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The Hard Side of Change Management

by Harold L. Sirkin, Perry Keenan, and Alan Jackson

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When French novelist Jean-Baptiste Alphonse Karr wrote "Plus ça change, plus c'est la même chose," he could have been penning an epigram about change management. For over three decades, academics, managers, and consultants, realizing that transforming organizations is difficult, have dissected the subject. They've sung the praises of leaders who communicate vision and walk the talk in order to make change efforts succeed. They've sanctified the importance of changing organizational culture and employees' attitudes. They've teased out the tensions between top-down transformation efforts and participatory approaches to change. And they've exhorted companies to launch campaigns that appeal to people's hearts and minds. Still, studies show that in most organizations, two out of three transformation initiatives fail. The more things change, the more they stay the same.

Managing change *is* tough, but part of the problem is that there is little agreement on what factors most influence transformation initiatives. Ask five executives to name the one factor critical for the success of these programs, and you'll probably get five different answers. That's because each manager looks at an initiative from his or her viewpoint and, based on personal experience, focuses on different success factors. The experts, too, offer different perspectives. A recent search on Amazon.com for books on "change and management" turned up 6,153 titles, each with a distinct take on the topic. Those ideas have a lot to offer, but taken together, they force companies to tackle many priorities simultaneously, which spreads resources and skills thin. Moreover, executives use different approaches in different parts of the organization, which compounds the turmoil that usually accompanies change.

In recent years, many change management gurus have focused on soft issues, such as culture, leadership, and motivation. Such elements are important for success, but managing these aspects alone isn't sufficient to implement transformation projects. Soft factors don't directly influence the outcomes of many change programs. For instance, visionary leadership is often vital for transformation projects, but not always. The same can be said about communication with employees. Moreover, it isn't easy to change attitudes or relationships; they're deeply ingrained in organizations and people. And although changes in, say, culture or motivation levels can be indirectly gauged through surveys and interviews, it's tough to get reliable data on soft factors.

What's missing, we believe, is a focus on the not-so-fashionable aspects of change management: the hard factors. These factors bear three distinct characteristics. First, companies are able to measure them in direct or indirect ways. Second, companies can easily communicate their importance, both within and outside organizations. Third, and perhaps most important, businesses are capable of influencing those elements quickly. Some of the hard factors that affect a transformation initiative are the time necessary to complete it, the number of people required to execute it, and the financial results that intended actions are expected to achieve. Our research shows that change projects fail to get off the ground when companies neglect the hard factors. That doesn't mean that executives can ignore the soft elements; that would be a grave mistake. However, if companies don't pay attention to the hard issues first, transformation programs will break down before the soft elements come into play.

That's a lesson we learned when we identified the common denominators of change. In 1992, we started with the contrarian hypothesis that organizations handle transformations in remarkably similar ways. We researched projects in a number of industries and countries to identify those common elements. Our initial 225-company study revealed a consistent correlation between the outcomes (success or failure) of change programs and four hard factors: project *duration,* particularly the time between project reviews; performance *integrity,* or the capabilities of project teams; the *commitment* of both senior executives and the staff whom the change will affect the most; and the additional *effort* that employees must make to cope with the change. We called these variables the DICE factors because we could load them in favor of projects' success.

We completed our study in 1994, and in the 11 years since then, the Boston Consulting Group has used those four factors to predict the outcomes, and guide the execution, of more than 1,000 change management initiatives worldwide. Not only has the correlation held, but no other factors (or combination of factors) have predicted outcomes as well.

The Four Key Factors

If you think about it, the different ways in which organizations combine the four factors create a continuum—from projects that are set up to succeed to those that are set up to fail. At one extreme, a short project led by a skilled, motivated, and cohesive team, championed by top management and implemented in a department that is receptive to the change and has to put in very little additional effort, is bound to succeed. At the other extreme, a long, drawn-out project executed by an inexpert, unenthusiastic, and disjointed team, without any top-level sponsors and targeted at a function that dislikes the change and has to do a lot of extra work, will fail. Businesses can easily identify change programs at either end of the spectrum, but most initiatives occupy the middle ground where the likelihood of success or failure is difficult to assess. Executives must study the four DICE factors carefully to figure out if their change programs will fly—or die.

