

**Three reasons why most transformation programmes fail and why engagement through benchmarking could be the key that unlocks your organisation's winning potential.**

Ian Sherwood, Director of Transformation at proposal management consultant [twentysix2](#) talks about what makes transformation succeed.

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**Hello - Have you ever wondered what makes some transformation programmes work, while others die a slow painful death?**

**I asked Ian Sherwood, Director of Transformation at proposal management consultant twenty-six2, 'What is the difference, that makes the difference?'**

It's a good question.

Over the years I've become interested in what makes change stick. I've worked in organisations as a change manager and with organisations as a consultant, trying to improve business winning practices and particularly to improve win rates, and I know the value that many organisations attach to change and transformation programmes and the investment they make in them. I also know the challenges organisations face when they try to sell the benefits of change to their stakeholders.

It is understandable why some clients are reluctant to engage on transformation programmes; in many cases they've done it all before. You'll recognise the scenario - there's a big kick off event, training courses are scheduled, the team is gee-ed up by management who have invested heavily in time, money and their reputation in trying to implement change. They take their team off the day job to train them and then wait for the change to magically

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happen. That initial motivation lasts a couple of months but gradually withers as the day job (what Chesney, Covey and Huling call the Whirlwind in *The 4 Disciplines of Execution*) <sup>(1)</sup> gets in the way and eventually the urgent activities in doing that day job simply out-trump the important activities of the transformation. So the organisation ends up with nothing to show for its investment – so why would they take the risk and try again.

But the problem isn't generally their people. As W Edwards Deming, the American productivity expert famously said: *'Any time that the majority of people behave in a particular way the majority of the time, the people are not the problem. The problem is inherent in the system'*. <sup>(2)</sup>

## **So when it comes to implementing change, what is the problem inherent in that system?**

Ram Charan writes in his book *Execution; The discipline of getting things done* *'Seventy percent of strategic failures are due to poor execution'*. <sup>(3)</sup>

At twenty-six2, we've have studied much of the existing research around execution and engagement and how it applies to bid and proposal management.

And the research is clear; failure is rarely the result of poor strategy, nor the calibre of the people; an engaged team following

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an imperfect strategy will beat a disengaged team with a perfect strategy every time.

Transformation and change programs fail because of poor *execution*.

## **What is it about *execution* that is so difficult?**

The problems inherent in executing change can be summarised in three statements:

First – We don't engage fully with the people we want to change;

Second – We try to change everything, throwing away the good with the poor and starting again, and related to that;

Third – We try and change everything all at once, usually in a big bang approach.

## **Could you talk some more about why change fails?**

The number one reason is of a lack of stakeholder engagement. People who feel that transformation is being done *to* them, and then have no stake in the success of the programme. Without buy-in, stakeholders exhibit low levels of engagement, will be distracted by other priorities, and your project-of-the-month ends up dying a slow, painful and inevitable death.

Without involvement, how can you get commitment? And it's not just involvement in having a say in what the end game looks like -

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the solution. People also need to buy into the need for change in the first place. Chris McGoff in his book *The Primes* (4), talks about the need to spend as much time evaluating the current situation as on creating a future solution if you are going to take those people with you on that programme.

And we have learned from our clients how increased engagement impacts on the effectiveness of the whole change programme. It doesn't matter whether the issue is mission critical or cosmetic, the success of the intervention is directly proportional to the level of stakeholder engagement. The greater the engagement, the greater the success of the change programme.

**Bidding and Proposal Management certainly is mission critical for every organisation, and many have invested heavily to improve their win rates – from your experience can you describe a typical approach.**

Yes, typically, this is how it goes:

Win rates are at unacceptable levels, unacceptably low levels;

The senior team meet, they decide what to do; they document that and draw up a grand action plan;

As part of that, training is booked, usually from one of the organisations on the approved list;

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The team is chased to attend the training;

Training is delivered; everyone has a great time on the training, the training is scored highly;

Yet, when the effectiveness of the training is evaluated a few months later, win rates are still the same, or maybe even slightly worse.

Digging deeper you start to reveal that the training has done nothing to change the behaviour of the team. In fact, people slipped straight right back into familiar ways of working almost immediately. The ROI is zero.

## **So, what went wrong?**

I think three things;

There was no engagement with the team who you wanted to change, no real understanding of the team;

The team feels no commitment or connection with the change programme, because they are not engaged;

And the team didn't know what they were supposed to do differently.

**You've mentioned the word engagement a couple of times now.**

**What do organisations have to do to effectively engage with their stakeholders?**

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I think engagement is incredibly important.

Effective engagement means spending as much time discussing and evaluating the current situation as on creating and developing a solution.

Practically, that means finding a balance between getting bogged down analysing the current problem and swept up in the exciting vision of the future, at the same time trying to keep focused those people who just want to get on with the real work, the day job.

Benchmarking an organisation's bid and proposal management capability can help to engage effectively.

**Before I ask you about capability benchmarking, you mentioned another critical factor that can compromise the success of a change programme. Would you like to tell us a bit more about your experience there?**

The other two main reasons why organisations fail to execute is that they try to change everything, and they try to do it, all at the same time. As you can imagine, the resulting lack of focus dissipates the team's energy, causes confusion and ultimately leads to failure.

Even when we engage effectively, there are other principles at work which conspire against us when we try to implement change,

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but which we can harness to significantly increase our chances of success.

