one to uncover their concerns.
- [ ] Building people's confidence that the change will be successful from an organizational and personal perspective.
- [ ] Assessing people's understanding and agreement with your change vision.

Questions to Consider

1. How prepared are you to answer the following questions:

   Why is this change needed now?

   Why is this the right solution?

   What outcomes will this change create?

2. On a scale of 1 (Very Low) to 5 (Very High), how would you rate your team's confidence in your change initiative?

3. On a scale of 1 (Very Low) to 5 (Very High), how would you rate your team's readiness for change?

4. What are three things you can do to set the stage for change in your organization?

2

Navigating Your Team through Change

Top 3

Reasons leaders believe people resist change:

1. **They don't understand the reasons for the change.**
2. **Uncertainty and fear of what the change will bring.**
3. **Change fatigue.**

—FROM THE MEMBER SURVEY

> "Be transparent. In the world we live in, everybody wants transparency. No one wants to think there's an alternative agenda."
>
> —Michael Kane, Empire Wealth Strategies

The more time you spend setting the stage for change, the easier it will be to lead your team through a change initiative. Even then, not everyone will buy in right away. Field leaders use the following strategies to successfully navigate their teams through change:

- Create a transition framework.
- Overcome resistance to change.
- Address the emotional side of change.

Create a Transition Framework

Successful field leaders emphasized the need to introduce every change, no matter how big or small, with care and thoughtfulness. One way they do this is by creating a transition framework. A transition framework is not the same as an implementation plan. The transition framework specifically addresses the people-side of change, including:

- The transition leader and transition team.
- Expectations of all team members during the transition.
- Opportunities team members will have to participate in the transition.
- Opportunities team members will have to express ideas and concerns.
- How and by whom decisions will be made and communicated, including team member participation in the decision-making process.

Overcome Resistance to Change

It is a common belief that resistance is a natural reaction to change. However, research has shown that resistance to change is actually not an inherent psychological reaction. Resistance to change is primarily related to problems with the way organizations implement change.[4]

Leaders often inadvertently create resistance by not setting the stage for change by:

- Not fostering understanding and agreement for the change.
- Focusing only on the big picture and not on individual perspectives.
- Not addressing — and often causing — change fatigue.

Fostering understanding and agreement — Preparing people for change is not limited to the preparation phase. Reinforcing your vision, communicating the "why" and linking the change to individual goals and values is something you will need to emphasize throughout the entire change process. As people experience bumps in the road along the change journey, feelings of uncertainty and fear will return.

Focusing on individual perspectives — As the leader, you are focused on the big picture and organizational outcomes the change will produce. Take time to answer the two most important questions on people's minds: "How does it affect me?" and "What is expected of me (during and after implementation)?"

Preventing change fatigue — The accelerating pace of continual, and often concurrent, changes common in businesses today can take a toll on your team. A recent survey from the Center for Creative Leadership indicated that change fatigue is one of the top two challenges leaders face.[5]

Wade Hampton, Senior Vice President and Managing Director for Transamerica Agency Network, recently led a two-year project to amend the company's recruiting model. To help his team combat change fatigue, Wade made a conscious effort to pause and celebrate successes. "When someone has a breakthrough as we move through a change, we throw the spotlight on people who are succeeding. We help them tell their stories around that success."

One victory Wade celebrated throughout his organization was the success of a field leader on his team who operates in a rural marketplace. "His recruiting opportunity for most people would look pretty narrow,"

[4] K. Bennebroek Gravenhorst, R. Werkman and J. Boonstra, "The Change Capacity of Organizations: General Assessment and Five Configurations," Journal of Applied Psychology 52, no. 1 (2003).
[5] "Ditch Change Fatigue and Embrace Continual Evolution," The Center for Creative Leadership (September 24, 2019).

Wade says. "But he got ahead of the curve. He embraced what we were doing. On his own, he found a way to leverage our recruiting-seminar tools in the new recruiting model. He had an amazing recruiting class. So we had him stand on our stage at a recent meeting and tell the story of how he helped his team get their arms around the change. Having him tell his story to his peers gave him a huge amount of recognition."

