

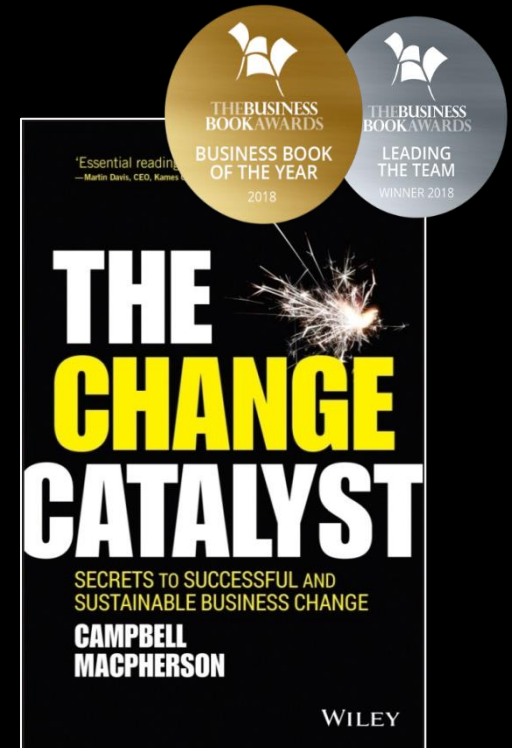
LEADING CHANGE

Invesco EMEA Marketing

CAMPBELL MACPHERSON
CHANGE & STRATEGY INTERNATIONAL

17 September 2019

WWW.CHANGEANDSTRATEGY.COM



HELLO

change | strategy

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Enabling CEOs and business leaders to...
clarify their strategy, align their organisations
and lead the delivery of sustainable change.



Business Advisory - Keynote Speeches - Workshops

HELLO



LEADING & EMBRACING CHANGE PROGRAMME

1. Leading Change work-stream:

Leading Change workshop (4 Sep & 17 Sep)

Select your change initiative

Develop your Change Plan

1:1 call with Campbell (23 Sep – 4 Oct)

Delivering Change conference calls (14-18 Oct)

2. Embracing Change Work-stream

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3. Multimedia – post programme support

Live on the intranet from late October

IF YOU ARE NOT LEADING CHANGE

YOU ARE NOT LEADING ANYTHING

YOU ARE JUST MANAGING THE STATUS QUO

ONLY YOUR PEOPLE CAN DELIVER YOUR STRATEGY.

**ONLY YOUR PEOPLE CAN DELIVER THE CHANGE
YOUR BUSINESS REQUIRES**

TODAY'S AGENDA

Change is inevitable

Change at Invesco

Secrets to successful and sustainable change

Break

Our emotional barriers to change

How we react to different types of change

Lunch

Helping your people to want to change

Leadership

The Change Plan Template and Tools

Reflections and close

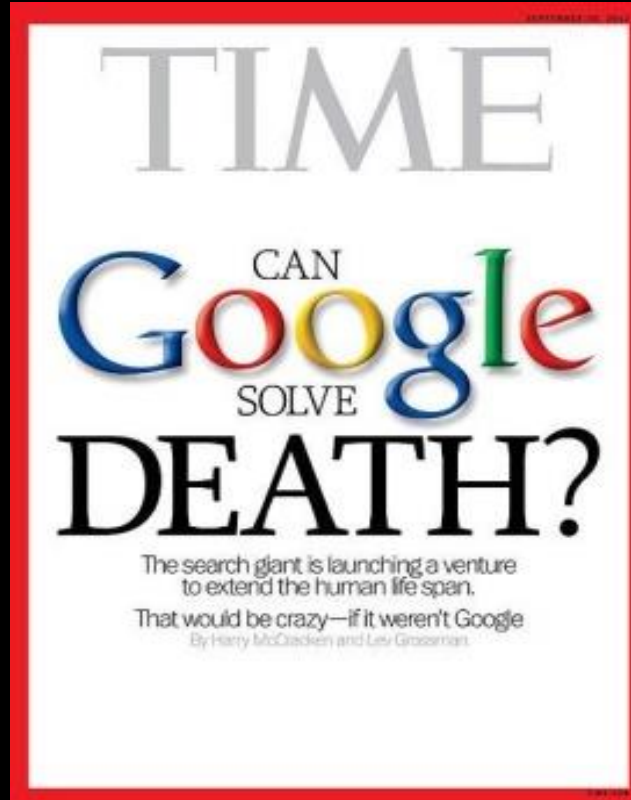
CHANGE IS INEVITABLE

THE WAY WE LIVE HAS CHANGED FOREVER

LIVE LONG ... AND PROSPER?

Average life expectancy 83 in much of the West

(79 in US, 50 in central Africa)



Rich Americans live 15 years longer than poor Americans.

In the UK, the gap is 9 years.

Longevity set to increase further due to immunotherapy, genetic medicine, stem cell research, ...

CLIENTS ARE CHANGING

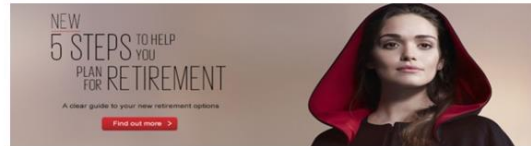
WHO 'RETIRES' ANYMORE?



WE DON'T SEE OURSELVES AS 'RETIREES'

We are budding entrepreneurs and potential portfolio career people transitioning from full time employment.

Our 50s mark the beginning of an exciting new chapter. Yet too many FS companies seem to fail to realise this – with predictable or patronising imagery and jargon – and a focus on products - that fail to engage us in a meaningful way.



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WHO 'RETIRES' ANYMORE?



FEWER AND FEWER OF US WILL 'RETIRE'

Working life has become far more complex.

We will . . .

- Transition from full-time to part-time employment – which is happening much earlier in our careers, not always of our own choosing
- Have to cope with redundancy – often
- Become self-employed
- Start our own business
- Put our career on hold for children or parents
- Some of us will look to develop a portfolio career or become a NED
- Volunteer / work in the charity sector
- Work into later years
- And yes, some of us will retire from work altogether

Who do we turn to for help with all these changes?

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THE **R** WORD

THE 'R' WORD



It's not about 'retirement'.
It's about change.

