How to Be an Effective Sponsor of Major Organizational Change

conneradvisory

Introduction

Today's leaders (executives, managers, and superiors) are often frustrated by their inability to achieve the anticipated benefits of their change decisions. "I'm pushing all the right buttons," they say, "but I can't seem to get the lights to go on." They *install* initiatives—that is, they make the necessary announcements, physically insert the change into the work environment, and when called for, train people in the use of the new solution—yet they fail to *realize*[1] the return on investment expected from the efforts and resources applied.

This document is intended as a "sponsorship primer"—a high-level overview of some of the pivotal issues and challenges facing sponsors of critically important change endeavors.

The Cost of Poorly Sponsored Change

An important mark of strong leadership is knowing when the time has come for change and having the strength and confidence to do something about it. As the marketplace becomes more sophisticated, organizations must constantly alter their operations to remain competitive. "Winners" are those who achieve the full human and operational objectives of their decisions on time and within budget. "Losers" are those who cannot fully execute their decisions or who do so only after investing a great deal more time or money than planned.

For losers, the outcomes are costly:

- Failure to solve the presenting problems or exploit the opportunities
- Wasted time, money, and human resources

---

[1] *Realization* occurs when the fundamental purpose for a change is achieved and the true intent of the business solution is accomplished. In order for installed solutions to have their desired impact on ultimate outcomes, they must attain a certain level of implementation integrity, which is characterized by the sought-after behaviors demonstrated in a quality manner and sustained over the appropriate amount of time.

- Lowered morale
- Threatened job security for those involved

Leaders who are unable to fully implement needed changes face two other important consequences. If left unattended, these consequences can become devastating to long-term organizational health. When major change decisions are properly installed but not fully realized, or they are initiated but not sustained:

- People within the organization learn to ignore leadership directives.
- Leaders appear to lack control, and the organization loses confidence in its leadership.

It is impossible to avoid major change in today's rapidly shifting market environment. Clearly, given the high cost of mismanaged change, strong sponsorship has become pivotal for a leader's career as well as an organization's survival.

Identifying the Problem

Leadership success today depends on the correctness of decisions and the effectiveness of their execution. The equal importance of both is illustrated in Figure 1 (see next page).

Organizations with even the most effective implementation plans can make wrong decisions and end up in Cell I, with failure as the end result. Organizations in Cell II constantly make poor change decisions. In fact, it is only their failure at implementation that saves the organization from further disaster!

Cell III represents correct decisions that have been poorly executed. Given the high level of intelligence of most leaders and the number of sound action plans that produce less than expected results, it would appear that most organizations fall into this category. This being the case, leaders need to focus their attention on matching the strength of their decisions with the effectiveness of their execution capabilities (Cell IV).

		Decision		
		Wrong		**Right**
Implementation	**Ineffective**	II		III
	Effective	I		IV

Figure 1. The Decision/Implementation Matrix

The first step in this process is to determine whether a prospective change has a high enough priority to warrant actual implementation. Major organizational transitions are too disruptive, time consuming, and costly to be entered into lightly. Sponsors should initiate substantive changes only when the consequences for not doing so are significant.

Minor change efforts (continuous improvement-type initiatives) are one thing, but an organization should undergo transformational change only if it cannot stay competitive or it will miss vital opportunities under the status quo. This means that leaders should not undertake major change unless they feel the organization couldn't afford to fail at the endeavor's stated objectives. Changes of this nature are called *business imperatives.*

Implementation Barriers

Many leaders complain that they are tired of paying the price for buying or developing the right solution only to see it falter when implemented. However, few realize the ways in which they contribute to the problem. A key element to the challenge of change is understanding how sponsors inhibit their own efforts to successfully execute important initiatives.

Implementation barriers within organizations take many different forms. Some of the more common ones are:

- **Lack of vision:** When the corporate vision and/or strategies are unclear, people are unsure about how to interpret major new directives.
- **A history of poor implementation:** When there is a track record of poorly implemented endeavors, people tend not to expect much when new changes are announced.

