

PN-ADO-451

**Supporting
Egypt's
Processed
Foods
Export
Industry**

First in a Series

**Presidents' Forum
13 March 2003**

**Planning
Organizational
Change**

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Business
Development
Services**

**Agriculture-Led
Export Businesses
(ALEB)**

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PLANNING ORGANIZATIONAL CHANGE

Planning Organizational Change



"Change is the law of life. Those who look only to the past or the present are certain to miss the future".

John F. Kennedy

Planning Organizational Change



Reasons For Change

Planning Organizational Change



What is Driving Organizational Change

- Global competition
- Mature markets (supply and demand)
- Rapidly changing technology
- Changes in the workforce

Planning Organizational Change



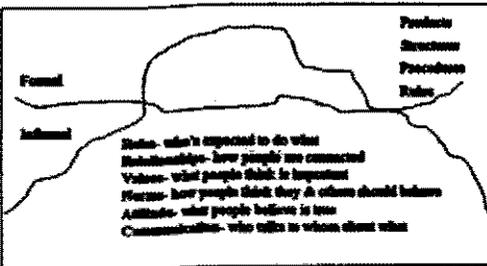
Goals For Change

- Improving product quality (to improve product competitiveness)
- Streamlining operations (to improve cost competitiveness)
- Improve links in the value chain (quality enhancement) to differentiate own product from competitors
- Recognizing the way work is managed (to remove barriers to productivity)

Planning Organizational Change



The Iceberg Comparison



Planning Organizational Change



The Transformation from an Enterprise to a Corporation

- Attend:
- Company is going through a transformation process from an entrepreneurial to a corporate environment in terms of corporate philosophy, management, delegation and organizational structure
- What are the differences?

Planning Organizational Change



The Transformation from an Enterprise to a Corporation

1. Structure:
- Clear and identifiable roles for individuals and departments with the necessary mechanisms for communication, cooperation and coordination. (Job descriptions, formal communication channels, formal objective setting, formal performance appraisal)
 - You need to know what your job responsibilities are and you need to know the roles of those who impact your job (superior, subordinates and colleagues).

- But remember:
- Structure is a tool (a convenience) to achieve company goals (quality, growth, profit).
 - Achieving goals is more important than maintaining the organizational structure.
 - All work has to add value to the company or its customer. Any position without added value is a waste.

Planning Organizational Change



The Transformation from an Enterprise to a Corporation

2. Systems and procedures:
- We all wish according to certain professional guidelines (know-how) which specify standards for output and steps to obtain output... Why?
- Our customers should know what to expect.
 - We are continuously searching for the best (most efficient or least cost) method of getting the job done.
- This may require some slow-down in decision-making compared to the old entrepreneurial style, but in the long run it is more efficient.

- Note:
- We favor discipline and predictability but we should avoid too much bureaucracy.
 - Always question the procedure: Is it necessary? Does it add value?
 - Decisions are made based on objective data.

Planning Organizational Change



The Transformation from an Enterprise to a Corporation

3. Need for and importance of control:

- A company cannot leave itself to chance...! We need to plan ahead: define clear objectives and continuously monitor results.
- We control objectives and processes, not individuals.
- Rewards and punishments are based on objective criteria.

We can't make our future if we just react and put out fires.
Improvement is useful in unusual circumstances, but a company can't
be built on improvisation.

Managing Organizational Change



It's not important who's right but rather what's right

Managing Organizational Change



How to Succeed in a Corporate Environment

- Embrace change if it enhances value, i.e. the change which leads to better customer service or more efficient operations.
- You need to be always ready with new knowledge and skills to meet the challenges of the market.
- Act as a professional i.e. knowledge + effective application.
- Work smarter – not harder.
- Learn to sell your ideas based on facts and figures, not words impressions.
- Be aware of the large picture... How does your work contribute to the overall company goals and vision? ... Can you answer this question?

Managing Organizational Change



Successful 123 Companies

- Clear objectives for change
- Agreement that change is needed
- Involvement of the people affected by change in planning and carrying it out
- Anticipation of problems created by change and efforts to solve them
- Forums for exploring the nature and impact of the change
- Special efforts to communicate about the change
- Feedback methods to find out what's working well and what is not

Planning Organizational Change



Values for Success

You need to maintain and strengthen the values that made the company a success:

1. **Entrepreneurship:**
 - Fighting spirit & high energy
 - Flexibility & pragmatism
 - Fast response
 - Team work
- But we need to plan ahead. Reaction to events is not enough.
- It is OK to compete with others ... but compete to add value to the company and to customers. Not to destroy the other. Direct your entrepreneurship to serve a wider scope.