*The essential guide to
thriving in our 50s and beyond.*

**CAMPBELL
MACPHERSON**

*Author of 'The Change Catalyst'
2018 Business Book of the Year*

BLOOMSBURY 

To be published
2020 / 2021

THE WAY WE WORK IS CHANGING

ENTER THE **ENTREPRENEUR**

'Job for Life' days long gone

'Career for Life' days also over

14% UK self-employed (4.7m)

27% UK work part-time and rising

46% of US workers say they are under-employed

36% of US workers in 'gig economy'

44% of UK workers on zero hours contracts would like more work

28% of UK workers on zero hours contracts chose 'gig economy' because of flexibility



THE RISE OF THE **MACHINES**



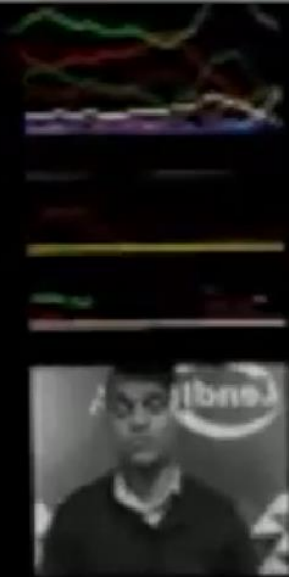
In the next 10 years ...

“50% of human jobs will be replaced by machines. AI will replace factory workers, assistants, advisers and middle men, reporters, doctors, teachers, traders, bankers, accountants, research analysts and insurance agents.”



THE END OF **CALL CENTRES**

IBM Watson / Soul Machines: 'Rachel'



AUGMENTED INTELLIGENCE

Detecting
cancers and
stroke
victims'
blood clots.



Centaur Chess



BREXIT



Massive disruption for manufacturing, agriculture, retail
and financial services.

Financial 'passporting' to end.

Most FS firms moving jobs to mainland Europe.

???

CHANGE AT INVESCO

CHANGE AT INVESCO

- Creating one culture out of numerous acquired firms
- New relationship with Sales – “peer-to-peer relationship based on mutual respect”
- Moving from ‘start with product’ to ‘start with Customer Insight’
- Enabled by data – need to find the insight, find the relevance
- Measurable marketing
- Less siloed organisation
- Cross-border retail , ETFs, Multi-asset
- Accelerate high growth areas – Solutions, Factor Investing, ETF, Multi-sector
- Digital marketing – measurable; try, tweak, measure, enhance
- New client engagement plans
- Brand-led marketing – the Invesco brand. Why Invesco?

CHANGE AT INVESCO

- Creating one culture out of numerous acquired firms
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- Moving from ‘start with product’ to ‘start with client’
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- Measurable marketing
- Less siloed organisation
- Cross-border retail , ETFs, Multi-asset
- Accelerate high growth areas – \$100m to \$1bn
- Digital marketing – measurable; not just a cost
- New client engagement plans
- Brand-led marketing – the Invesco brand. Why Invesco?

Your thoughts about change at Invesco.

1. What has gone well?
2. What hasn't?
3. Your concerns
4. Your 'reasons to be cheerful' or

SECRETS OF **SUCCESSFUL** AND **SUSTAINABLE CHANGE**

88% of changes, strategies, mergers and acquisitions ...
... fail to deliver.

CLARITY OVER WHAT WE NEED TO ACHIEVE - AND WHY

“If you don’t know where you are going, you’ll end up someplace else.”

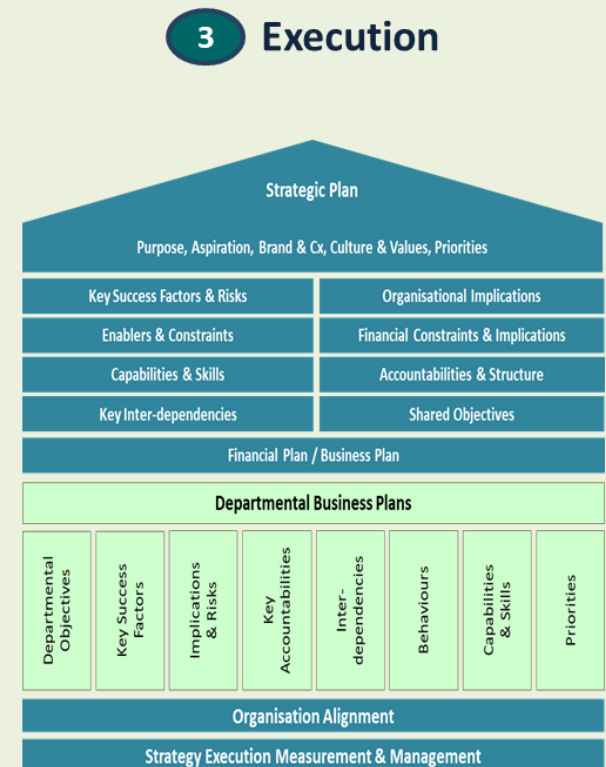
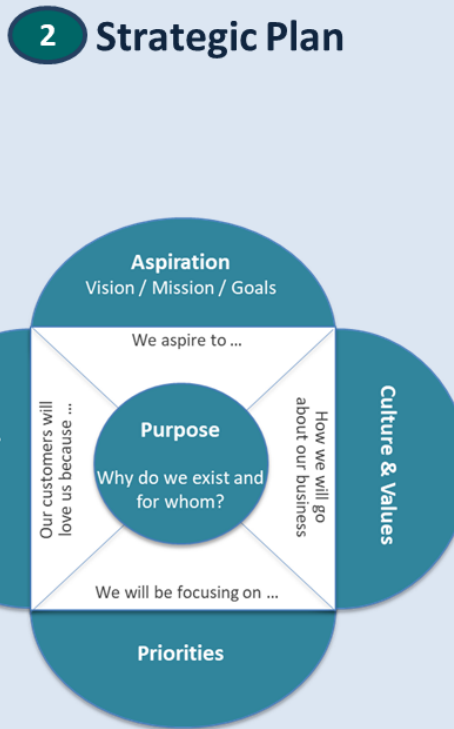
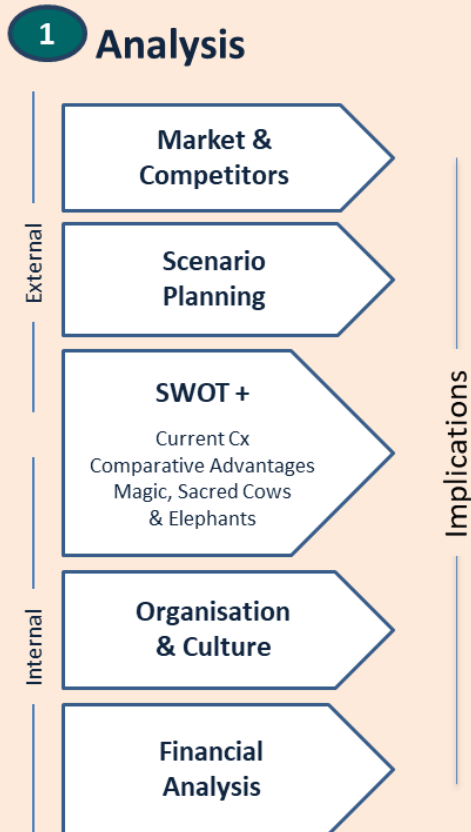


Yogi Berra

CLARITY OF STRATEGY

A winning strategy ...