- **Lack of middle-management support:** When midlevel managers are not enrolled in the change process and lack a sense of involvement and ownership, change objectives are jeopardized.

- **Lack of understanding or belief:** When people don't understand or believe in changes being attempted, they typically don't support them.

- **An environment of low risk taking:** When there is a tendency to overly punish errors or reward their absence, people tend to avoid change.

- **No consequence management:** Where there are few negative consequences for failing to comply, people usually ignore new directives.

- **Lack of clear communications:** When information is allowed to filter down unmanaged, it often becomes diffused and less specific and is open to interpretation.

- **Lack of planning for and management of resistance:** When overt resistance is not acknowledged and managed properly, it goes underground, creating slowdowns, malicious compliance, or even outright sabotage.

- **Lack of time:** When insufficient time is allowed for implementation, problems prevail and the maintenance costs for change are high.

- **Poor follow-through:** When projects are started with much fanfare but there is no follow-through to their finish, a legacy is created that threatens future change efforts.

- **Lack of synergy:** When interdependence is not recognized between key players or groups, engaging change in one area will often cause resistance from another.

- **Rhetoric unsupported by actions:** When leaders say one thing but their behavior suggests the opposite, change goals are difficult to reach.

Corporate Black Holes

When these types of barriers occur within an organization, they are often symptoms of what we refer to as a corporate "black hole." Astrophysicists coined the term to refer to locations in space where gravity is so strong that all surrounding matter and energy, even light itself, is drawn in and unable to escape. Our research suggests a similar dynamic when initiatives are disseminated throughout an organization.

Corporate black holes are present in those parts of an organization where a change decision enters but is never heard from again. This is usually the result of a logistic, economic, or political gap between sponsors (those who authorize the change) and targets (those who must actually change the way they operate). When this distance is great enough that decisions are distorted or ignored by the time they reach their destination, a black hole has occurred.

A classic black hole situation unfolded several years ago when a large international bank wanted to change its culture. It gathered its key managers in various cities around the world to view a closed-circuit satellite television broadcast. The program outlined the changes that needed to occur in each country's operations. When it ended, the senior manager in Paris turned off the TV monitor and told those gathered with him: "Those guys in New York don't understand how things work here. We can't make those changes. Keep doing what you've been doing. How will they know whether we have changed or not?"

This is a black hole, and an obvious one at that. But don't be fooled. A close look at any large organization will show that enough distance exists between change sponsors and targets to allow black holes to form. In fact, black holes can occur when directives travel only three doors down the hallway.

In virtually every organization we have observed, characteristics of the corporate black hole were evident. There appears to be no immunity regarding structure or the nature of the work done. Traditional hierarchies are just as susceptible as highly matrixed organizations. Publicly traded, entrepreneurial, public sector, and nonprofit organizations are equally capable of forming black holes.

A black hole occurs when senior decision makers have the power to initiate a major change but not the proximity to sustain it. In most of the companies we studied, we found that executives dispensed the proper rhetoric, but their initiatives still failed because they lacked the direct, day-to-day control of consequences necessary to realize strategic goals.

Cascading Sponsorship

In most major change projects, there are two kinds of sponsors. The *initiating sponsor* (IS) is the one who first legitimizes a change. This person has the organizational power to authorize the action. It's interesting to note that the idea for a change doesn't have to originate with the initiating sponsor. In many situations, the initiating sponsor doesn't even fully understand the change he or she is approving—yet, without sponsor support, not much happens. What's important here is that a sponsor has the power to sanction change, and to allocate people and other resources to the effort. Without this legitimization, substantive, durable change will not occur.

