

Research Summary

Five Leadership Lessons for Business Transformation

Insights from 120 executive sponsors on change initiatives



Research overview

To understand what leaders can do to make transformation less stressful and more successful Firstsource conducted research with 120 executive sponsors. The outcome is a set of Five Leadership Lessons for transformation initiatives.

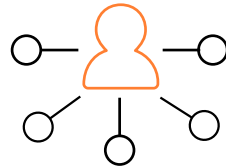
Business Transformation Leadership Framework

Based on interviews with 20 leaders who've served as executive sponsors for transformation initiatives we identified five leadership challenges to look out for. These became the basis for Business Transformation Leadership Framework.

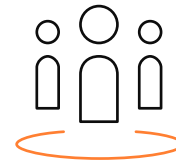
Research approach



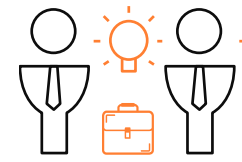
Interviewed 20 senior leaders of transformation initiatives



Identified five leadership challenges that form The Business Transformation Leadership Framework



Engaged 100 senior executives to review and score biggest change initiatives they've led against the framework



Turned insights into Leadership Lessons from 100 major business transformation initiatives

5 Leadership Challenges

1 Managing the paradox of business case optimism

Leaders need to make a business case grounded and realistic, while accepting that despite their best efforts, it's still likely to over-run on timescales and costs.

2 Judging organisational readiness and impact

Change initiatives ripple through an organisation. However there is no one clear way leaders can access and judge organisational readiness and impact effectively.

3 Ensuring dissenting opinion are heard and disconfirming data confronted

It is human nature to focus on supporting evidence and miss contrary arguments. Opposing opinions and data can get ignored amid group's enthusiasm. Effective leadership means being on the lookout for this.

4 Creating a genuine partnership with key suppliers

Change initiatives involve a myriad of external consultants, integrators and providers. Leaders need to find a way to select partners who will 'walk in the client's shoes and become an extension of the team.

5 Managing the emotional marathon

In all change projects there will be emotional highs and legitimate lows. Leaders need to be prepared for these and their effect on everyone involved.

Leadership lessons from 100 major initiatives

Their most significant transformation projects were assessed by 100 executive sponsor across the five leadership challenges. They provided insights on how these were tackled and what they wish they'd done differently - this is captured in Leadership Lessons below.



5 Leadership Lessons

1 Managing the paradox of business case optimism

This was identified as the hardest leadership challenge. The top three measures leaders used to keep their business case realistic are:

71%
met key people to assess their credibility

68%
ran a pilot

57%
ensured a detailed drill-down by senior executives into forecasts and assumptions

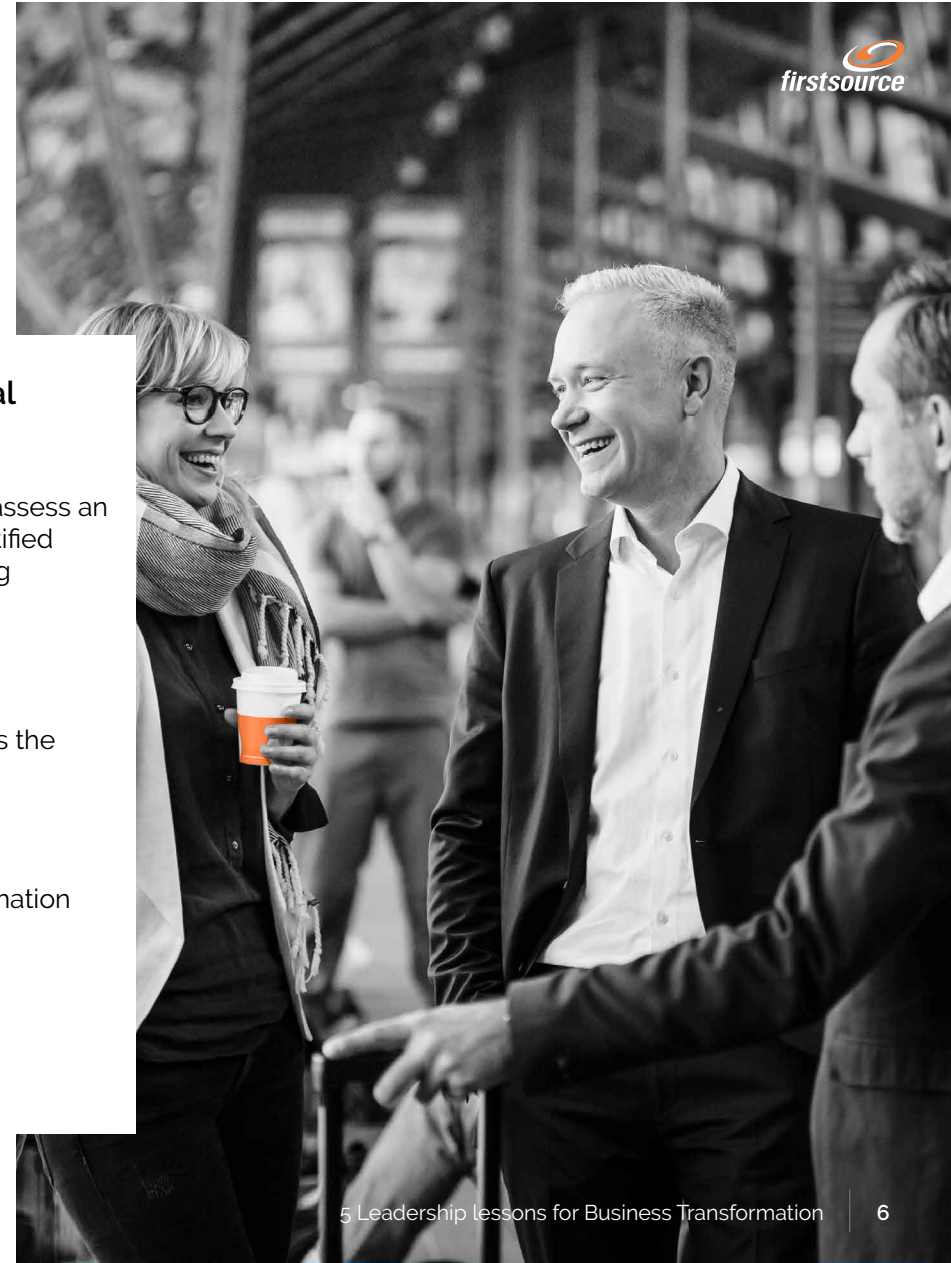
2 Judging organisational readiness and impact