Duration. Companies make the mistake of worrying mostly about the time it will take to implement change programs. They assume that the longer an initiative carries on, the more likely it is to fail—the early impetus will peter out, windows of opportunity will close, objectives will be forgotten, key supporters will leave or lose their enthusiasm, and problems will accumulate. However, contrary to popular perception, our studies show that a long project that is reviewed frequently is more likely to succeed than a short project that isn't reviewed frequently. Thus, the time between reviews is more critical for success than a project's life span.

Companies should formally review transformation projects at least bimonthly since, in our experience, the probability that change initiatives will run into trouble rises exponentially when the time between reviews exceeds eight weeks. Whether reviews should be scheduled even more frequently depends on how long executives feel the project can carry on without going off track. Complex projects should be reviewed fortnightly; more familiar or straight-

Harold L. Sirkin (hal.ops@bcg.com) is a Chicago-based senior vice president and the global operations practice leader of the Boston Consulting Group. He is the coauthor of "Fix the Process, Not the Problem" (HBR July–August 1990) and "Innovating for Cash" (HBR September 2003). **Perry Keenan** (keenan.perry@bcg.com) is a BCG vice president and the global topic leader for rigorous program management based in Auckland, New Zealand. **Alan Jackson** (jackson.alan@bcg.com) is a BCG senior vice president in Sydney, Australia. More on change management and an interactive DICE tool are available at www.bcg.com/DICE.

forward initiatives can be assessed every six to eight weeks.

Scheduling milestones and assessing their impact are the best way by which executives can review the execution of projects, identify gaps, and spot new risks. The most effective milestones are those that describe major actions or achievements rather than day-to-day activities. They must enable senior executives and project sponsors to confirm that the project has made progress since the last review took place. Good milestones encompass a number of tasks that teams must complete. For example, describing a particular milestone as "Consultations with Stakeholders Completed" is more effective than "Consult Stakeholders" because it represents an achievement and shows that the project has made headway. Moreover, it suggests that several activities were completed—identifying stakeholders, assessing their needs, and talking to them about the project. When a milestone looks as though it won't be reached on time, the project team must try to understand why, take corrective actions, and learn from the experience to prevent problems from recurring.

Review of such a milestone—what we refer to as a "learning milestone"—isn't an impromptu assessment of the Monday-morning kind. It should be a formal occasion during which senior-management sponsors and the project team evaluate the latter's performance on all the dimensions that have a bearing on success and failure. The team must provide a concise report of its progress, and members and sponsors must check if the team is on track to complete, or has finished all the tasks to deliver, the milestone. They should also determine whether achieving the milestone has had the desired effect on the company; discuss the problems the team faced in reaching the milestone; and determine how that accomplishment will affect the next phase of the project. Sponsors and team members must have the power to address weaknesses. When necessary, they should alter processes, agree to push for more or different resources, or suggest a new direction. At these meetings, senior executives must pay special attention to the dynamics within teams, changes in the organization's perceptions about the initiative, and communications from the top.

Integrity. By performance integrity, we mean the extent to which companies can rely on teams of managers, supervisors, and staff to execute change projects successfully. In a perfect world, every team would be flawless, but no business has enough great people to ensure that. Besides, senior executives are often reluctant to allow star performers to join change efforts because regular work can suffer. But since the success of change programs depends on the quality of teams, companies must free up the best staff while making sure that day-to-day operations don't falter. In companies that have succeeded in implementing change programs, we find that employees go the extra mile to ensure their day-to-day work gets done.

Since project teams handle a wide range of activities, resources, pressures, external stimuli, and unforeseen obstacles, they must be cohesive and well led. It's not enough for senior executives to ask people at the watercooler if a project team is doing well; they must clarify members' roles, commitments, and accountability. They must choose the team leader and, most important, work out the team's composition.

Smart executive sponsors, we find, are very inclusive when picking teams. They identify talent by soliciting names from key colleagues, including human resource managers; by circulating criteria they have drawn up; and by looking for top performers in all functions. While they accept volunteers, they take care not to choose only supporters of the change initiative. Senior executives personally interview people so that they can construct the right portfolio of skills, knowledge, and social networks. They also decide if potential team members should commit all their time to the project; if not, they must ask them to allocate specific days or times of the day to the initiative. Top management makes public the parameters on which it will judge the team's performance and how that evaluation fits into the company's regular appraisal process. Once the project gets under way, sponsors must measure the cohesion of teams by administering confidential surveys to solicit members' opinions.