- is anchored in reality
- is customer-centric
- is aspirational yet achievable
- is clear and compelling
- includes numbers and narrative
- includes execution



CLARITY

Magic



Sacred Cows



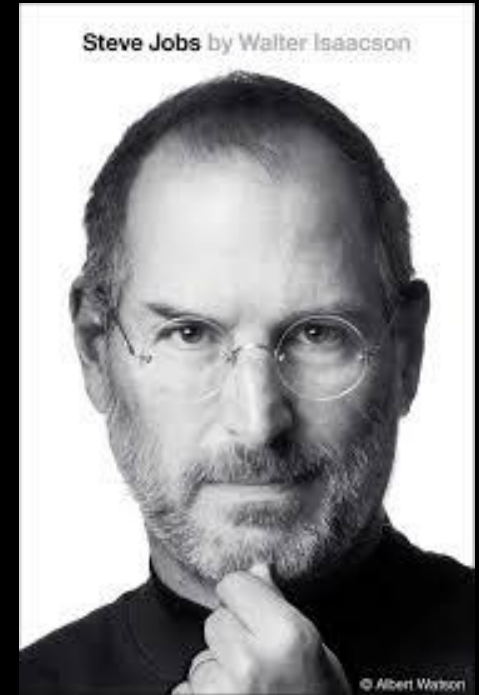
Elephants



IMPLICATIONS ARE FULLY UNDERSTOOD

*“There are downsides to everything;
there are unintended consequences
to everything.”*

Steve Jobs, Founder Apple



FOCUS ON OUTCOMES



*“The operation was a complete success.
Unfortunately the patient died.”*

OVERCOME **INERTIA**



Initial Inertia

Moving from talk to action

ACTION



Mid-Term Inertia

Momentum too great

PAUSE



Complacency

Success breeds failure

AVOID

COMPLACENCY KILLS

*“Success breeds complacency.
Complacency breeds failure.
Only the paranoid survive.”*

Andy Grove, Founder Intel



SET UP TO SUCCEED

“Sometimes I have built well, but often I have built without Researching the ground upon which I put my building.

I raised a beautiful house but it slowly drifted away with the tides for I had laid the foundation upon shifting sand.”



Maya Angelou

GENUINE COMMUNICATIONS & ENGAGEMENT

The biggest

COMMUNICATION PROBLEM

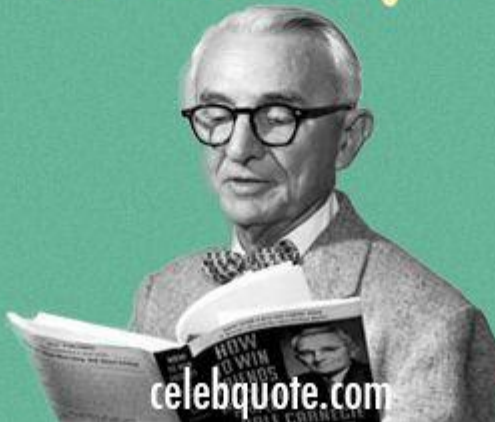
is we do not listen
to understand,
we listen to reply.

Q U O T E D I A R Y . M E

EMOTION TRUMPS LOGIC EVERY TIME

WHEN DEALING WITH PEOPLE
REMEMBER YOU ARE
NOT DEALING WITH
CREATURES OF LOGIC, BUT
CREATURES OF EMOTION

Dale Carnegie



celebquote.com

EMOTION TRUMPS LOGIC EVERY TIME

Emotional commitment is four times more valuable than rational commitment.

‘Driving Performance and Retention through Employee Engagement’ (2004).
Survey of 50,000 employees worldwide



FIND THE **EMOTIONAL** TRIGGERS



A CHANGE-READY & ENABLING CULTURE

“The central issue is never strategy, structure or systems.

The core of the matter is always about changing the behaviour of people.”



John P. Kotter.

AN ORGANISATION GETS THE **CULTURE** ITS **LEADERS** CREATE

*“A company’s culture is how people behave
when they think no-one is watching”*

(Bob Diamond, CEO Barclays, weeks before resigning due to the Libor fixing scandal)

A CHANGE-READY & ENABLING CULTURE

Are your people ...

- allowed to question the status quo?
- eagerly look for improvements in the way things are done?
- open to new ways of working?
- encouraged to learn from failure?

Is their behaviour aligned to deliver the strategy?

Is yours?

CULTURE CHANGE CHECKLIST

Culture drives everything.

Only your people can deliver your strategy.

Culture Change Checklist

- **Clarity** of new behaviours – and why the need to change.
- **Motivation**. Help your people to want to adopt the new behaviours.
- **Skills**. Help your people to develop the new skills and approach they need to change.
- **Tools**. Give your people the tools they need to maintain the change.
- **Rewards** for adopting new behaviours and aligned incentives.
- **Consequences**. What are the consequences of not changing?
- **Leadership** leading by example.

COMMITTED LEADERSHIP



FIND OR BE A **CHANGE CATALYST**

Dedicated business person

Focused on outcomes

High EQ

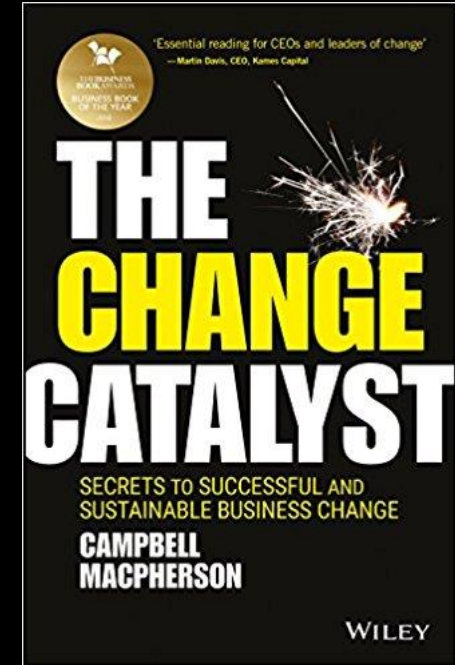
Genuine communicator

Stakeholder engagement

Listens to understand

Works with project/programme
manager

The ying to a PM's yang



We can all be change catalysts

ESSENTIAL INGREDIENTS OF **SUCCESSFUL CHANGE**

1. Strong, committed, aligned and unwavering **leadership** team
2. Complete **clarity** about what we are trying to achieve and why
3. Laser-like focus on the **outcomes**
4. Detailed understanding of the **implications** of the change
5. Find the **emotional** triggers
6. Genuine **engagement** of people at all levels
7. Clear **accountabilities, responsibilities** and **decision making**
8. A change process that includes a '**pause** for reflection'
9. A **Change Catalyst** to drive delivery
10. Establish an enabling, change-ready **culture**

BUT REMEMBER ...