Although initiating sponsors are extremely important, they usually must enlist the support of *sustaining sponsors*. A typical instance occurs when a project requires acceptance by people who may not have direct contact with the initiating sponsor. For example, with enterprise-wide initiatives, sustaining sponsors are usually midlevel managers who legitimize the changes at their level of responsibility. They manage communications and consequences at the local level to accomplish the specific objectives necessary for the strategic directives to succeed.

Black holes are the result of initiating sponsors' failure to create commitment at the local level. An initiating sponsor who discovers a black hole in the organization has three options:

- Use communications and consequences to help weak sustaining sponsors see that such behavior is not in the organization's or their best interest.
- Replace uncommitted or incapable sponsors with those who are more supportive and/or skilled at the role.
- Prepare to fail at the stated change objective within the original time and budget constraints.

Successful implementation of substantive change cannot occur without committed initiating and sustaining sponsors. For example, due to significant shifts in the marketplace, the CEO of a health insurance company was faced with transforming the organization from the traditional compensation-claim-payer model to a model that would work in a managed-care environment. One of the many changes the company needed to make in order to reach this goal was to drastically decentralize operations and processes away from headquarters. This included dramatically increasing the level of decision-making responsibility given to front-line workers.

Together, the CEO and the vice president of human resources created a blueprint for the new organizational structure and processes. After several months of strategic planning, the CEO presented her intentions to the executive team, which mostly comprised her direct reports. After hearing a detailed description of the plan, most of the executive team seemed to be on board, and the changes were announced to the organization. Unfortunately, six months later, nothing had really changed.

Determined to succeed, the CEO began to explore what had happened. Upon reflection, she realized she had assumed that an announcement from the executive suite was sufficient to get the changes made. When she realized this was not the case, she focused her efforts on building a cascading network of sustaining sponsorship to ensure that each employee received information and consequences related to the change from his or her direct manager or supervisor. Each member of the executive team was charged with ensuring that his or her direct reports were doing their part in supporting the initiatives, using positive and negative consequences to reinforce the support of the direct reports, and making clear that each of them had the responsibility of bringing *their* direct reports on board. The implementation team was asked to put a process in place to track the cascading progress from the executive team all the way to the target population. Within weeks, the support needed to sustain the change was being displayed. Eighteen months later, the organization was restructured, and alignment of operations was much closer to the intended outcome. Reimbursements were processed faster than they had been previously since the processes, accountabilities, and responsibilities had been pushed closer to the field.

Cascading strong sponsorship throughout an enterprise requires that the role be tailored to the unique needs of the different levels within an organization. This translates into three specialized sponsor functions. There is an initiating sponsor who first sanctions a change as well as two tiers of sustaining sponsors: the *primary sustaining sponsor* (PSS), who is typically just below the initiating sponsor, and the *local sustaining sponsor* (LSS), who is closest to the ultimate target population. What follows are definitions for each of these plus the other key roles in the change process.

Role Definitions During Change

- **Sponsors**
  - **Initiating sponsor(s)[2]:** The individual or group who strategically legitimizes implementation of a change, either within several major areas of the organization or enterprise wide. Sponsors (regardless of their level) sanction initiatives through influential communications and meaningful consequences.
  - **Primary sustaining sponsor(s):** The individual or group who formally sanctions the change within relevant areas of responsibility, providing a "united front" of leadership support for the endeavor and coordinating implementation activities (across functional or geographical lines as necessary).
  - **Local sustaining sponsor(s):** The individual or group who orchestrates the communications and consequences within relevant tactical areas of responsibility necessary to ensure successful change implementation.

---

[2] When individuals or groups serve this same function but at a specific business-unit or departmental level rather than at the enterprise level, they are referred to as initiating sponsors and may or may not have local sustaining sponsors reporting to them.

- **Change agent(s):** The individual or group who facilitates the development and execution of the implementation plans.
- **Target(s):** The individual or group who must actually change.
- **Advocate(s):** The individual or group who wants to achieve a change but does not possess the necessary legitimization power.

