

SOLUTIONS CRISIS MANAGEMENT

How to face a take over

Can a company survive the turmoil of change?



"Change is a source of fear and any announcement of change is the cradle of new speculations"

KARIM ASMAR

Recently, ADMIC Group announced the possible sale of all its assets in Lebanon to Sultan Center. This would mean that the Monoprix and BHV retail brands would be managed under the Sultan Center brands. The announcement inevitably created widespread rumors. How would the employees be treated? What was the group's commercial strategy? Not to mention questions as to why a giant like ADMIC would decide to sell its activity in the country.

A brand carries with it a weight of values. Customers and employees alike relate to these values. Customers immediately start to worry about the products the newcomer will provide. Would there be the same selection? Will the displays be affected?

Change is a major issue any company has to face at some point in its existence. Whether reaching maturity on a market, integrating new technologies, new management or simply integrating a new team member. Any movement in the mass has to be coordinated and accepted by all the parts.

Companies go by life cycles and to sustain the business, management must lead the teams through change. In a dynamic and competitive environment, the companies that survive are the companies that can adjust easily and adapt to the ever-changing environment.



In recent years the international market has witnessed a large number of mergers and acquisitions. In these transactions, the aim is to build on synergies, consolidation of organizational structure, access new technologies and gain market share, to name a few reasons. At each level, no matter what the reason, managers have to face change management issues.

At the end of the nineties, Bass, a leading brewer based in UK and owner of Holiday Inn, bought InterContinental Hotels. Subsequently, InterContinental Hotels and Holiday Inn engaged in a cultural merger that would take more than five years to be completed. Senior management changed, for divergence of points of view, or simply for the need to consolidate. Such changes did not always occur without resentment. Senior management on

both sides was faced with uncertainty for the company's future and, most of all, their own personal situation.

Organizational change specialist and business guru Tom Peters wrote in his book Re-Imagine that he did not believe launching strategic initiatives and creating training would cause people to change by losing their fear of failure and turn them into entrepreneurs. He believes change occurs because people have been forced to. However, as he states, change cannot be ordered, it should rather be worked around. This is easier said than done. Indeed the difficulty is carrying through the message and ensuring that all layers of the organization grasp the need of change and voluntarily engage.

Vision, coaching and team management skills quickly become assets in the company. The manager has to lead the team and initiate change from within. Creating focus and centralizing efforts is the most difficult task the manager has to face. In this task he is challenged by several factors both on the macro and micro levels. Being in a dynamic world, he must keep focused on the market, competitors and geopolitics. Finding the right place to be and having no crew on the ship is as useless as having the crew and not knowing where to lead them.

For the past five years fast food chain McDonalds has been faced with a drop in performance. Successive

food crises have induced a change in consumer habits and expectations. Their commercial strategy required them to adopt a policy of transparency and proximity. Transparency required them to communicate the composition of their sandwiches, integrate images of healthy people and give health awareness advice.

Proximity pushed them to introduce local flavor items such as the McKrocker in Holland or the McArabia in the Middle East, which are exclusively found in the respective countries. Introducing such items forced McDonalds to revise and change some of its methods and operating procedures. The company motto "We do it all for you" became "I'm lovin'it" clearly marking a switch in the company perspective and communicating that the company is now on the client's side.

How do companies manage through change? It seems simple. Yet the truth is very much different. Change brings forth the fear of the unknown. So why change? Unfortunately, in the modern environment change will occur no matter what you do. Whether with the appearance of new technologies or change of ownership, change is taking place. The real question is whether management is really ready to manage change.

Karim Asmar - managing partner at Hodema sa, tel: +961 1 381101 www.hodema.net

How to conduct successful change in your company

Define the vision

Where is the ship heading? Is your current market sustainable or do you need to search and identify new opportunities?

Define your targets

Long range, mid range and short range what are you supposed to achieve and in how much time?

Identify the means

What resources do you need, do you need to acquire, partner or sell?

Define required structure

Who do you need doing what? Who are the new leaders? Who are the new specialists? How should you change your team? Are there synergies or redundancies?

Devise your plan of action

Based on the four steps above define a plan of action, prioritizing by order of relevance and importance.