PEOPLE DON'T LIKE **CHANGE**

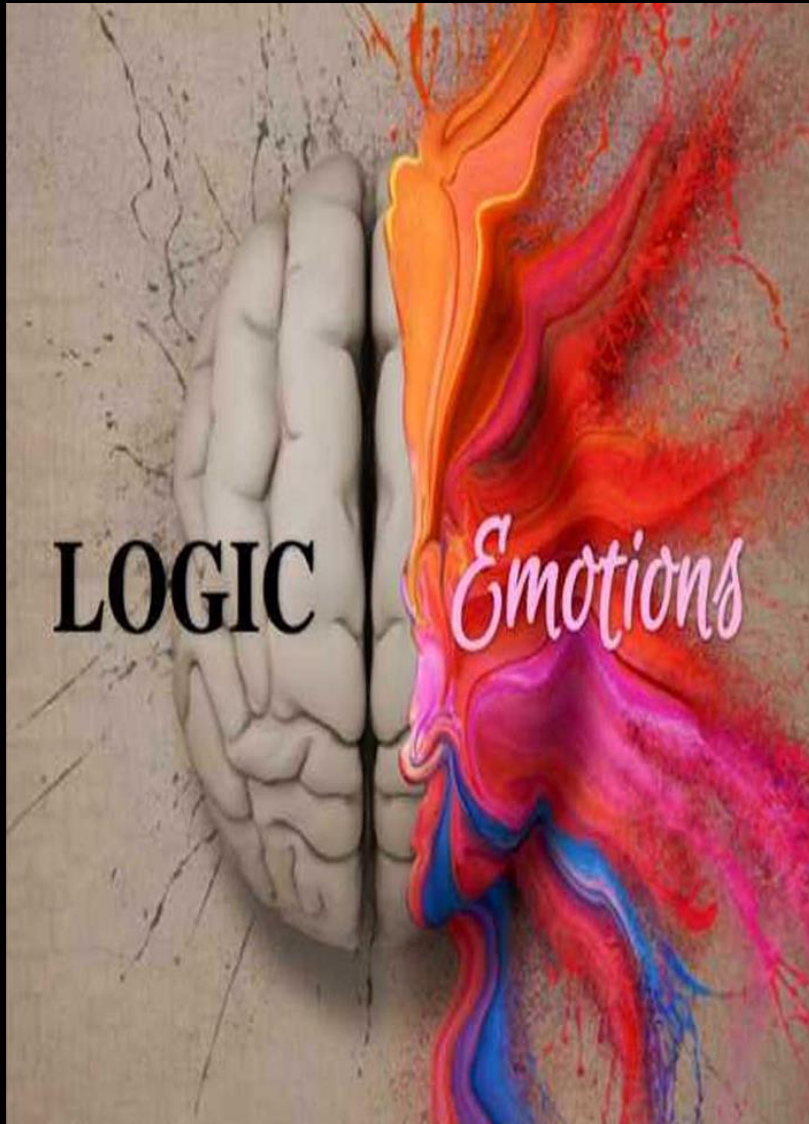




DISCUSSION

Why do you think people resist change?

OUR EMOTIONAL **BARRIERS** TO CHANGE



Negative Thoughts

Identity

Fear

Tribalism

Doubt

NEGATIVE THOUGHTS AND BELIEFS



“We are, each of us, a product of the stories we tell ourselves.”

IDENTITY

“We are reduced to asking others what we are.
We never dare to ask ourselves.”

Jean-Jacques Rousseau



FEAR



Fear of failure

Fear of the unknown

Fear of blame

TRIBALISM



“Belonging Is Our Blessing, Tribalism Is our Burden.”

Dr Saul Levine
Professor Emeritus in Psychiatry , University of California

DOUBT

"They're just not buyin' what I am sellin'!"

US CEO

*"Earn trust, earn trust, earn trust.
Then you can worry about the rest."*

Seth Godin



OVERCOMING THE EMOTIONAL CHANGE BARRIERS

The barriers:

Negative Thoughts

Identity

Fear of failure

Fear of the unknown

Fear of blame

Tribalism

Doubt

Overcoming them:

OVERCOMING THE EMOTIONAL CHANGE BARRIERS

The barriers:

Negative Thoughts

Identity

Fear of failure

Fear of the unknown

Fear of blame

Tribalism

Doubt

Overcoming them:

See them for what they are

Observe and reframe

Put into perspective

Make the unknown familiar

Be part of the solution

Tear down the walls

Challenge then accept

THE SERENITY PRAYER

*“Grant me the serenity to ...
accept the things I cannot change,
the courage to change the things I can
and the wisdom to know the difference.”*

Theologian Reinhold Niebuhr (1892–1971)

