

New Synergist Insights

Why Should Organizations Change?

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In this month's Insights, I will provide some of the key drivers that necessitate organizational change. When an organization is struggling change may seem obvious but change may be needed even if an organization is very successful.

There are many reasons organizations decide to change and most of them involve "obvious" problems. Internal or external crisis, mergers & acquisitions, and poor performance are some of the obvious reasons for change.

When technology changes an organization must adapt in order to remain competitive. Failure to adapt to technological changes can decimate a company. Think about Kodak and digital photography or the United States steel industry and foreign mini-mills.

The economy can obviously play a significant role in the success or failure of a firm. Think about the impact of a weak economy on the travel industry and other types of discretionary spending. Managing a firm in a weak economy is very different than managing one in a strong economy.

If there are growth opportunities a company may need to make changes in order to take advantage of these opportunities. If growth opportunities are available an organization needs to make the changes necessary to take advantage of the any growth opportunities.

Changes are continually occurring that can impact a company performance. Even if a company is performing well today, it must adapt to changing environments in order to remain competitive tomorrow. These changes require constant vigilance, flexibility, and the ability to examine the capabilities of the organization in an unbiased manner. The metrics or measures of success used by a company can play a significant role in an organizations ability to adapt to changing conditions.

How innovative is your organizational culture? Is your organization flexible and adaptable? How effective is your R&D spending? There are various tools and metrics available that can provide the answers needed. For instance, how much of your revenue and profits are generated from products or services that are less than two years old?

The simple fact is "*Change is required for continued success*". Organizations that are innovative and adaptable are more likely to enjoy long-term success than their competitors. In next month's *Insights* I will discuss the impact of innovation on organizational success.

Questions?

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Organizational Innovation