Executives often make the mistake of assuming that because someone is a good, well-liked manager, he or she will also make a decent team leader. That sounds reasonable, but effective managers of the status quo aren't necessarily good at changing organizations. Usually, good team leaders have problem-solving

The Four Factors

These factors determine the outcome of any transformation initiative.

D. The **duration** of time until the change program is completed if it has a short life span; if not short, the amount of time between reviews of milestones.

I. The project team's performance **integrity**; that is, its ability to complete the initiative on time. That depends on members' skills and traits relative to the project's requirements.

C. The **commitment** to change that top management (C1) and employees affected by the change (C2) display.

E. The **effort** over and above the usual work that the change initiative demands of employees.

skills, are results oriented, are methodical in their approach but tolerate ambiguity, are organizationally savvy, are willing to accept responsibility for decisions, and while being highly motivated, don't crave the limelight. A CEO who successfully led two major transformation projects in the past ten years used these six criteria to quiz senior executives about the caliber of nominees for project teams. The top management team rejected one in three candidates, on average, before finalizing the teams.

Commitment. Companies must boost the commitment of two different groups of people if they want change projects to take root: They must get visible backing from the most influential executives (what we call C1), who are not necessarily those with the top titles. And they must take into account the enthusiasm—or often, lack thereof—of the people who must deal with the new systems, processes, or ways of working (C2).

Top-level commitment is vital to engendering commitment from those at the coal face. If employees don't see that the company's leadership is backing a project, they're unlikely to change. No amount of top-level support is too much. In 1999, when we were working with the CEO of a consumer products company, he told us that he was doing much more than necessary to display his support for a nettlesome project. When we talked to line managers, they said that the CEO had extended very little backing for the project. They felt that if he wanted the project to succeed, he would have to support it more visibly! A rule of thumb: When you feel that you are talking up a change initiative at least three times more than you need to, your managers will feel that you are backing the transformation.

Sometimes, senior executives are reluctant to back initiatives. That's understandable; they're often bringing about changes that may negatively affect employees' jobs and lives. However, if senior executives do not communicate the need for change, and what it means for employees, they endanger their projects' success. In one financial services firm, top management's commitment to a program that would improve cycle times, reduce errors, and slash costs was low because it entailed layoffs. Senior executives found it gut-wrenching to talk about layoffs in an organization that had prided itself on being a place where good people could find lifetime employment. However, the CEO realized that he needed to tackle the thorny issues around the layoffs to get the project implemented on schedule. He tapped a senior company veteran to organize a series of speeches and meetings in order to provide consistent explanations for the layoffs, the timing, the consequences for job security, and so on. He also appointed a well-respected general manager to lead the change program. Those actions reassured employees that the organization would tackle the layoffs in a professional and humane fashion.

Companies often underestimate the role that managers and staff play in transformation efforts. By communicating with them too late or inconsistently, senior executives end up alienating the people who are most affected by the changes. It's surprising how often something senior executives believe is a good thing is seen by staff as a bad thing, or a message that senior executives think is perfectly clear is misunderstood. That usually happens when senior executives articulate subtly different versions of critical messages. For instance, in one company that applied the DICE framework, scores for a project showed a low degree of staff commitment. It turned out that these employees had become confused, even distrustful, because one senior manager had said, "Layoffs will not occur," while another had said, "They are not expected to occur."

Organizations also underestimate their ability to build staff support. A simple effort to reach out to employees can turn them into champions of new ideas. For example, in the 1990s, a major American energy producer was unable to get the support of mid-level managers, supervisors, and workers for a productivity improvement program. After trying several times, the company's senior executives decided to hold a series of one-on-one conversations with mid-level managers in a last-ditch effort to win them over. The conversations focused on the program's objectives, its impact on employees, and why the organization might not be able to survive without the changes. Partly because of the straight talk, the initiative gained some momentum. This allowed a project team to demonstrate a series of quick wins, which gave the initiative a new lease on life.