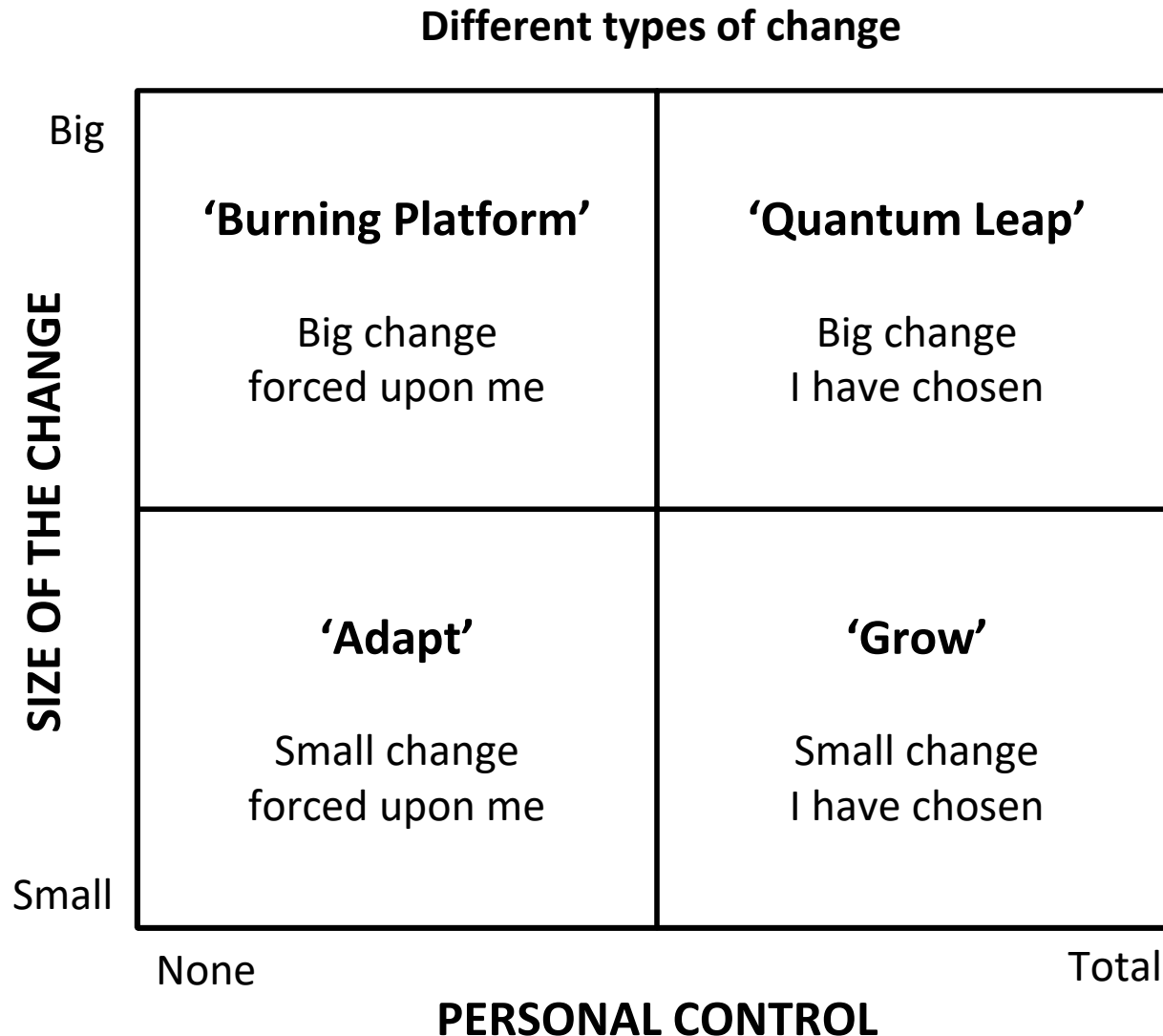


HOW WE REACT TO **CHANGE**

ALL CHANGE IS PERSONAL

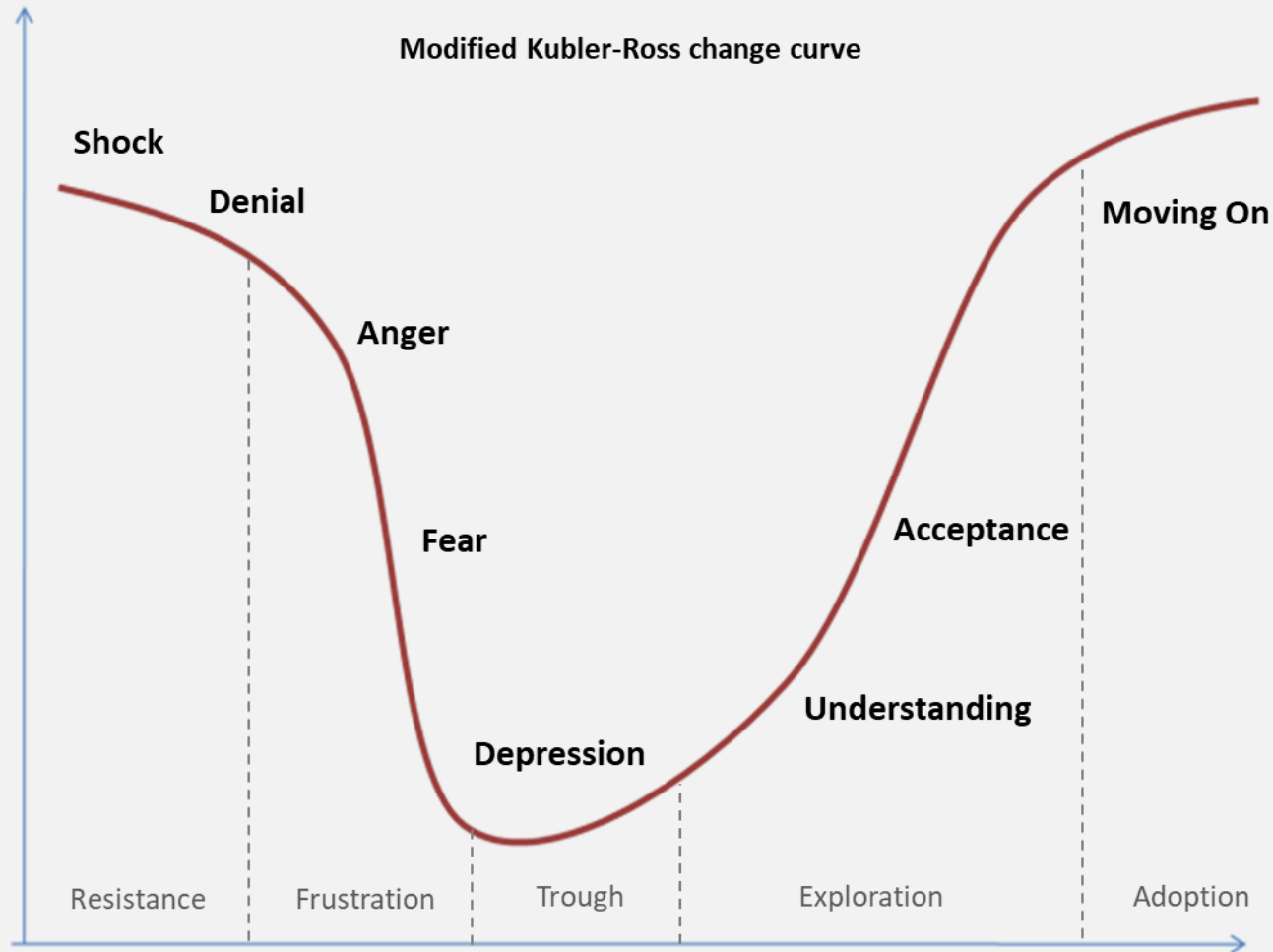
ALL CHANGE IS EMOTIONAL

THE **CHANGE** MATRIX



THE 'BURNING PLATFORM' **CHANGE CURVE**

Our reaction to **unexpected change** is both personal and predictable ...



www.changeandstrategy.com

THE TROUGH IS WHERE **VICTIMS** DWELL

“If it's never our fault, we can't take responsibility for it. If we can't take responsibility for it, we'll always be its victim.”