What we know doesn't work is trying to change everything, all at the same time. The first thing to understand is that we forget what we are taught very quickly if we don't use it or if it's not relevant.

**Can you give us example of where you've seen that in your work with clients?**

Think of a training course that you attended recently.

What do you remember from that course that you can practically apply in your job, today?

Now think of a course that you attended a few months ago, or last year.

Can you even remember the name of the course?

The truth is that one-off training intended to create new behaviours simply doesn't work without reinforcement and it's an uncomfortable truth that most training providers won't tell you.

The reason for that not working is to do with the nature of memory retention.

The rate at which we forget new material is exponential. The fastest rate of decay occurs immediately after we have learned something new; we forget 50% in a matter of days, 90% or more



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within a month to six weeks, unless we reinforce it and put it to good use.

Instead of trying to change everything all at the same time, a far more effective strategy would be to focus on one or two new behaviours and reinforce the learning until the new behaviour is fully embedded into the organisation.

So in the same way that we eat an elephant one bite at a time, we could improve win rates by tackling one capability at a time.

**When you have so many stakeholders, each with an opinion, how do you identify which capability?**

Start by answering the question *'What one capability must we improve to make the biggest impact on our win rate?'*

When we look at how to improve proposal management capability, remember the Pareto principle, the 80:20 rule, and that 80% of the benefits will come from 20% of the improvement initiatives.

The trick is to figure out which 20% is going to be effective and by benchmarking existing capability, you can easily identify the capabilities on which to focus, those that will have the biggest and most immediate impact on your win rates.

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**You've mentioned capability benchmarking a couple of times – can you explain how it can contribute to a successful transformation programme?**

We know that benchmarking provides the level of engagement and focus needed to successfully implement a change or transformation programme and in many sectors, benchmarking is considered the key to continuous improvement and competitive advantage.

**But benchmarking is not without its critics...**

True, some believe that benchmarking is unnecessary, usually because senior people within the organisation already believe that they know the current level of capabilities, or they simply want to get on with implementation, or they don't believe that benchmarking will produce useful insights that they can act on.

But, as we know, for implementation to succeed, all stakeholders need to be engaged and equal time needs to be invested in understanding the current situation as creating a vision for the future. A high-level viewpoint is not going to capture the full picture across an organisation and risks overlooking pockets of existing good practice that you really want to keep and expand.

**What do you consider to be the hallmarks of good benchmarking?**

Any approach should be:

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Firstly – Robust, credible and comprehensive, based on industry recognised best practice and / or calibrated against the organisation’s previous performance;

Flexible to accommodate existing practices, you need to understand the environment that the change has to work within;

Repeatable to enable meaningful comparisons between business units or before and after specific interventions so that you can measure progress;

Scalable for one team of twenty, or twenty teams across an enterprise;

Simple and quick to implement, keep the costs down;

Designed to clearly identify where you are now and highlight priority areas for the most rapid improvement.

An old friend of mine is constantly telling me *‘you can’t manage what you can’t measure’*. Well, the benchmark, should produce measures that can be both influenced by the team and are predictive of future results; nothing is more demoralising to a team than to be measured by results over which they have no influence.

## **How would you like to summarise?**

I think capability benchmarking is a really useful tool in the battle to make change stick.

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Our own experience is that in creating a capability benchmarking tool to help organisations solve the problem of focus, we've discovered, at the same time that benchmarking also maximises stakeholder engagement.

Without effective engagement and focus, change programmes are destined to fail.

Following these three steps will increase the odds that your change programme will work.

- Engage: involve all stakeholders - ask, listen, feedback, validate, repeat if necessary
- Focus: on the one or two things that will make the biggest difference
- Implement: one change at a time to make sure they are entirely embedded

## **Are you passionate about capability benchmarking?**

We are passionate about transformation and believe that capability benchmarking is the key that can unlock an organisation's business winning potential in an efficient and effective way.

**Thank you Ian.**

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I've been talking with Ian Sherwood, Transformation Director at proposal management consultants **twentysix2** about the benefits of capability benchmarking.

Thank you for listening.

## References

- (1) Mc Chesney, C., Covey, S. & Huling, J. (2012) *The 4 Disciplines of Execution*. Simon & Schuster
- (2) Aguayo, R. (1991) *Dr. Deming: The American who taught the Japanese about quality*. Simon & Schuster
- (3) Bossidy, L. & Charan, R. (2011) *Execution: The Discipline of Getting Things Done*. Random House Business
- (4) McGoff, C. (2012) *The Primes: How any group can solve any problem*. Wiley & Sons

Ian was interviewed by Bruce Caswell on 10 February 2016

This interview is also available as an MP3

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**Ian Sherwood** is Director of Transformation for twentySix2 and developer of the Proposal Management Capability Model. Ian leads the development and delivery of business transformation programmes for bidding and proposal management teams.



Ian's transformation strategy is based upon high levels of stakeholder engagement that first identify the shortest route to the biggest improvements and then delivers strategies designed to efficiently and effectively embed new behaviour.

An APMP Certified Proposal Professional and Shipley Certified Capture Professional, Ian's capture, bid and proposal management experience is gained from over twenty years of working across both commercial and government sectors. During his career, Ian has developed business in a variety of market sectors including MOD, Energy and Utilities, Healthcare and Public Sector markets, participating in roles across the whole sales and business development lifecycle.

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