Effort. When companies launch transformation efforts, they frequently don't realize,

Calculating DICE Scores

Companies can determine if their change programs will succeed by asking executives to calculate scores for each of the four factors of the DICE framework—duration, integrity, commitment, and effort. They must grade each factor on a scale from 1 to 4 (using fractions, if necessary); the lower the score, the better. Thus, a score of 1 suggests that the factor is highly likely to contribute to the program's success, and a score of 4 means that it is highly unlikely to contribute to success. We find that the following questions and scoring guidelines allow executives to rate transformation initiatives effectively:

Duration [D]

Ask: Do formal project reviews occur regularly? If the project will take more than two months to complete, what is the average time between reviews?
Score: If the time between project reviews is less than two months, you should give the project 1 point. If the time is between two and four months, you should award the project 2 points; between four and eight months, 3 points; and if reviews are more than eight months apart, give the project 4 points.

Integrity of Performance [I]

Ask: Is the team leader capable? How strong are team members' skills and motivations? Do they have sufficient time to spend on the change initiative?
Score: If the project team is led by a highly capable leader who is respected by peers, if the members have the skills and motivation to complete the project in the stipulated time frame, and if the company has assigned at least 50% of the team members' time to the project, you can give the project 1 point. If the team is lacking on all those dimensions, you should award the project 4 points. If the team's capabilities are somewhere in between, assign the project 2 or 3 points.

Senior Management Commitment [C_1]

Ask: Do senior executives regularly communicate the reason for the change and the importance of its success? Is the message convincing? Is the message consistent, both across the top management team and over time? Has top management devoted enough resources to the change program?
Score: If senior management has, through actions and words, clearly communicated the need for change, you must give the project 1 point. If senior executives appear to be neutral, it gets 2 or 3 points. If managers perceive senior executives to be reluctant to support the change, award the project 4 points.

Local-Level Commitment [C_2]

Ask: Do the employees most affected by the change understand the reason for it and believe it's worthwhile? Are they enthusiastic and supportive or worried and obstructive?
Score: If employees are eager to take on the change initiative, you can give the project 1 point, and if they are just willing, 2 points. If they're reluctant or strongly reluctant, you should award the project 3 or 4 points.

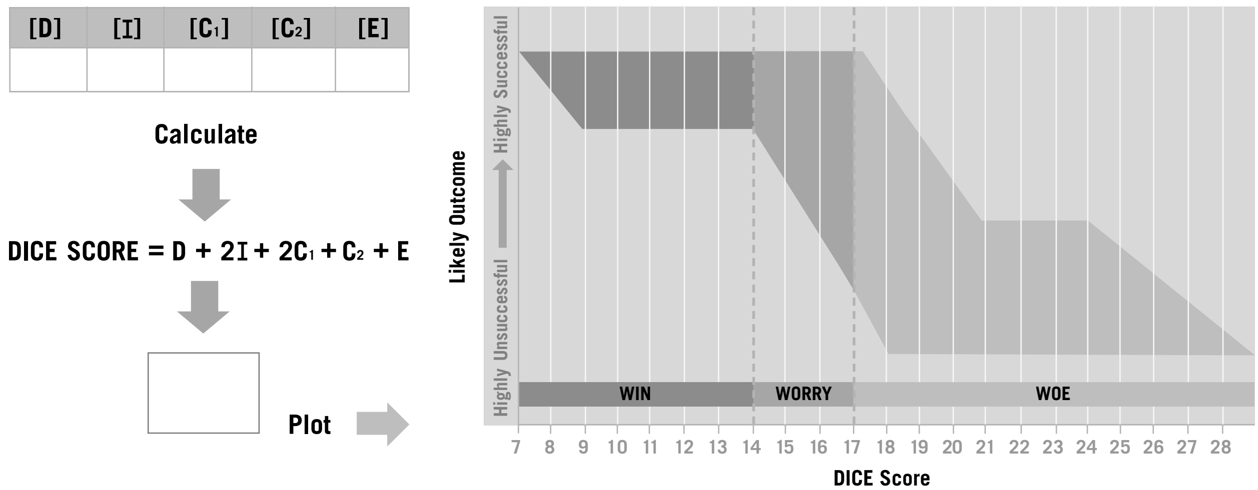
Effort [E]

Ask: What is the percentage of increased effort that employees must make to implement the change effort? Does the incremental effort come on top of a heavy workload? Have people strongly resisted the increased demands on them?
Score: If the project requires less than 10% extra work by employees, you can give it 1 point. If it's 10% to 20% extra, it should get 2 points. If it's 20% to 40%, it must be 3 points. And if it's more than 40% additional work, you should give the project 4 points.