Richard Bach

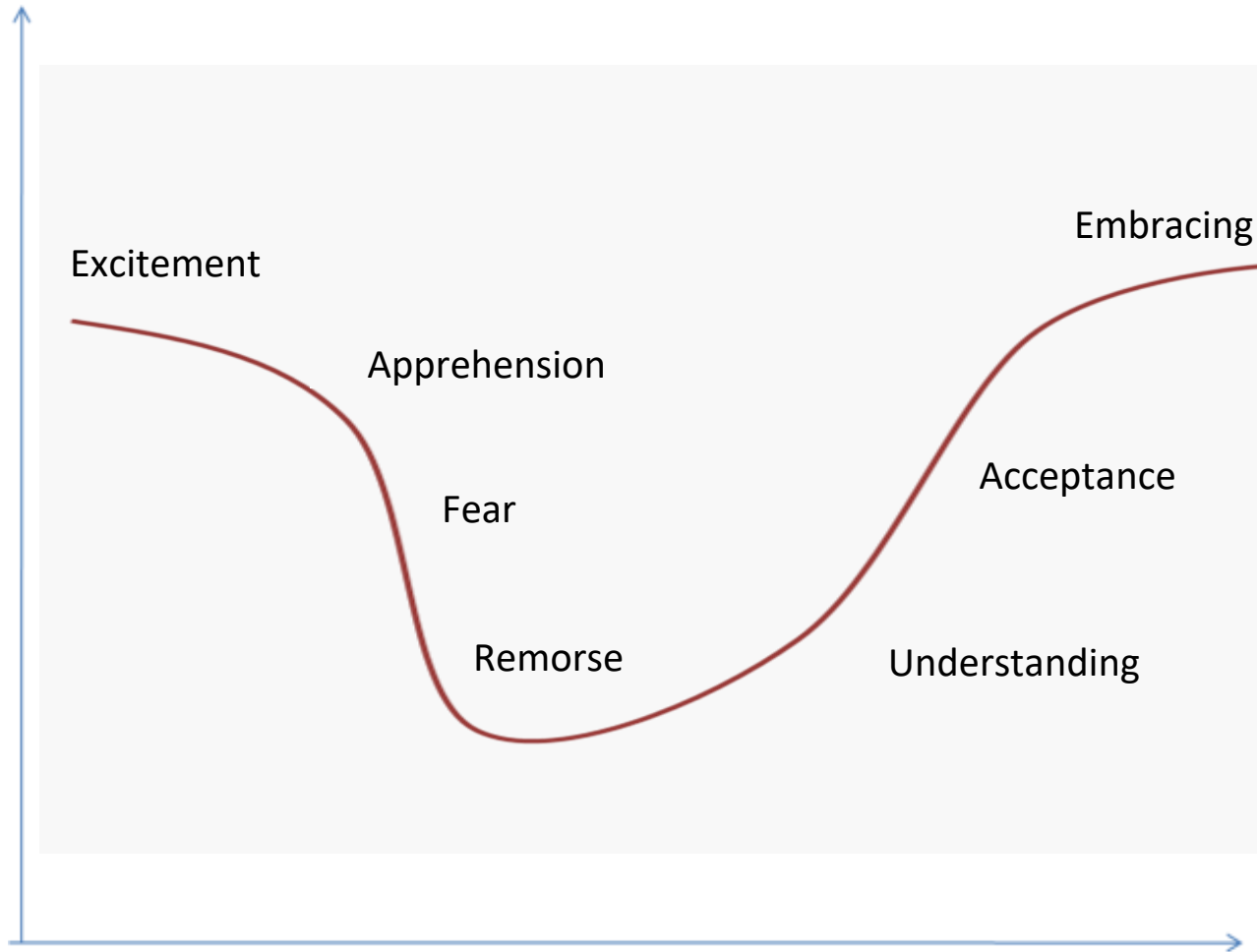


I'M A VICTIM.

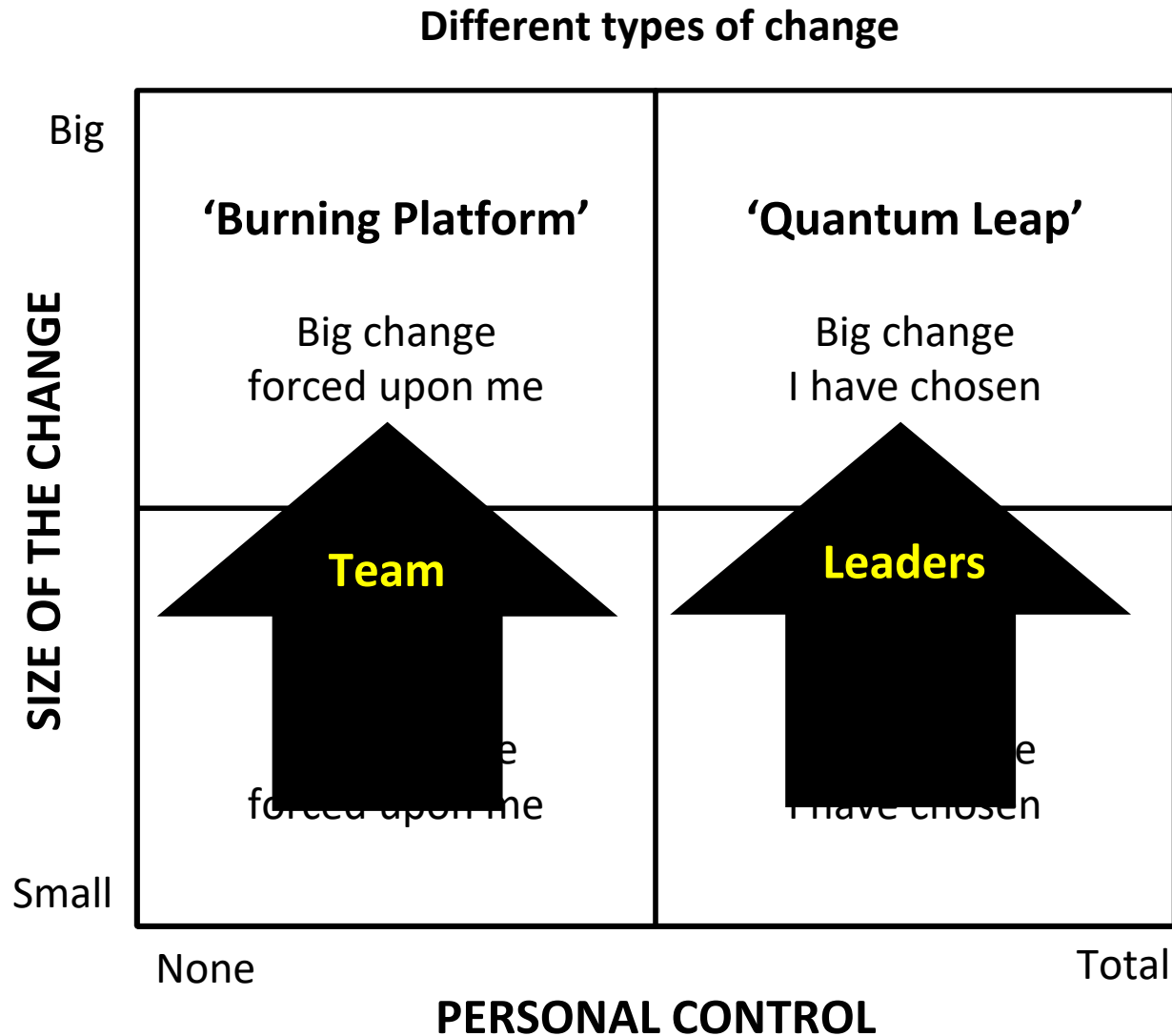
BURNING PLATFORM CHANGE CURVE EXERCISE

THE 'QUANTUM LEAP' CHANGE CURVE

Our reaction to **change we instigate** follows a similar pattern ...