The relationships among these roles are graphically presented in Figure 2 on the next page.
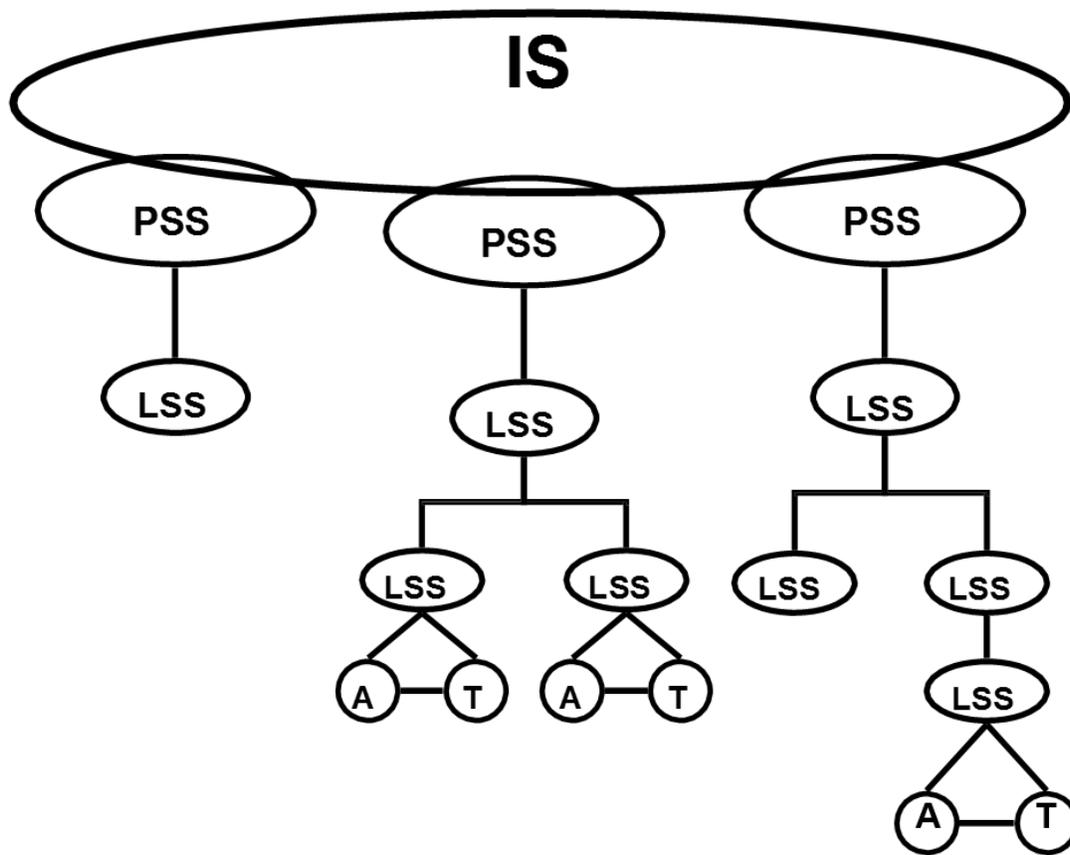
Legend

IS: Initiating Sponsor
PSS: Primary Sustaining Sponsor
LSS: Local Sustaining Sponsor
A: Agent
T: Target

Figure 2. Relationships Among Key Roles in the Change Process

If building a cascading network of sustaining sponsors sounds like a time- and energy-consuming process, that's because it is. Our research clearly shows that there are no aspirins or quick cures for the symptoms of poor change management. Sophisticated problems such as black holes require substantial investment. Effective sponsors are willing to work this hard because they know they can't afford the consequences if their initiatives fail.

Managing the Change Process

Another important factor related to the challenge of sponsorship is understanding the mechanics of how change occurs as a process.