Executives can combine the four elements into a project score. When we conducted a regression analysis of our database of change efforts, we found that the combination that correlates most closely with actual outcomes doubles the weight given to team performance (I) and senior management commitment (C1). That translates into the following formula:

DICE Score = $D + (2 \times I) + (2 \times C_1) + C_2 + E$
In the 1-to-4 scoring system, the formula generates overall scores that range from 7 to 28. Companies can compare a project's score with those of past projects and their outcomes to assess if the project is slated for success or failure. Our data show a clear distribution of scores:
Scores between 7 and 14: The project is very likely to succeed. We call this the Win Zone.
Scores higher than 14 but lower than 17: Risks to the project's success are rising, particularly as the score approaches 17. This is the Worry Zone.
Scores over 17: The project is extremely risky. If a project scores over 17 and under 19 points, the risks to success are very high. Beyond 19, the project is unlikely to succeed. That's why we call this the Woe Zone.

We have changed the boundaries of the zones over time. For instance, the Worry Zone was between 14 and 21 points at first, and the Woe Zone from 21 to 28 points. But we found that companies prefer to be alerted to trouble as soon as outcomes become unpredictable (17 to 20 points). We therefore compressed the Worry Zone and expanded the Woe Zone.



or know how to deal with the fact, that employees are already busy with their day-to-day responsibilities. According to staffing tables, people in many businesses work 80-plus-hour weeks. If, on top of existing responsibilities, line managers and staff have to deal with changes to their work or to the systems they use, they will resist.

Project teams must calculate how much work employees will have to do beyond their existing responsibilities to change over to new processes. Ideally, no one's workload should increase more than 10%. Go beyond that, and the initiative will probably run into trouble. Resources will become overstretched and compromise either the change program or normal operations. Employee morale will fall, and conflict may arise between teams and line staff. To minimize the dangers, project managers should use a simple metric like the percentage increase in effort the employees who must cope with the new ways feel they must contribute. They should also check if the additional effort they have demanded comes on top of heavy workloads and if employees are likely to resist the project because it will demand more of their scarce time.

Companies must decide whether to take away some of the regular work of employees who will play key roles in the transformation project. Companies can start by ridding these employees of discretionary or nonessential responsibilities. In addition, firms should review all the other projects in the operating plan and assess which ones are critical for the change effort. At one company, the project steering committee delayed or restructured 120 out of 250 subprojects so that some line managers could focus on top-priority projects. Another way to relieve pressure is for the company to bring in temporary workers, like retired managers, to carry out routine activities or to outsource current processes until the changeover is complete. Handing off routine work or delaying projects is costly and time-consuming, so companies need to think through such issues before kicking off transformation efforts.

Creating the Framework

As we came to understand the four factors better, we created a framework that would help executives evaluate their transformation initiatives and shine a spotlight on interventions that would improve their chances of success. We developed a scoring system based on the variables that affect each factor. Executives can assign scores to the DICE factors and combine them to arrive at a project score. (See the sidebar "Calculating DICE Scores.")

Although the assessments are subjective, the system gives companies an objective framework for making those decisions. Moreover, the scoring mechanism ensures that executives are evaluating projects and making trade-offs more consistently across projects.

A company can compare its DICE score on the day it kicks off a project with the scores of previous projects, as well as their outcomes, to check if the initiative has been set up for success. When we calculated the scores of the 225 change projects in our database and compared them with the outcomes, the analysis was compelling. Projects clearly fell into three categories, or zones: *Win,* which means that any project with a score in that range is statistically likely to succeed; *worry,* which suggests that the project's outcome is hard to predict; and *woe,* which implies that the project is totally unpredictable or fated for mediocrity or failure. (See the exhibit "DICE Scores Predict Project Outcomes.")