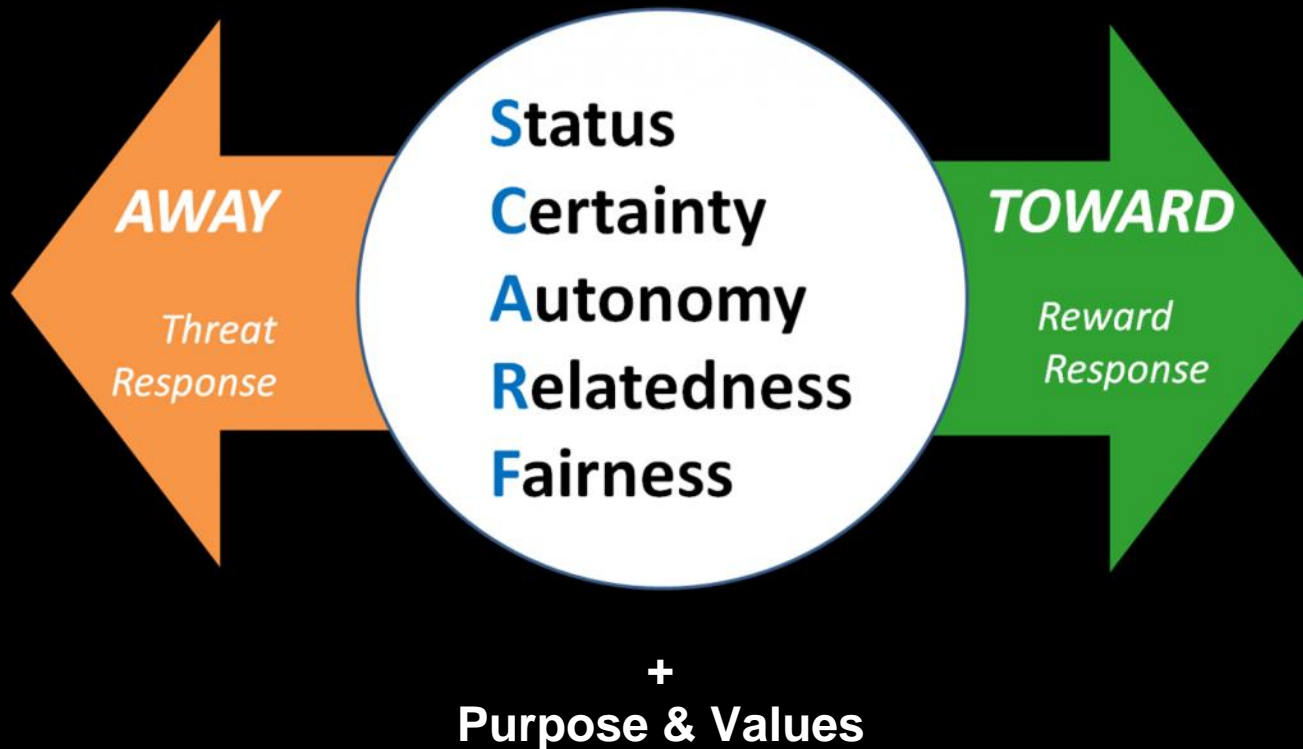
THE **CHANGE** MATRIX





HELPING YOUR PEOPLE TO WANT TO CHANGE

THE SCARF MODEL



THE SCARF MODEL

	The fear illustrated	Leadership actions
Status	Why have I not been consulted on such an important change? Will I lose my influence, seniority, office, high-paying job, job title?	
Certainty	What exactly does this mean for me and my team. What are the implications?	
Autonomy	This change is being done to me. Will I lose an amount of control over what or how I do my job?	
Relatedness	If I lose my job or even get promoted, I lose my friends at work.	
Fairness	Why is that group being treated differently from us / another group?	

THE SCARF MODEL

	The fear illustrated	Leadership actions
Status	Why have I not been consulted on such an important change? Will I lose my influence, seniority, office, high-paying job, job title?	<ul style="list-style-type: none"> • Look for potential issues of status • Engage and listen • Seek their advice / assistance if possible • Use them as mentors
Certainty	What exactly does this mean for me and my team. What are the implications?	
Autonomy	This change is being done to me. Will I lose an amount of control over what or how I do my job?	
Relatedness	If I lose my job or even get promoted, I lose my friends at work.	
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THE SCARF MODEL