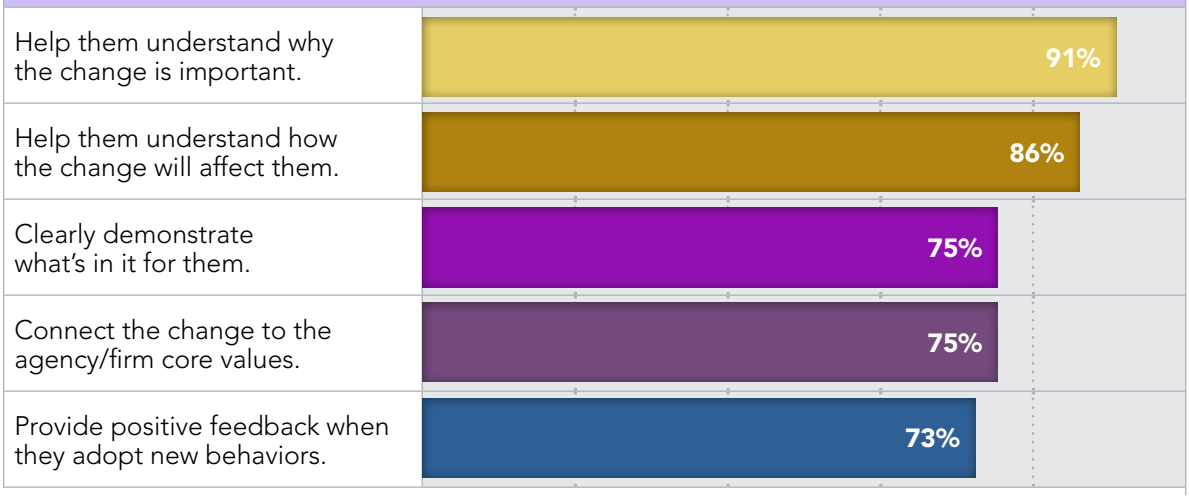
Wade feels that, "One of the biggest mistakes we make in this high-velocity-change world is not pausing often enough to acknowledge and celebrate the successes."

Other strategies for combatting change fatigue include:

- Prioritizing change efforts and focusing only on the highest-priority initiatives.
- Creating a culture of high trust, where people are willing to speak openly about the change.
- Teaching people techniques for managing stress and building change resilience.

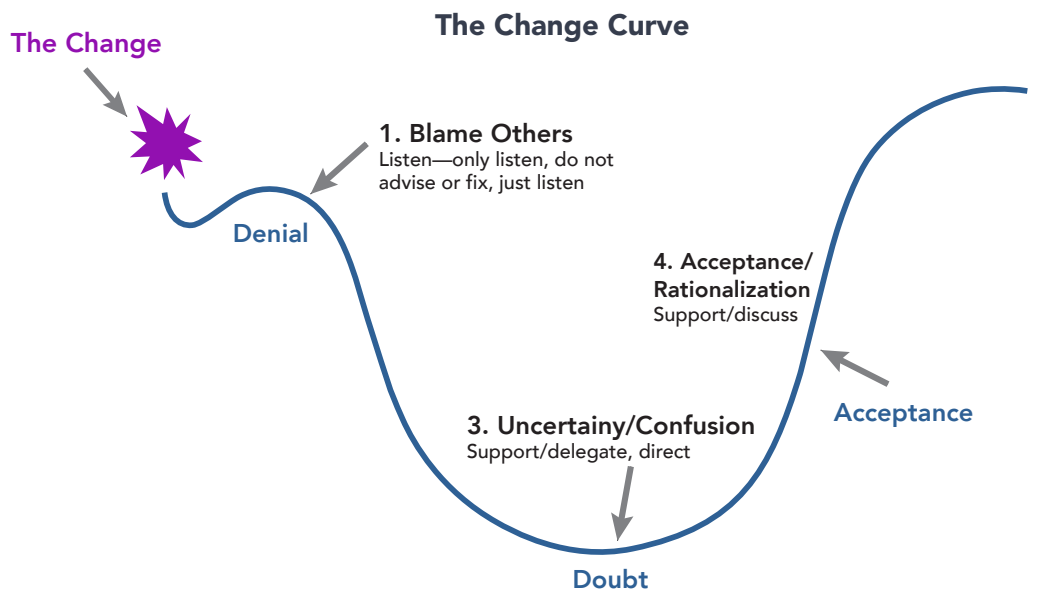
FROM THE MEMBER SURVEY

How do you inspire teams to accept and embrace change?



Address the Emotional Side of Change

Many leaders in our research indicated they use the Change Curve model to help their teams navigate through change. An adaptation of the Kübler-Ross stages of grief model, the change curve focuses on organizational and individual transitions.



www.insights.com/us/resources/coaching-people-through-change-curve/.

You can use the change curve to adjust your interactions with individuals on your team based on where they are on the curve.