Planning Organizational Change



Values for Success

2. **Immediate performance feedback, rewards and recognition.**

This should continue and it is the responsibility of every supervisor or a manager...but it should be based on objective criteria.

Planning Organizational Change



Values for Success

3. Loyalty and strong social bonds within the company.

But our loyalty should be to:

- A shared purpose
- What the company stands for

Loyalty should transcend individuals.

Thinking Organizational Group



Values for Success

4. Loyalty should transcend individuals.

Thinking Organizational Group



Values for Success

5. Teamwork across functions to deliver value to the customer and the company.

This has been repeatedly demonstrated through the coordinated efforts of production, sales, and stores to supply the market, consistently, nationwide under difficult circumstances.

Thinking Organizational Group



Values for Success

6. Emphasis on product quality.

But we should expect this to be a continuous drive for total quality in everything we do. Quality is always defined in terms of customer requirements. All of us have customers, whether in or outside the company. We need to be absolutely clear on their requirements and how to satisfy them.

Planning Department Group



Values for Success

The personal mission and potential value added for each one of us is:

- To produce quality output for his customer inside and outside the organization.
- To satisfy customer, since that is the only way to:
 - Maintain company growth and profits
 - Maintain and improve our own rewards

Planning Department Group



Change Champions

Planning Department Group



Characteristics of Change Champions

- Helicopter Thinker (Helicopter view)
- High Energy
- Practical
- Visionary (Sensitivity)

Helicopter Thinker

- Must be able to look at things from a:
- Broad Strategic Level
 - Specific Practical Level

Planning Department Group



High Energy

Personal	Skills
<ul style="list-style-type: none"> • Enthusiasm • Commitment • Persistence • Self-starter • Flexible 	<ul style="list-style-type: none"> • Focusing • Planning • Facilitating • Motivating • Delegating

Practical

- Able to make the right decisions
- Able to make the best decisions
- Have sound decisions

Planning Department Group



Visionary

- Create Meaning
- Communicate Effectively
- Behavior Model

Who Are The Change Champions?

- Managers/ Team Leaders
- Employees
- Technical Specialist
- Project Leader
- Union Officials/ Stewards
- Consultants
- Specialist Change Teams/ Work Groups

Planning Department Group



Strategy For Change

From Organizational Change



Resistance To Change

- Purpose not made clear
- Not involved in the planning
- No vested interest
- Work group habits ignored
- Poor communication
- Fear of failure
- Excessive work pressure
- Anxiety over job security
- Lack of trust or respect
- Satisfaction with status-quo

From Organizational Change



Accepting Change

- Personal gain
- New challenge
- Respects source of change
- Little way introduced
- Reduced transition
- Committed to change ideas
- Feel change is needed
- Provides more opportunities
- Timing is right
- Positive attitudes

From Organizational Change



Communication Communication

With Your Superior and Peers

Clarify:

- What you expect. What is a job well done from both your perspective and his.
- What help he can provide you to do your job well
- Standards for job performance
- Accepted rules, procedures and methods

Tell:

- Problems at work and your ideas for solutions
- Don't be afraid to bring bad news to his attention
- Suggest ideas for improvement
- What your customers say/ think
- How you are doing on objectives agreed to with him

Thinking Organizational Change



Communication Communication

With your subordinates:

Tell and clarify in clear language:

- His role and his goals
- Accepted standards of performance
- Accepted rules, procedures and work methods

Ask for and listen to:

- Problems
- Ideas
- Growth and development objectives

Thinking Organizational Change



Communication Communication

With your colleagues in and outside your function:

- Build relationship within and outside your function/department.
- Your colleagues may be customers (providing your work) or suppliers (providing useful inputs for you). In both cases you need to communicate clearly about your mutual requirements in order to meet customer goals and company goals.

Thinking Organizational Change



There is Nothing To Fear But Fear Itself

- Of the unknown
- Of the unfamiliar

Courage and self assurance comes from within!

- Pride
- Drive
- Self confidence
- Willingness to learn
- Ability to adapt

Facing Organizational Change



Management Wants To Listen. Try Us!

Your fears / questions

Your suggestions

Facing Organizational Change



A Message To Company Managers

- Your most important objective is to enable everyone in your team to achieve his true potential. Delegate and empower.
- This is your only way to advance and move on.
- Everyone in your team needs to know what is expected of him, set high but realistic expectations. You have the right and duty to expect the best from each one of them.
- To achieve this, you need leadership skills:
 - Clear and open communication of vision, objectives and standards.
 - Cultivating trust by walking your talk.
 - Providing coaching and support without doing "the job" your team members should be doing.
- Objectivity and integrity are your tools for building trust.
- Give clear feedback in real time.

