Booklets in this series

Operational

1. Time Management.
2. Managing Change.

Strategic

1. Profiting from your local heritage.
2. Networked Learning for Tourism Professionals.
3. Employing Graduates.

Learning
Tourism

the
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LANCASTER
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Learning
Tourism

MANAGING CHANGE

Welcome to Learning Tourism

Learning Tourism is a two-year European Regional Development Funded programme which shares resources from Lancaster University with the wider community.

This series of booklets is just one element in the four activities which the project has outlined.

The others include:

- Free 'bite-sized' small business consultancies to help the company grow;

- An interactive website, for the tourism industry to use - http://www.learningtourism.lancs.ac.uk

- Action Learning sets - essentially business clubs, will help like-minded business professionals come together in a relaxed forum to discuss issues from business rates, through to purchasing power, decoration tips, to menu alterations.

To find out more about how you can get involved please call
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01524 847099

You can send any thoughts, suggestions or criticisms about this series of booklets back to the team :

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Any suggestion for future topics of discussion?
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Have you read any of the others booklets in this series?

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Thank you for your comments.

Generate ideas

For many businesses a potential source of ideas is from the people who operate the process and have daily contact with your customers. Providing an environment that stimulates the employees to suggest ideas can be beneficial to the company.

The importance of communication

Every work place has its grapevine, operating at speeds faster than official communication. It can give a false picture of the proposed change. It is better to get the idea explained to all staff before chatter on the grapevine starts. If a proposed change has a downside for some of the staff, ensure the advantages are also put across, with the possibility of incentives for the staff to work with the new system. Don't let the overall change become swamped in a debate over detail. Once the change has taken place, monitor results, talk to the staff for their reaction, and quickly take action to address problems.

Finally

The future is always uncertain. No two changes are the same, so a business's ability to learn from its mistakes is limited. Equally each business is unique and general advice can only take you so far. The key is monitor, be pro-active not reactive, but be prepared to make further changes.

Whilst change is what firms must do to stay competitive and grow, managing change is a major challenge for any business.

Good luck!

Managing Change
Getting from here to there

Your business can't stand still. Yet managing change is always difficult.

This paper gives you some ideas on making a success of a new venture.

The need for change

No business stands still. A business owner is continually under pressure to manage change: suppliers become too expensive or fail to provide the goods ordered; the tastes of the customer change; other choices become available to the consumer; the financial situation of the business changes.

The list is never ending. Some changes are forced on a business through Government legislation, changing family circumstances, or changing consumer tastes, e.g. the move to en-suite bathrooms. Other changes are voluntary – a new service is introduced or new members of staff join with different skills and experiences. Some changes mean a small change to the business that can be easily coped with; others change the whole way a business is run.

Why is change difficult

When a major change starts it does not just affect one part of the business, it ripples across the whole business:

- Changes in finance can have a major effect on a business if an investment costs more than planned or becomes too costly.
- New staff join and require training. Legislation may demand that certain staff hold an industry qualification.
- Forecasting demand for a product or service is rarely accurate, the factors affecting demand need continually reviewing and action taken in the light of the answer.
- Family members may debate the right course of action, while managers may compromise, weakening the strategy.

Planning change

Can change be planned? Yes, but you need to be flexible - reviewing and amending your plans. Start with time spent researching your idea, understanding what alternatives could be available, and trying to identify potential pitfalls. Most first plans are seldom complete and will need reviewing.

Take a pessimistic view of what your costs will be, how fast the change can be put in place, how quickly the staff will learn to use the machinery, how soon the builder will finish, or the speed of return on your investment. Caution and contingency lessens the chance of failure.

Take advantage of the many sources of advice – your accountant or bank manager, BusinessLink or Trade Associations. It is your choice which advice you follow.

Look at other businesses. Rarely will the problem you are facing be unique or unprecedented. Other businesses will have met the same issues. Is it possible to talk to their owners to understand how they coped and what problems they came across? Has a particular business been highlighted in the trade press as an example of change? Watch your competitors; how are they responding to industry changes? Visit or contact businesses in other areas with similar issues and see what you can learn from them.

Changing People

Rule one, when changing a business, is that people will be affected, and will always be ready to let you know their opinion of the changes. The danger when planning change is that it is seen as solely a matter of technology, the balance sheet, building work or a system tweak – often people's feelings are overlooked. Change works better when the need for it and its impacts are explained to the staff. Hostile staff can find many ways of sabotaging change. This may be just a matter of insecurity from a poor understanding of the changes, or a need for retraining, but it could be for deeper rooted reasons. Even if a job is not threatened, its skills,

status or territory may seem to be threatened. The earlier staff are involved in the new system, the sooner hostility can be diminished. Perhaps the change could be improved by the input of the staff's detailed front-line knowledge and experience.

Push and Pull

In many situations most staff will take a neutral position regarding a proposed change, flanked by change enthusiasts on the one side and sceptics on the other. The change will be easier if you build a coalition of support by:
-   making the neutrals into enthusiasts through explanation or demonstration of the change, outlining the benefits it will bring.
-   making sceptics into neutrals by allaying their fears
-   engaging the sceptics, challenging them to provide a better solution.

(Over-) stretching

The most difficult type of change to complete successfully is one with several different objectives. To avoid this, try thinking SMART targets:

Specific
Measurable
Achieveable
Realistic
Time bound

To avoid over-stretching the business, try out new ideas on a small scale, if possible, before committing the whole business. Hire equipment before buying or request a free trial; view how another business operates; test the market on a small scale; limit financial exposure by running trials over a fixed period then evaluate the results. Change gradually, using early cashflow to fund later investment. Changes can then be abandoned if they prove unsuccessful without affecting the whole firm.