When team members are in …	They may experience …	They often …	To support them through this stage, you can …
Denial	Anger, frustration, resentment or defensiveness.	Blame others or themselves.	Listen and be patient. Meet with people one-on-one. Don't overwhelm them with information. Help them understand why the change is important and what's in it for them.
Doubt	Fear, uncertainty, confusion or depression.	Look for ways to postpone the inevitable. Ask questions about their new role.	Give guidance about how things will work after the change. Be open to suggestions. Emphasize the benefits of the change. Set clear timelines and expectations. Give positive feedback.
Acceptance	Resignation. Realization that the change is inevitable.	Begin testing and exploring how they can adapt. Begin problem solving. Embrace improvements.	Involve the team in brainstorming ideas and solutions. Repeat and reinforce objectives and strategies. Celebrate successes. Capture learning. Ask, "What have you learned about yourself and the process you have gone through? How has this experience made you better prepared for the next change?"

Adapted from "Coaching People through the Change Curve" by Brad Gentry and "How to Coach Your Team through 5 Stages of Grief" by Jessica Zartler.

Checklist: Navigating Your Team through Change

Help your team navigate through change by:

- [ ] Developing a transition framework that clearly identifies roles and responsibilities in the change initiative.
- [ ] Reviewing your change process, implementation plan and communication strategy to identify anything that may cause resistance.
- [ ] Creating a culture of high trust, where people are able to speak openly about the change.
- [ ] Providing individual coaching based on where people are in the change curve.

Questions to Consider

1. Thinking about a current or past change initiative:

   How might you have unintentionally created resistance to change? What would you do differently today?

   How might you have unintentionally created change fatigue? What would you do differently today?

   What behaviors did you notice that demonstrated where people were in the change curve? What else could you have done to support people moving through the change curve?

2. What can you do to begin changing your team's mindset about change?

3

Increasing Your Team's Readiness for Change

Top 3

Characteristics leaders look for to determine someone's ability to navigate change:

1. **Problem-solving and decision-making skills.**
2. **Collaboration.**
3. **Comfort with uncertainty.**

—FROM THE MEMBER SURVEY

> "Leaders must have the courage to make the commitment to ultimately burn the ships, not look back and keep moving forward. These changes we're making are long-term investments."
>
> —Mark Zagurski, Mutual of Omaha

Every leader in our research spoke of the need to adapt to an environment of constant change. Ed Deutschlander, CEO of North Star Resource Group, has even stopped using the word "change" and instead speaks of "evolution." Ed explains, "We get so wrapped up in focusing on change management, we lose sight of the fact that it really boils down to effective leadership and management, and understanding that everything we're doing is in a constant state of change. The very best leaders are continually observing, learning from and making conscious decisions about change.

"The best organizations don't set it and forget it. They set it, they watch it, they modify it and they improve it. Then they set it again, and watch it, modify it and improve it again. It's the old adage, 'If you can measure it, you can manage it.' But in today's world, the adage should be 'If you can measure it, you can manage it, and then you have to grow it and evolve it.' "

Many change experts advocate moving away from change management to change readiness. "In our experience, the companies most likely to be successful in making change work to their advantage are the ones that no longer view change as a discrete event to be managed, but as a constant opportunity to evolve the business. Change readiness is the ability to continuously initiate and respond to change in ways that create advantage, minimize risk and sustain performance."[6]

[6] Chris Musselwhite and Tammie Plouffe, "Four Ways to Know if You are Ready for Change" *Harvard Business Review* (June 10, 2010).

Successful change leaders increase their teams' readiness for change by:

- Maintaining a balance between change initiatives and daily operations.
- Making every change initiative a learning opportunity.
- Reframing the team's mindset about change.

Balancing Change Initiatives with Daily Operations

Every change initiative requires time and resources — time and resources that would otherwise be spent on the daily activities of running the business. How often have you heard (or said) during a change initiative, "When will I have time to do my real job?"

Successful change leaders use the following strategies to help balance daily operations and change initiatives.

Minimize distractions. Distractions create anxiety. And anxiety is contagious, often resulting in a hit on productivity. To minimize distractions:

- Acknowledge uncertainty and change. Directly address issues, but don't get stuck in a negative spiral. Move on to how you will respond as a team.
- Continually provide insight and clarity about the situation. Be honest and consistent. Use meetings to provide information and to get a sense of what people are thinking and feeling.
- Help individuals focus on what they can control.

Be consistent. Consistency creates stability and helps to make change feel more like normal operations.

John Lefferts, Senior Executive Vice President for AXA Advisors, Southern California Branch, uses what he calls the "wave system" to set and achieve goals.