Facing Organizational Change



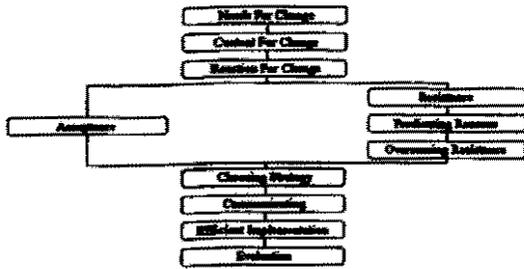
A Message To Company Managers

The Teachers Have to Change In Order To Teach The People To Change

Henry Organizational Change



Basic Model For Managing Change



Henry Organizational Change



Five Steps to Successful Transformation and Change

Henry Organizational Change



Nine Steps to Successful Transformation and Change

1. Establish a Sense of Urgency

- ◇ 50% of companies fail in this first phase
 - ◇ when is urgency rate high enough? If 75% of management believe that business as usual is unacceptable
 - ◇ the Managing Director is key
 - ◇ change requires a new system which in turn demands leadership
 - ◇ problems occur with too many managers and not enough leaders
 - ◇ need frank discussion about reality and unpleasant facts
- ⇒ **Team Objectives: Examine market and competitive realities, identify and discuss crises, potential crises or major opportunities.**

2. Create a Powerful Guiding Coalition

- ◇ the change group needs to have power
 - ◇ the group has to work as a team - three to five people during the first year
 - ◇ eventually coalition needs to grow to 20 to 50 people
 - ◇ use off-site retreats for 2-3 days
- ⇒ **Team Objectives: Assemble a group with enough power to lead the change effort.**

3. Analyze Market Environment

- ◇ the environment is the world the company exists in
- ◇ change is made in this environment and so it should be carefully studied
- ◇ the group has to work as a team - three to five people during the first year

⇒ **Team Objectives: Use SWOT analysis to check environmental constraints and opportunities:**

S	=	Strengths
W	=	Weaknesses
O	=	Opportunities
T	=	Threats

4. Create a Vision

- ◇ based on SWOT analysis, the management must create a new vision
- ◇ the vision must be easy to communicate
- ◇ a strategy to achieve that vision must be developed
- ◇ failed transformations have plenty of plans and programs but no vision - a vision is more than a plan

⇒ **Team Objectives: Create a vision that can be communicated in five minutes. Develop strategies to achieve that vision**

5. Communicate the Vision

- ◇ Employees need to believe useful change is possible
- ◇ important if employees are required to make short-term sacrifices especially if job losses
- ◇ if downsizing is needed, successful visions should include new growth possibilities
- ◇ include commitment to fairly treat laid-off employees
- ◇ company documents and newsletters have articles about the vision
- ◇ use every channel to communicate
- ◇ behavior of managers must be consistent with words "Walk the Talk"

⇒ **Team Objectives: Communicate if downsizing will occur behaviors of managers must match words**

6. Enable Others to Act on the Vision

- ◇ change organizational structure so managers can act
- ◇ expand job descriptions
- ◇ change performance appraisal

⇒ **Team Objectives: People must be given opportunity to support vision. Remove barriers for organizational groups to act**

7. Plan for and Create SHORT-TERM WINS

- ◇ must see improvements in first 12 months
- ◇ establish goals in the first year
- ◇ achieve objectives and reward people with promotion and even money
- ◇ pressure is important element

⇒ **Team Objectives: Identify potential short-term wins. Make sure that these are achieved to send the correct message.**

8. Consolidate Improvements and Produce More Changes

- ◇ celebrating a win is OK, but do not rest
- ◇ need to embed new ideas in the company
- ◇ maintain urgency
- ◇ maintain the coalition of change makers
- ◇ use short-term wins to tackle bigger problems
- ◇ renewal takes years not months - peaks came after 2-3 years

⇒ **Team Objectives: Do not stop after first improvements. Tackle larger problems with the same urgency.**

9. Institutionalize the New Approaches

- ◇ change needs to stick
- ◇ new behaviors need to stay - if not imbedded they will disappear.
- ◇ help people to see the connections
- ◇ next generation of managers needs to personify the new approach

⇒ **Team Objectives: Changes need to be firmly established. New management must reflect changes. Changes must become the new culture of the firm.**

COMPANY NAME:

Departmental Action Plan

12-03-03

AGRICULTURE-LED EXPORT BUSINESSES (ALEB)

#12, Dokki St., 6th Floor, Dokki, Cairo, Egypt

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

ABT ASSOCIATES, INC.