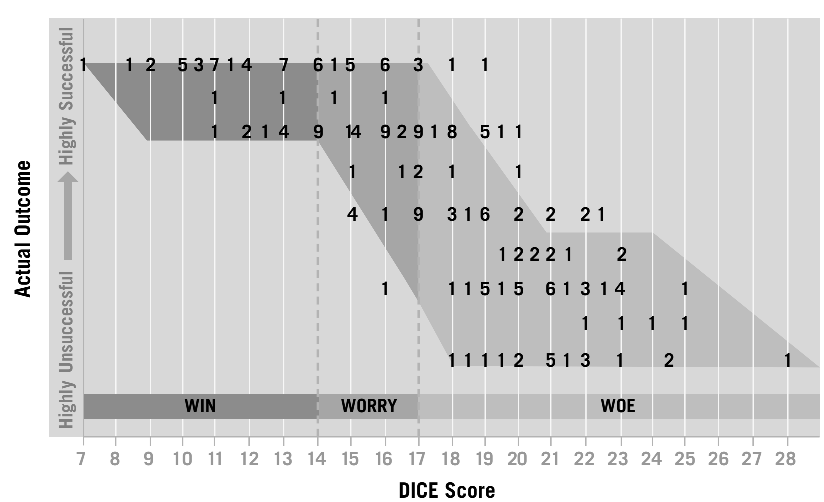
Companies can track how change projects are faring by calculating scores over time or before and after they have made changes to a project's structure. The four factors offer a litmus test that executives can use to assess the probability of success for a given project or set of projects. Consider the case of a large Australian bank that in 1994 wanted to restructure its back-office operations. Senior executives agreed on the rationale for the change but differed on whether the bank could achieve its objectives, since the transformation required major changes in processes and organizational structures. Bringing the team and the senior executives together long enough to sort out their differences proved impossible; people were just too busy. That's when the project team decided to analyze the initiative using the DICE framework.

Doing so condensed what could have been a free-flowing two-day debate into a sharp two-hour discussion. The focus on just four elements generated a clear picture of the project's strengths and weaknesses. For instance, managers learned that the restructuring would take eight months to implement but that it had poorly defined milestones and reviews. Although the project team was capable and senior management showed reasonable commitment to the effort, there was room for improvement in both areas. The back-office workforce was hostile to the proposed changes since more than 20% of these people would lose their jobs. Managers and employees agreed that the back-office staff would need to muster 10% to 20% more effort on top of its existing commitments during the implementation. On the DICE scale, the project was deep in the Woe Zone.

However, the assessment also led managers to take steps to increase the possibility of success before they started the project. The bank decided to split the project time line into two—one short-term and one long-term. Doing so allowed the bank to schedule review points more frequently and to maximize team members' ability to learn from experience before the transformation grew in complexity. To improve staff commitment, the bank decided to devote more time to explaining why the change was necessary and how the institution would support the staff during the implementation. The bank also took a closer look at the people who would be involved in the project and changed some of the team leaders when it realized that they lacked the necessary skills. Finally, senior managers made a concerted effort to show their backing for the initiative by holding a traveling road show to explain the

DICE Scores Predict Project Outcomes

When we plotted the DICE scores of 225 change management initiatives on the horizontal axis, and the outcomes of those projects on the vertical axis, we found three sets of correlations. Projects with DICE scores between 7 and 14 were usually successful; those with scores over 14 and under 17 were unpredictable; and projects with scores over 17 were usually unsuccessful. We named the three zones Win, Worry, and Woe, respectively. (Each number plotted on the graph represents the number of projects, out of the 225 projects, having a particular DICE score.)



project to people at all levels of the organization. Taken together, the bank's actions and plans shifted the project into the Win Zone. Fourteen months later, the bank completed the project—on time and below budget.

Applying the DICE Framework

The simplicity of the DICE framework often proves to be its biggest problem; executives seem to desire more complex answers. By overlooking the obvious, however, they often end up making compromises that don't work. Smart companies try to ensure that they don't fall into that trap by using the DICE framework in one of three ways.