At one point in his career, John led a major recruiting initiative. "We set up three waves per year that forced us to do recruiting at certain points in time — recruiting, induction and training," he explains. "First we hosted a recruiting seminar and tried to fill the room with 100 potential advisors and sell the career. The next two weeks, we worked on interviewing and selecting the best of the best to come into our program. Then we worked on induction over the next two weeks. Then the next four to six weeks, we worked on training. Then we would work on marketing, and then we'd work on a selling system. After about three months, advisors were either in the business or they weren't."

Then John would begin a new wave — recruiting, induction, training — and he repeated it three times a year. "It forced us, as a management team, to focus on the same things at the same time. It was so much more effective to do it that way. Setting goals, having systems in place that force you to do what you're supposed to do, is extremely important to get through any sort of change or to build any organization."

Keep your team focused on the goal. People in the midst of change can sometimes lose sight of the outcome they are working toward. Keep reminding your team of the benefits that change will bring.

Last year, Ben Bjerk, Regional Vice President for Farm Bureau Financial Services, led a significant overhaul of the way he and his team source candidates. He maintained a very hands-on approach to

lead his team through this change. Keeping his team focused on the ultimate outcome helped Ben ease some of the frustration associated with executing the change.

"During that transition stage, some agency managers got frustrated that they were not bringing on as many agents as they were before they made the change," Ben recalls. "I reinforced the main reason for the change, which was that, despite all the heartburn and the heartache, and being a little behind on the goal, now we are set up to hire people we know are going to stick and be here a long time."

Make Every Change Initiative a Learning Opportunity

In a high-impact learning culture, people are willing to openly discuss issues, admit mistakes, challenge each other's ideas and are unafraid to try and fail.[7] Taking advantage of learning opportunities during change initiatives helps to increase your team's readiness for the next change.

Successful change leaders use the following strategies to create learning opportunities from change initiatives.

Ask for feedback constantly. Feedback provides you with insights on how the change initiative is progressing. It also provides an excellent opportunity for people to learn and to increase their capacity for future change.

Recently, Travis Hart, CEO and President of Wealth Strategies Group, rolled out a new method for onboarding and developing new advisors at his firm. "We realized that we were teaching and developing people in a way that did not support the learning styles of most people who come into our business," Travis says. "Now we use a coaching model. Our coaches encourage our advisors to work with clients on their own, but behind the scenes, we're coaching them through the narratives, how the products and strategies work, and how to populate applications."

The new program is in place, but Travis and his team are constantly fine-tuning it. To make the program as effective as possible, they solicit feedback constantly. "We ask them what could make the program better," Travis says. "We ask for the feedback about cases and situations that were successful and also about those that were not successful. Sometimes, new advisors will say, 'Hey, I wish I had known X before I walked into this meeting,' or 'I wish we would've known how to use this document or form.' Those are all great pieces of feedback that help us continue to improve how we support our advisors."

[7] Building a High-Performance Business, Finseca Foundation (2018).

Select a few key metrics. Conducting a pre-meeting has the added advantage of providing clarity around expectations and metrics for success as well as focusing people's attention on critical actions during implementation.

Mark Zagurski, Director of Execution and Innovation with Mutual of Omaha, realized early on in a major change initiative he was leading that he was trying to measure too many metrics. "When you measure and track everything, then nothing is important," Mark says. "We needed to get exceedingly clear about what we wanted to measure. Instead of measuring one thousand things, we needed to select just a few. Once we did that, it took some of the cloudiness away."

Be open to new possibilities. Sometimes learning comes in unexpected ways. Eric McDermott, Managing Partner at Pacific Advisors, believes failures can unearth new and unexpected possibilities. "Sometimes, what we think was a failure creates a new capability we didn't have before that we could use for the next project. Or it creates a new resource, or it brings people together who hadn't been brought together to circle the wagons around a change initiative they had never done before."

Share learning across the organization. Knowledge sharing is an important component of a learning organization. Look for pockets of excellence within your organization and share that learning with others. Last year, Michael Kane, CEO of Empire Wealth Strategies and a Managing Partner with The Penn Mutual Life Insurance Company, hosted a Showcase Day. He and his leadership team invited advisors to spend 15 minutes showcasing what they are doing in their practices and how they are doing it.

"We had an unbelievable response," Michael says. "We showcased 10 businesses. And then we encouraged those advisors to grab lunch together to see if there are ways they could work together. Success breeds success. We have been able to generate a heck of a lot of revenue by putting people together and facilitating those conversations."