Confidential

Company Action Plan

[Company]

July 2000

R

Company Action Plan - Template

Company Action Plan

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5. Chronogram of Action Plan Tasks	

Company Action Plan - Template

Company Improvement Team Membership

Name	Position Title	Function / Department	<u>Tel/Fax Nos.</u>
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Company Action Plan - Template

Resources Available to Enterprise

Tool Boxes

The Financial Planning Tool Box - Financing Your Business
The Marketing Tool Box - Marketing Your Agricultural Business
The Business Plan Tool Box - Preparing a Winning Business Plan
Managing Your Business - Management Controls and Policy
The Marketing Survey Tool Box Instructional to template
The Cultural Practices Survey Tool Box Instructional to template
The Physical Resources Survey Tool Box (farm) Instructional to template
The Physical Resources Survey Tool Box (non-farm) Instructional to template

Templates for the Agribusiness Sector

The Marketing Survey Template
The Cultural Practices Survey Template
The Physical Resources Survey (farm) Template
The Physical Resources Survey (non-farm) Template
Income & Expense Statement Templates

- Agro-Processing
- Agro Based
- Inputs/Services
- Permanent crops Production
- Row Crops Production

Balance Sheet Template
Statement of Changes in Financial Position Template

Volunteer Specialists

Other Resources

- University of California at Davis
- Rutgers University Center for Advanced Food Technology (CAFT)

Enterprise Budgets:

- Apples
- Apples, Organic
- Artichokes
- Asparagus
- Beans, Large Lima
- Beans, Baby Lima
- Beans, Garbanzo
- Beans, Common Dry Varieties
- Broccoli
- Brussels Sprouts
- Cabbage
- Cantaloupe
- Carrots
- Cauliflower
- Cherries, Sweet
- Corn, Sweet
- Cucurbit Seed
- Eggplant
- Figs, Black Mission Variety
- Figs, Calimyma Variety
- Figs, Conadria Variety
- Grapefruit
- Grapes, Table, Thompson Seedless
- Lemons
- Lemons, Organic
- Lettuce, Loose Leaf
- Lettuce, Leaf
- Lettuce, Iceberg
- Melons, Honeydew

Company Action Plan - Template

- Land Grant Universities Cooperative Extension Services
- 1. Industry Contacts
- 2. International Trade & Business Associations in the Agribusiness Sector (196)
- 3. Unilateral Agencies
 - United States Department of Agriculture
 - Office of International Cooperation and Development (OICD)
 - Foreign Agricultural Service (FAS)
 - Small Business Administration (SBA)
 - Small Business Development Centers (SBDC)
- 4. Bilateral Agencies
 - United States Agency for International Development (USAID)
 - Overseas Private Investment Corporation (OPIC)
 - Small Enterprise Fund
- 5. Multilateral Agencies
 - United Nations Food and Agricultural Organization (UNFAO)
 - International Fund for Agricultural Development
 - Opportunity
- 7. Internet/World Wide Web
- 8. Commercial Directories

Technical Literature

- Official Methods of Analysis of AOAC International
- Harmonized Customs Tariff System
- U.S. Grading Standards for Various Frozen Fruits & Vegetables
- U.S. Harmonized Tariff System
- Importing into the United States
- FDA Pesticide Analytical Manual
- Language of the Food Industry – Glossary of Supermarket Terms in the U.S.
- Directory of the U.S. Canning, Freezing & Preserving Industries
- USDA/FAS Foreign Buyer Lists for Numerous Processed Food Products
- U.S. Code of Federal Regulations for Food and Drugs
- FDA Guide to Minimize Microbial Food Safety Hazards for Fresh Fruits & Vegetables