Track Projects. Some companies train managers in how to use the DICE framework before they start transformation programs. Executives use spreadsheet-based versions of the tool to calculate the DICE scores of the various components of the program and to compare them with past scores. Over time, every score must be balanced against the trajectory of scores and, as we shall see next, the portfolio of scores.

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Senior executives often use DICE assessments as early warning indicators that transformation initiatives are in trouble. That's how Amgen, the $10.6 billion biotechnology company, used the DICE framework. In 2001, the company realigned its operations around some key processes, broadened its offerings, relaunched some mature products, allied with some firms and acquired others, and launched several innovations. To avoid implementation problems, Amgen's top management team used the DICE framework to gauge how effectively it had allocated people, senior management time, and other resources. As soon as projects reported troubling scores, designated executives paid attention to them. They reviewed the projects more often, reconfigured the teams, and allocated more resources to them. In one area of the change project, Amgen used DICE to track 300 initiatives and reconfigured 200 of them.

Both big and small organizations can put the tool to good use. Take the case of a hospital that kicked off six change projects in the late 1990s. Each initiative involved a lot of investment, had significant clinical implications, or both. The hospital's general manager felt that some projects were going well but was concerned about others. He wasn't able to attribute his concerns to anything other than a bad feeling. However, when the general manager used the DICE framework, he was able to confirm his suspicions. After a 45-minute discussion with project managers and other key people, he established that three projects were in the Win Zone but two were in the Woe Zone and one was in the Worry Zone.

The strongest projects, the general manager found, consumed more than their fair share of resources. Senior hospital staff sensed that those projects would succeed and spent more time promoting them, attending meetings about them, and making sure they had sufficient resources. By contrast, no one enjoyed attending meetings on projects that were performing poorly. So the general manager stopped attending meetings for the projects that were on track; he attended only sessions that related to the three underperforming ones. He pulled some managers from the projects that were progressing smoothly and moved them to the riskier efforts. He added more milestones to the struggling enterprises, delayed their completion, and pushed hard for improvement. Those steps helped ensure that all six projects met their objectives.

Manage portfolios of projects. When companies launch large transformation programs, they kick off many projects to attain their objectives. But if executives don't manage the portfolio properly, those tasks end up competing for attention and resources. For instance, senior executives may choose the best employees for projects they have sponsored or lavish attention on pet projects rather than on those that need attention. By deploying our framework before they start transformation initiatives, companies can identify problem projects in portfolios, focus execution expertise and senior management attention where it is most needed, and defuse political issues.

Take, for example, the case of an Australasian manufacturing company that had planned a set of 40 projects as part of a program to improve profitability. Since some had greater financial implications than others, the company's general manager called for a meeting with all the project owners and senior managers. The group went through each project, debating its DICE score and identifying the problem areas. After listing all the scores and issues, the general manager walked to a whiteboard and circled the five most im-

The general manager walked to a whiteboard and circled the five most important projects. "We're not going to start until these are well within the Win Zone. What do we have to do to achieve that?"

portant projects. "I'm prepared to accept that some projects will start off in the Worry Zone, though I won't accept anything outside the middle of this zone for more than a few weeks. For the top five, we're not going to start until these are well within the Win Zone. What do we have to do to achieve that?" he asked.

The group began thinking and acting right away. It moved people around on teams, reconfigured some projects, and identified those that senior managers should pay more attention to—all of which helped raise DICE scores before implementation began. The most important projects were set up for resounding success while most of the remaining ones managed to get into the Win Zone. The group left some projects in the Worry Zone, but it agreed to track them closely to ensure that their scores improved. In our experience, that's the right thing to do. When companies are trying to overhaul themselves, they shouldn't have all their projects in the Win Zone; if they do, they are not ambitious enough. Transformations should entail fundamental changes that stretch an organization.

Force conversation. When different executives calculate DICE scores for the same project, the results can vary widely. The difference in scores is particularly important in terms of the dialogue it triggers. It provokes participants and engages them in debate over questions like "Why do we see the project in these different ways?" and "What can we agree to do to ensure that the project will succeed?" That's critical, because even people within the same organization lack a common framework for discussing problems with change initiatives. Prejudices, differences in perspectives, and a reluctance or inability to speak up can block effective debates. By using the DICE framework, companies can create a common language and force the right discussions.