In Figure 3, change is represented by movement from the present state on the left to the desired state on the right. To achieve this movement, targets enter the transition state, which is a period of uncertainty and insecurity that disrupts the way they have been doing things and draws them to a new frame of reference.
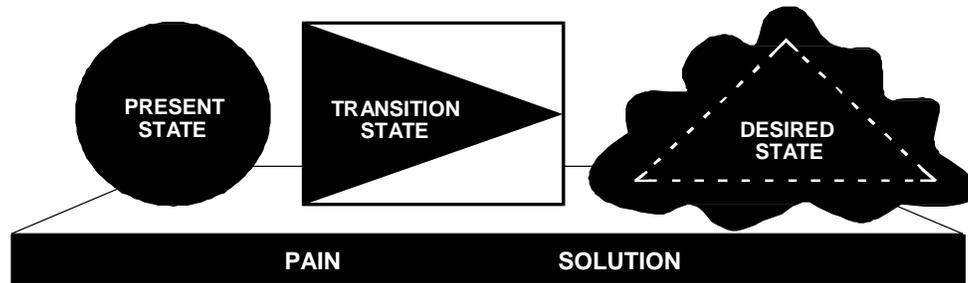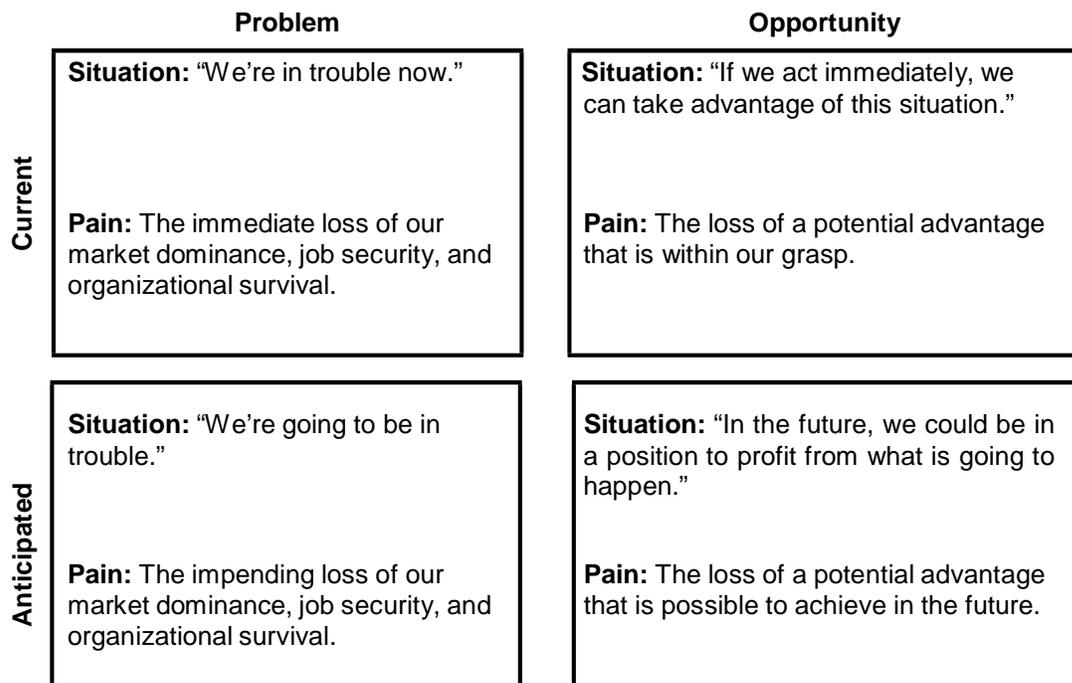

Figure 3. Change Is a Process

But what would cause a person or group to be willing to depart from the present state for an ambiguous transition state? Of course, one obvious motivator might be the desire to enjoy whatever benefits are available if the solution is successfully engaged, but attraction to the desired state is not enough for significant change to be sustained. In addition, an equally powerful motivator must also be in place—the "pain" associated with maintaining the way things have been. Before it can be embraced fully, substantial change must be driven by more than merely the allure of what is sought. People must not only be drawn to what they seek, but they must also be repelled by what they have. Individuals and groups will maintain a significant change *only* if they are shown that the status quo is more expensive than the price for transition. This means the pain of the present is a prime impetus for movement into the future.