Conduct After Action Reviews (AAR) to Enhance Learning

The After Action Review (AAR) is a structured review process that examines what happened, why it happened and how it can be done better.

Questions that are typically addressed in an AAR include:

1. **What was supposed to be achieved by this project?**
2. **What was actually achieved?**
3. **Why are there differences?**
4. **What aspects of the project worked?**
5. **What didn't work and why?**
6. **What would you change if given a second chance?**
7. **What should we do differently in the future?**
8. **What should we keep doing in future projects?**

The goal of an AAR is to learn from one event and apply that learning to future events. Unfortunately, many organizations never apply this learning to actions or decisions on future projects.[8] Documenting the AAR findings and then reviewing these findings at the beginning of new projects is one way you can create a learning environment in your organization.

[8] Darling, Marilyn, Parry, Charles and Moore, Joseph, "Learning in the Thick of It," Harvard Business Review (July-August 2005).

Reframe Your Team's Mindset about Change

Athan Vorilas, CEO and President of Lighthouse Financial Network, LLC, encourages his team to accept that change is constant. He tells his team, "It is going to continue to happen, folks. It is what it is. We've got to be ahead of the curve. We've got to be forward-thinking. We've got to see how it is going to affect us five years from now, 10 years from now. We've always got to be looking ahead."

Change leaders support Athan's advice. David Altman, COO of the Center for Creative Leadership, argues "What leaders must do is to help employees and managers to recalibrate their expectations. This is the world we live in now — change is a constant. There is no 'getting back to normal'.

"The message from leaders needs to be: 'Let's get ourselves in shape as individuals and as an organizational culture to embrace the opportunities and to manage the challenges of constant change in the dynamic world that we live in. Let's equip ourselves together to become more resilient to accommodate that.' "

One of the most important steps you can take as a leader is to develop change readiness and resiliency within your team. Reframing how your team thinks about change and providing them with the skills they need to manage the challenges of constant change makes every change an opportunity.

What could your organization accomplish if everyone thought of change not as something to be endured and managed, but as an opportunity they are ready, willing and able to take on?

Checklist: Increasing Your Team's Readiness for Change

Increase your team's readiness for change by:

- [ ] Maintaining a balance between change-work and the flow of daily operations.
- [ ] Looking for learning opportunities throughout the change process and applying them to future change initiatives.
- [ ] Reframing their thinking from viewing every change as a challenge to being excited by a new opportunity.

Questions to Consider

1. Thinking about a current or past change initiative:

   How were daily operations affected during the change? What could you have done differently to eliminate distractions caused by the change?

   How did you take advantage of learning opportunities during implementation? What more could you do in the next change initiative?

2. How can you ensure that past learning is applied in future initiatives?

3. On a scale of 1 (Very Low) to 5 (Very High), how would you rate your team's readiness for change? What can you do to increase their readiness?

Next Steps

> "All of us, as leaders, have to be disruptors of our own businesses. We have to recognize that things are changing around us. If we lead the disruption, then we'll be able to accelerate through change. It really starts at the top. That's where a culture that embraces change is really born — at the top."
>
> — Wade Hampton, Transamerica Agency Network

The success of your next change initiative is directly affected by your team's level of readiness and your ability to lead them through the challenges — and opportunities — it presents. You can wait passively for the next change to happen or you can take steps now to build your and your team's ability to successfully navigate through change.

Here are some steps you can take to apply what you've learned in this eBook in your own agency or firm.

1. **Read *Leading Change: Leading Yourself.*** How you respond to change as a leader matters. Are you excited by the possibilities or frustrated by the challenges presented by change? Before successfully leading others, you have to lead yourself.
2. **Share the Learning.** Use the questions in each chapter to facilitate discussions with your team about past change initiatives and to prepare for future change.
3. **Assess Your Team's Readiness for Change.** Have team members brainstorm ideas for increasing their readiness for the challenges and opportunities presented by constant change.
4. **Read *Leading Change Through the Advisor's Eyes*.** This third eBook in the Leading Change series will be released in 2020.

Leading Change: Leading Yourself

Before you can lead others through change, you first need to learn to navigate change on a personal level. The first eBook in the Leading Change series, *Leading Change: Leading Yourself,* provides a four-step process to help you navigate the constant change our industry is experiencing today.

1. **Understanding Your Personal Attitude Toward Change.**
2. **Understanding the Human Dynamics of Change.**
3. **Understanding Your Role as a Change Agent.**
4. **Creating a Change Plan.**

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