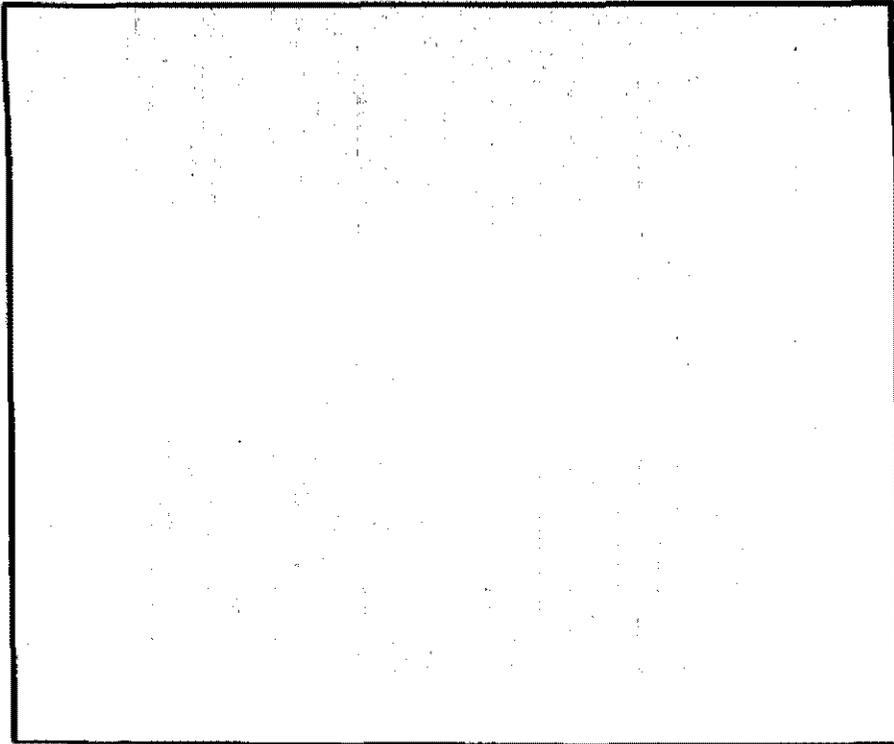
- Okra
- Olive Oil
- Olives, Manzanillo
- Onions, Dry Bulb
- Onions, Processing
- Oranges, Valencia
- Oranges, Organic
- Peaches/Nectarines
- Peaches, Cling
- Pears, Green Bartlett
- Peppermint, Oil
- Peppers, Bell
- Peppers, Chili
- Plums, Friar Variety
- Potatoes
- Prunes, French
- Raisins
- Raisins, Organic
- Safflower
- Strawberries
- Tomatoes
- Tomatoes, Organic, Processing
- Tomatoes, Processing
- Vegetables, Mixed, Organic
- Watermelon, Drip Irrigated

Company Action Plan - Template

- **Membership Directories for Many U.S. Trade Associations**
- **Frozen Food Handling & Merchandising**
- **European Regulations Manual**
- **EU Markets for Egyptian Processed Food Products**
- **Guidelines for the Organic Foods Industry**
- **Animal Production Standards for Organic Meat and Dairy Products**
- **Guide to Regulatory Requirements for Exporting Organic Foods into International Markets**
- **IQF Strawberries in Egypt – Preliminary Feasibility Study for a Joint Venture**
- **Applications of Biotechnology to Crops – Benefits and Risks**
- **Fast Cooling Technical Manual**
- **Food Hygiene, Microbiology and HACCP**
- **HACCP: A Practical Approach**
- **HACCP User's Manual**
- **Introduction to HACCP: An Essential Element for Competing Internationally**
- **Keller-Soft – HACCP Compliance Software**
- **Prerequisite Programs for HACCP**
- **Food Safety – HACCP Practical Help**
- **Catalog of Publications for Chemical and Microbiological Laboratories**
- **ISO 9000 International Standards for Quality Management**
- **Many technical articles & periodicals**
- **Many U.S. food processing equipment company brochures**

Company Action Plan - Template

Situation/Mission/Vision



Improvement Objective Areas

- 1) **Financial Management, Reporting and Control**

- 2) **Managerial Improvement & Human Resource Development**

- 3) **Operational/Production Improvements**

- 4) **Marketing and Sales**

- 5) **Strategic Alliances, Market Linkages and Capital Attraction**

I have read and reviewed this proposed Company Action Plan and agree with the vision and strategic outline in principle. I agree that as these strategic objectives progress, that I will undertake due diligence to accomplish and implement these steps in a timely and professional manner.

Sig. _____

Date: _____

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Company Action Plan - Template

I. Functional Area: Financial Management, Reporting and Control

Problem Statement: _____

Key Needs	Solutions	Team Members Responsible for Execution of the Solution	Completion Date	Measurable Results

Comments



Company Action Plan - Template

II. Functional Area: Managerial Development & Human Resource Development

Problem Statement:

Key Needs	Solutions	Team Members Responsible for Execution of the Solution	Completion Date	Measurable Results

Comments

Company Action Plan - Template

III. Functional Area: Operational/Production Improvements

Problem Statement:

Key Needs	Solutions	Team Members Responsible for Execution of the Solution	Completion Date	Measurable Results

Comments

Company Action Plan - Template

V. Functional Area: Strategic Alliances, Market Linkages, Capital Attraction

Problem Statement: _____

Key Needs	Solutions	Team Members Responsible for Execution of the Solution	Completion Date	Measurable Results

Comments