There is no consensus on how to assess an initiative's impact yet leaders identified these three approaches for judging organisational readiness:

65%
consulted senior executives across the business, noting reticence

58%
set up an HR function for transformation

55%
reviewed in detail the impact on adjacent processes and systems



5 Leadership Lessons

3

Ensuring dissenting opinions are heard and disconfirming data confronted

The top 'regret' of leaders was not doing this well. Executives were clear - you need structures and processes to actively surface uncomfortable topics. The top three things leaders wished they did better were:

54%

needed to have a structure and governance that seeks out uncomfortable topics

55%

wanted to ensure dissenters/ free-thinkers are willing to speak up

38%

desired enthusiasts and skeptics to be included in the steering process

4

Creating a genuine partnership with key suppliers

Leaders were most comfortable with this challenge and commonly use practices related to creating a one-team approach with open, transparent relations and successful initiatives have:

68%

included suppliers on the steering group

62%

had an understanding of how the supplier makes money

53%

took a joint team approach with unified governance

5

Managing the emotional marathon

This was most complex and least well-handled challenge. The key approaches for managing the emotional marathon related to nurturing a positive culture - leaders did the following:

64%

focused on identifying and celebrating individual and team wins

59%

attended to learning from mistakes while avoiding a blame culture

57%

adapted an emphatic approach especially when things went wrong

What Executives Say About Leading Transformation

“ You need to have a rough plan, and it needs to be a good plan and you need to know that you'll have to re-build that plan multiple times.

- Head of Strategic Finance

“ I find that most proposals haven't considered the implications for adjacent systems and processes. Then you end up with project over-runs and more money... I kicked proposals back for that more than any other reason.

- COO

“ In a ideal world you can't tell who is a supplier and who is an employee, everyone is working together to get the right outcome.

- Digital Director

“ Making sure you hear those (opposing) voices means going and finding the right combination of stakeholders and some real dissenters... Because otherwise you do get groupthink.

- Head of Transformation

“ I think transformations are possibly some of the most stressful work you can do. If you are leading that transformation you have to be relentlessly optimistic and focused. So, it is exhausting.

- Head of Transformation

“ Inject as much resilience as you can, make people more accountable and empower them to do it. You need to let them have their space to deal with something that is more complex and help them when they want more moral support.

- Chief Commercial Officer



Next Steps

We believe the wisdom of leaders captured in this research provides a clear agenda for boards and executive teams, [download the full research here](#).

We will be publishing more on this subject, including interviews with senior leaders - to continue the conversation you can:

- Visit our content hub
www.firstsource.com/leading-transformation/
- Share your thoughts on LinkedIn with the [#LeadershipLessons](#)
- Email connect@firstsource.com to discuss the research or let us know if you are open to being interviewed for leading transformation blog series.
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