Sometimes, companies hold workshops to review floundering projects. At those two- to four-hour sessions, groups of eight to 15 senior and middle managers, along with the project team and the project sponsors, hold a candid dialogue. The debate usually moves beyond the project's scores to the underlying causes of problems and possible remedies. The workshops bring diverse opinions to light, which often can be combined into innovative solutions. Consider, for example, the manner in which DICE workshops helped a telecommunications service provider that had planned a major transformation effort. Consisting of five strategic initiatives and 50 subprojects that needed to be up and running quickly, the program confronted some serious obstacles. The projects' goals, time lines, and revenue objectives were unclear. There were delays in approving business cases, a dearth of rigor and focus in planning and identifying milestones, and a shortage of resources. There were leadership issues, too. For example, executive-level shortcomings had resulted in poor coordination of projects and a misjudgment of risks.

To put the transformation program on track, the telecom company incorporated DICE into project managers' tool kits. The Project Management Office arranged a series of workshops to analyze issues and decide future steps. One workshop, for example, was devoted to three new product development projects, two of which had landed in the Woe Zone and one in the Worry Zone. Participants traced the problems to tension between managers and technology experts, underfunding, lack of manpower, and poor definition of the projects' scopes. They eventually agreed on three remedial actions: holding a conflict-resolution meeting between the directors in charge of technology and those responsible for the core business; making sure senior leadership paid immediate attention to the resource issues; and bringing together the project team and the line-of-business head to formalize project objectives. With the project sponsor committed to those actions, the three projects had improved their DICE scores and thus their chances of success at the time this article went to press.

Conversations about DICE scores are particularly useful for large-scale transformations that cut across business units, functions, and locations. In such change efforts, it is critical to find the right balance between centralized oversight, which ensures that everyone in the organization takes the effort seriously and understands the goals, and the autonomy that various initiatives need. Teams must have the flexibility and incentive to produce customized solutions for their markets, functions, and competitive environments. The balance is difficult to achieve without an explicit consideration of the DICE variables.

Take the case of a leading global beverage company that needed to increase operational

Conversations about DICE scores are particularly useful for large-scale transformations that cut across business units, functions, and locations.

efficiency and focus on the most promising brands and markets. The company also sought to make key processes such as consumer demand development and customer fulfillment more innovative. The CEO's goals were ambitious and required investing significant resources across the company. Top management faced enormous challenges in structuring the effort and in spawning projects that focused on the right issues. Executives knew that this was a multiyear effort, yet without tight schedules and oversight of individual projects, there was a risk that projects would take far too long to be completed and the results would taper off.

To mitigate the risks, senior managers decided to analyze each project at several levels of the organization. Using the DICE framework, they reviewed each effort every month until they felt confident that it was on track. After that, reviews occurred when projects met major milestones. No more than two months elapsed between reviews, even in the later stages of the program. The time between reviews at the project-team level was even shorter: Team leaders reviewed progress biweekly throughout the transformation. Some of the best people joined the effort full time. The human resources department took an active role in recruiting team members, thereby creating a virtuous cycle in which the best people began to seek involvement in various initiatives. During the course of the transformation, the company promoted several team members to line- and functional leadership positions because of their performance.

The company's change program resulted in hundreds of millions of dollars of value creation. Its once-stagnant brands began to grow, it cracked open new markets such as China, and sales and promotion activities were aligned with the fastest-growing channels. There were many moments during the process when inertia in the organization threatened to derail the change efforts. However, senior management's belief in focusing on the four key variables helped move the company to a higher trajectory of performance.

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By providing a common language for change, the DICE framework allows companies to tap into the insight and experience of their employees. A great deal has been said about middle managers who want to block change. We find that most middle managers are prepared to support change efforts even if doing so involves additional work and uncertainty and puts their jobs at risk. However, they resist change because they don't have sufficient input in shaping those initiatives. Too often, they lack the tools, the language, and the forums in which to express legitimate concerns about the design and implementation of change projects. That's where a standard, quantitative, and simple framework comes in. By enabling frank conversations at all levels within organizations, the DICE framework helps people do the right thing by change.

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