Pain management is the conscious orchestration of information to help those targeted for change to understand that the price for the status quo is no longer worth it. Stressing the pain of the status quo is not more important than the attractiveness of the solution, but it is typically more neglected, so we'll focus a bit more on its dynamics.

Two kinds of pain are powerful enough to sustain change: current and anticipated. Both are the result of either unresolved problems or the possibility of missed opportunities. This creates four possible ways to see that the price for the status quo is prohibitively high.

	Problem	**Opportunity**
Current	**Situation:** "We're in trouble now." **Pain:** The immediate loss of our market dominance, job security, and organizational survival.	**Situation:** "If we act immediately, we can take advantage of this situation." **Pain:** The loss of a potential advantage that is within our grasp.
Anticipated	**Situation:** "We're going to be in trouble." **Pain:** The impending loss of our market dominance, job security, and organizational survival.	**Situation:** "In the future, we could be in a position to profit from what is going to happen." **Pain:** The loss of a potential advantage that is possible to achieve in the future.

Managers sometimes complain, "We're in trouble. We spent $5 million on a computer system, and we still don't have what we need." This is a classic case of current pain.

Regardless of the pain management category, the critical task is to generate sufficient pain to motivate but not immobilize. This balancing act is a key skill that leaders must master if they want to successfully sponsor major change.

Sponsor Relationships

The strategies used to manage the change process depend on the various relationships between sponsors, agents, targets, and advocates. Relationships between these roles usually take one of three forms shown in Figures 4, 5, and 6.

The simplest kind of relationship to understand is the linear relationship. An example of this would be when a target reports directly to a sponsor (either initiating, primary sustaining, or local sustaining). In linear relationships, sponsors often serve as their own change agents (reflected in the "S/A" designation in Figure 4 below). This kind of target-to-sponsor relationship may not always be successful in implementing change. It is, however, an easy one to relate to because it is based on a hierarchy or chain of command.
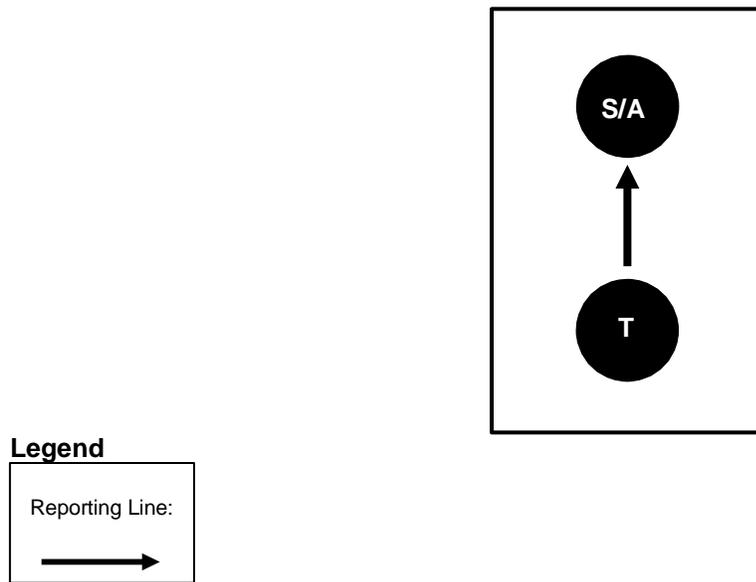
Legend

Reporting Line:

Figure 4. Linear Relationships

The second kind of relationship is triangular in nature. Here, both the agent and the target report to a common sponsor (IS, PSS, or LSS), but the target does not report to the agent. A classic triangle occurs when the sponsor is in senior management, the agent is in IT or human resources, and the target is in line management. Most triangles are dysfunctional because sponsors try to pass their sponsorship duties to agents. An example of this would be a sponsor telling an agent it is his or her job to get line management to comply with the new computer system or human resources policy. Our research has shown conclusively that effective sponsors in a triangle relationship avoid the trap of delegating sponsorship to change agents. Instead, they turn directly to the target and say unequivocally, "I am the one who wants this change to occur. The agent is simply here to help you do what I have requested. I am driving this change, not IT or HR." Direct, emphatic sponsorship significantly lowers the resistance and dysfunction inherent to most triangular relationships.
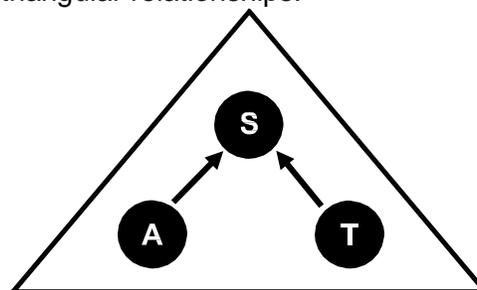

Figure 5. Triangular Relationships

The square relationship represents another common problem. In these situations, not only does the target not report to the agent, but the target also does not report to the agent's sponsor. If the sponsor of the proposed action has any hope of successful implementation, he or she must convince the target's sponsor that the change is a business imperative. Advocates are people who want change but who lack the power to legitimize it themselves. Advocates must secure others to sponsor whatever change they desire.
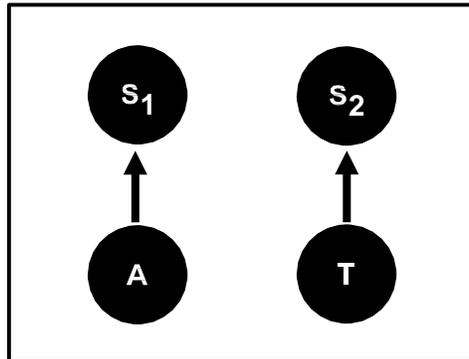
Figure 6. Square Relationships

An understanding of these relationships is essential because most large change projects involve numerous sponsors, each involved in one or more of these configurations. It's essential that sponsors not only recognize and be prepared to carry out the duties of their role, but also understand the relationship configuration in which they are operating. Whether linear, triangular, or square relationships are involved, cascading support down the network of sponsorship is vital to success.

Characteristics of Effective Sponsorship

Again, winners realize the full benefits of their change decisions, while losers only install their solutions and either never realize their goals or do so only after investing a great deal more time or money than expected. Strong sponsorship has proven to be by far the single most important difference between the two categories, yet it is often misunderstood. Most executives who think of the sponsor role as merely making and/or announcing a decision have a poor understanding of the real dynamics in play when change is being introduced.

Leaders and managers who do operate as strong sponsors usually do so in an intuitive fashion. That is, they do all the right things, but when asked, they typically can't explain what they did or why. They just somehow seem to be able to make things work. In further analyzing the impact of these "unconsciously competent" sponsors, we find that those who function effectively without a conscious structure to guide them suffer from two problems. First, since they are not consciously aware of their sponsorship competencies, they are often erratic in their application. Second, since they can't explicitly articulate what they were doing, it is difficult to translate their skills to others.

An effective sponsor of significant change displays behaviors consistent with the following characteristics.

