

Today I'd like to tell you a story about change. It's a story about three American companies:

- the Pennsylvania Match Company
- the Continental Can Company
- and the Plymouth Cordage Company.

All three of these companies have some things in common. Each one operated for more than 40 years and was a leader in its field.

Pennsylvania Match was a highly successful maker of wooden matches. Continental Can made millions of tin cans for food and drinks.

And Plymouth Cordage was the largest maker of natural fiber rope in the world. At one time, it supplied all the rope for the U.S. Navy.

But these companies have something else in common besides their past success. All three are gone.

And all three went out of business for the same reason: they did not change when they needed to. The Pennsylvania Match Company did not add to its product line of wooden stick matches when book matches made of paper were invented.

Continental Can, which had been in business for over 90 years, kept making tin cans when most of its customers were switching to aluminum cans.

And Plymouth Cordage, which had operated for over 100 years, kept making natural fiber rope long after it was clear that sailors, firefighters, and mountain climbers preferred rope made from nylon and plastic.

There were of course other reasons why these companies went out of business. But it is clear that their failure to change in the face of new developments played a big part in their demise.

This story is about three American companies, but you can find similar stories in any industry and in any part of the world. No organization is immune from the need to change in order to survive and grow when market conditions change, or when some new innovation makes a way of doing business obsolete.

Even some of the most recognizable U.S. companies at the top of their game – like Apple, Facebook, Google, LinkedIn, and Twitter – must change in order to grow.

When more than 1,000 CEOs were asked by PWC which global trends would transform their businesses the most over the next five years, three things topped the list: Technological advances, demographic shifts, and shifts in global economic power.

So if change is so critical, why are companies slow to change?

Why is there resistance to such an essential part of successful organizational life?

And, why does change fail?

One reason is that the pace of change is so unrelenting that there often isn't enough time to manage the current change before another one sweeps in.

For businesses to succeed, clearly they must be effective at change.

In a research report that ASTD and i4cp are releasing next month, called *The Role of Organizational Learning in Change Management*, we found that a majority of companies believe the pace of change has become unpredictable. It is impossible to know what will come next. And most companies agreed that the pace of change has gone from fast to extremely fast in the last five years.

A 2013 study by Towers Watson found that only 25% of change management initiatives are successful over the long term. So not only is change today unrelenting and unpredictable, but attempts to manage it often fail.

Often companies fail to change because even though they understand the need to change and have the will to do it, they don't have the skills needed to handle it.

So, how do we solve the problem of change that is poorly managed?

How do we help our organizations avoid the fate of companies that disappear because they fail to change?

Companies that manage and lead change successfully approach it strategically. And they use some specific practices, according to our research.

Here are a few...

1. They enhance the change-management expertise in the learning organization.
2. They involve senior leaders in delivering change management training.
3. They strengthen the measurement of the outcomes of change management
4. They treat it as a process, not an event. (Doesn't that sound like the best learning programs as well?).
5. They understand the importance of the organizational structure in a change effort.

A few years back ASTD published a great little book, called *The Change Book*. The authors included a section on the role of structure in supporting change. They wrote: "Structure enables change. Successful change is changed behavior: the behavior that drives results. And internal structures can either enable or block these behaviors." Although change processes can be similar, it's important to approach them differently depending on such factors as culture, agility, and available talent.

At this point you may be wondering what you can do to improve change in your organizations.

Here are some practices to think about.

These come from several sources including a book co-authored by Walter McFarland: *Choosing Change*, our research with i4cp, and other ASTD publications on change.

Change rarely succeeds without a vision and a plan for achieving it. The best visions invite people out of their comfort zones to a place where they have room to grow and change. But as you know, this is not a simple matter. It requires organization-wide communication, not only about the vision but about successes and failures on the road to achieving it.

Change is often caused by some kind of disruption and at first the motivation to change is strong because people want to move beyond the pain. But keeping people committed to long-term change is one of the hardest tasks of a change leader.

While most change experts agree that keeping people motivated is a key to successful change, not everyone uses the same approach. Some prefer what's called the burning platform – emphasizing to employees a threat to the organization and the need for them to help the company avert disaster.

Another approach is to build the desire to change by shaping the environment, developing skills for change, and communicating continually to encourage people to link their self-interest to the change.

What is learning's role in all of this?

You would think, given the number of times I've mentioned "training" to bring about change, that the learning function would play a leading role in change management.

But that is not correct.

In our upcoming research report, we found that the learning function is accountable for change management in only 21% of companies and that only 30% of companies have change management teams.

It also shows that only 46% of companies believe their learning functions are even moderately effective at managing change. In most organizations we surveyed, change was the responsibility of the CEO and the top leadership, with some assistance from HR.

Clearly there is an opportunity for the learning function to do more and to be more involved in driving best practices to manage change.

How can learning take more of a leading role?

As learning professionals, you have an incredibly important role to play in one of the major challenges of our time – radical, gut-wrenching, never-ending change.

Albert Einstein had this to say about change. "The world as we have created it is a process of our thinking. It cannot be changed without changing our thinking."

And what changes thinking more than the effort to learn?

As I wrote in the foreword to *Choosing Change*, “learning is at the heart of any successful change effort.”

I believe, as you probably do, that learning drives change. Some of today’s most pressing concerns – engagement, the impact of technology, sustainable growth – require changes in thinking and new learning.

I hope that your time here renews your excitement about change and inspires you to grasp it firmly with both hands. Don’t let it be something that happens to you or your organization. Embrace change and manage it for yourself and others. Make it personal. Start with yourself. Choose change. Commit to it and step into it with purpose and intent.

As Nike says, there is no finish line. And, that’s the beauty of our profession.

Thank you.