Purposeful

1. **Dissatisfied with the present state:** Is keenly aware the organization cannot afford to fail at the change; uses "pain messages" to reinforce that there is no going back to the previous status quo

2. **Clearly defines the change:** Creates as specific a picture as possible of the desired future state, including the overall intent of the change

3. **Shapes expectations:** Establishes clear and explicit expectations about what will be accomplished, why it will be done, what it will cost (in financial and non-financial currencies), and when it will be accomplished

4. **Narrows attention:** Concentrates the organization's limited mindshare, energy, and capacity to absorb change on business-imperative initiatives

Attentive

1. **Understands the impact of culture:** Appreciates the powerful influence mindsets and behaviors exert, and is careful to ensure alignment between the organization's culture and the change (change the culture, change the change, or prepare to fail)

2. **Understands the human impacts of the change:** Acknowledges the complex web of relationships that comprise the human landscape and grasps the impact his or her change-related decisions and actions will have on the individuals (and groups) who must commit to the initiative for it to succeed

3. **Fosters commitment:** Operates on the basis that building commitment in others is a process requiring skillfully planned and executed communications, active involvement, and consequences

4. **Surfaces barriers to realization:** Understands his or her responsibility for managing the risks that are inherent in any major change effort; requires reliable tracking and reporting to him or her, and rewards early risk identification that allows maximum flexibility in risk mitigation

5. **Protects capacity:** Maintains vigilance on the ability of those affected by the initiative to absorb the change and takes corrective action as required

6. **Addresses resistance:** Anticipates resistance as inevitable during major change; deals with it effectively throughout the change process and expects others to do the same

Committed

1. **Demonstrates public conviction:** Understands the importance of publicly expressing commitment; openly demonstrates the depth of his or her personal determination for the endeavor to succeed

2. **Demonstrates private tenacity:** Uses "behind-the-scenes" actions to demonstrate personal persistence that shows he or she is not just paying "lip service" to the change endeavor

3. **Communicates powerfully:** Uses clear, accurate, and compelling language when communicating about the change, especially when convincing others that achieving realization is a business imperative

4. **Applies consequences:** Effectively uses positive and negative reinforcement to sanction the change and drive its tactical objectives as well as its strategic goals

5. **Conveys status:** Uses both formal and informal channels to share information about the initiative's progress in ways that build and maintain people's support and prompt action

6. **Learns to sponsor:** Accepts that effective sponsorship requires an ongoing openness to new ways of thinking and behaving; exhibits an appreciation for the importance of learning from mistakes

Decisive

1. **Makes tough decisions:** Demonstrates the courage and discipline to make unpopular decisions; engages actions that might not be in his or her short-term best interest in order to reach full realization of the change's intent

2. **Allocates resources:** Accurately assesses the competing demands for resources, including the potential for overload, resistance, and cultural misalignment; assigns the necessary resources to ensure the change's success

3. **Cascades sponsorship:** Builds a strong network of sponsorship that extends to all parts of the organization impacted by the change

4. **Continually monitors:** Requires the initiative's progress be closely tracked to make any necessary adjustments that will ensure its intent remains intact

Resolute

1. **Focuses on realization:** Is tenacious and unrelenting about fully realizing the intent of the change; does not accept installation outcomes as sufficient for key initiatives

2. **Sustains support:** Invests resources, energy, and attention in the initiative as long as necessary to achieve the realization outcomes

3. **Orchestrates key roles:** Ensures that he or she, as well as other sponsors, change agents, targets, and advocates, fully understand and are properly prepared to perform their designated roles

4. **Holds peers accountable:** Recognizes how important sponsor partnerships across organizational lines are to accomplishing the change objectives; compels peer sponsors to speak candidly, offers and accepts feedback, and surfaces issues that could derail the change effort

5. **Bears the price:** Accepts the personal and/or political cost for succeeding with transformational change and holds those sponsors below him or her accountable for doing the same

Conclusion

Today's leaders, managers, and supervisors often lack the necessary ability to achieve realization of major change initiatives because they don't know how to effectively function as sponsors. It is easy to understand why—sponsorship is not just one skill, but many complex and interrelated ones that must be applied with wisdom and subtlety.

In an environment that is constantly shifting, the ability to realize the expected return on change investments is not an optional skill. It is a matter of survival that will distinguish sponsors and their organizations who are winners from those who are losers in the years to come.