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Certainty	What exactly does this mean for me and my team. What are the implications?	<ul style="list-style-type: none"> • Refocus people on what is certain • Be open about what is uncertain • Set goals and expectations and stick to them • Plan and pace the change • Communicate often and transparently
Autonomy	This change is being done to me. Will I lose an amount of control over what or how I do my job?	
Relatedness	If I lose my job or even get promoted, I lose my friends at work.	
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	The fear illustrated	Leadership actions
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Certainty	What exactly does this mean for me and my team. What are the implications?	<ul style="list-style-type: none"> • Refocus people on what is certain • Be open about what is uncertain • Set goals and expectations and stick to them • Plan and pace the change • Communicate often and transparently
Autonomy	This change is being done to me. Will I lose an amount of control over what or how I do my job?	<ul style="list-style-type: none"> • Engage people in the change planning • Delegate clearly and allow freedom to make their own decisions within clear boundaries
Relatedness	If I lose my job or even get promoted, I lose my friends at work.	
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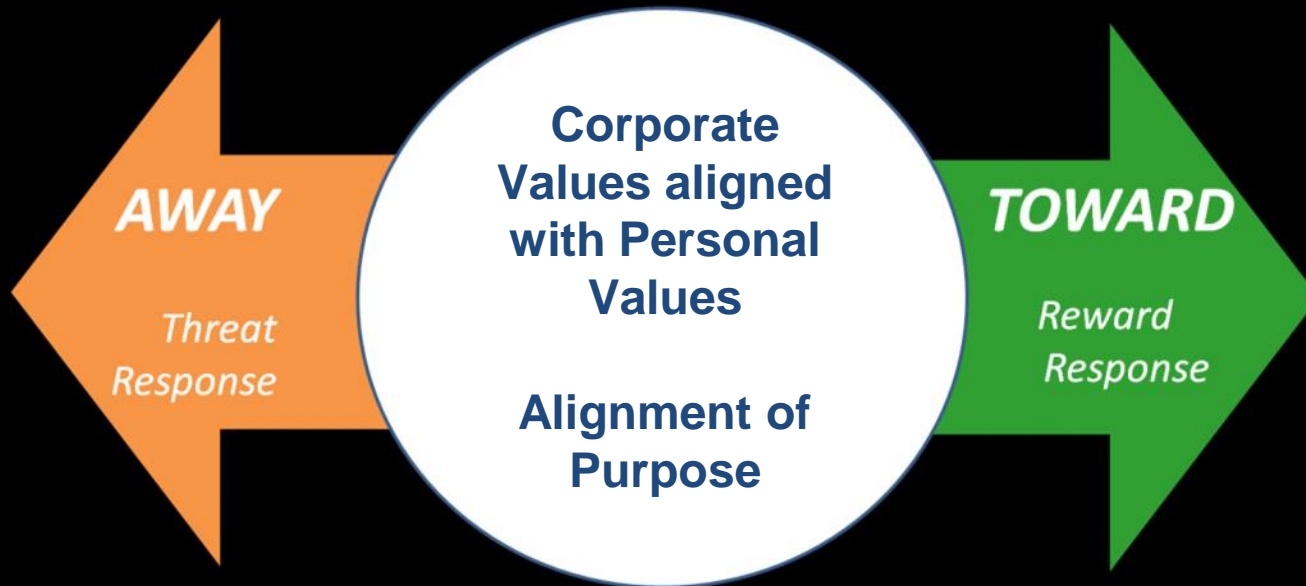
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Certainty	What exactly does this mean for me and my team. What are the implications?	<ul style="list-style-type: none"> • Refocus people on what is certain • Be open about what is uncertain • Set goals and expectations and stick to them • Plan and pace the change • Communicate often and transparently
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Relatedness	If I lose my job or even get promoted, I lose my friends at work.	<ul style="list-style-type: none"> • Be aware this is a genuine issue • Assist with the transition • Help form new relationships • Listen, coach, mentor
Fairness	Why is that group being treated differently from us / another group?	

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Certainty	What exactly does this mean for me and my team. What are the implications?	<ul style="list-style-type: none"> • Refocus people on what is certain • Be open about what is uncertain • Set goals and expectations and stick to them • Plan and pace the change • Communicate often and transparently
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Relatedness	If I lose my job or even get promoted, I lose my friends at work.	<ul style="list-style-type: none"> • Be aware this is a genuine issue • Assist with the transition • Help form new relationships • Listen, coach, mentor
Fairness	Why is that group being treated differently from us / another group?	<ul style="list-style-type: none"> • Consider this ahead of the change • Appreciate fair may not mean equal • Create forums for people to have their say • Genuine listening • Don't shy away from behavioural issues

PERSONAL PURPOSE & VALUES



LEADERSHIP

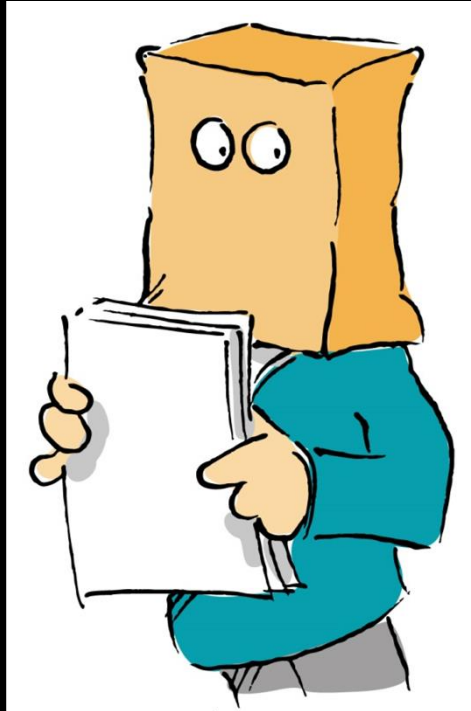
LEADING CHANGE IS **TOUGH**



“And it ought to be remembered that there is nothing more difficult to take in hand, more perilous to conduct, or more uncertain in its success, than to take the lead in the introduction of a new order of things.”

Niccolo Machiavelli

GOOD LEADER



POOR LEADER



WHAT DO THEY DO?
HOW DO THEY MAKE YOU FEEL?

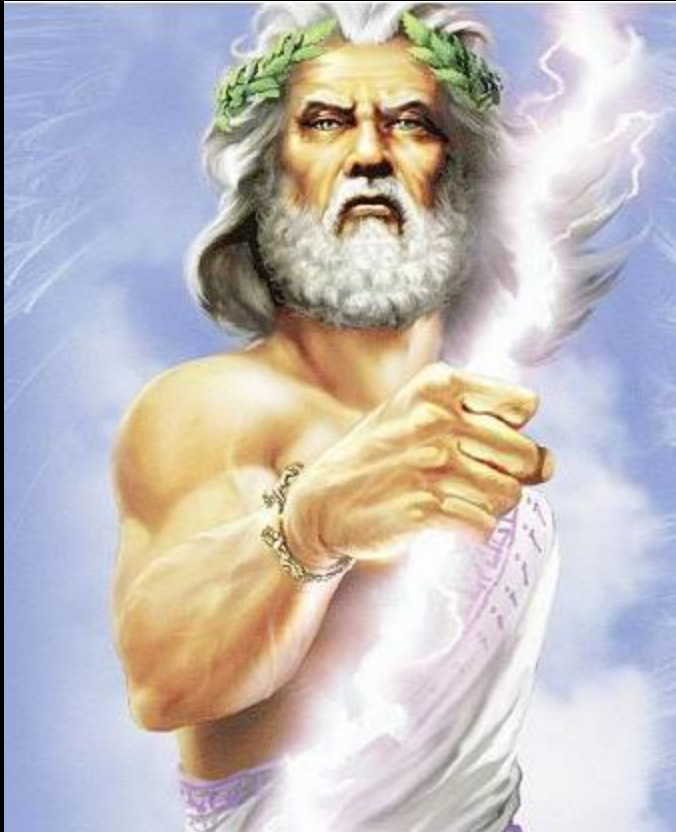
GREAT LEADERS DO 6 KEY THINGS

Great Leaders:

- 1. Build extraordinary leadership teams**
- 2. Create more leaders throughout the organisation**
- 3. Embrace stewardship – they strive to leave the business in a better state than they found it.**
- 4. Combine humility with confidence**
- 5. Are authentic - not afraid to be themselves**
- 6. Deliver results - via a clear strategy and aligned people**



LESSONS IN LEADERSHIP FOR ZEUS



Metis taught a young Zeus how to be a great leader . . .

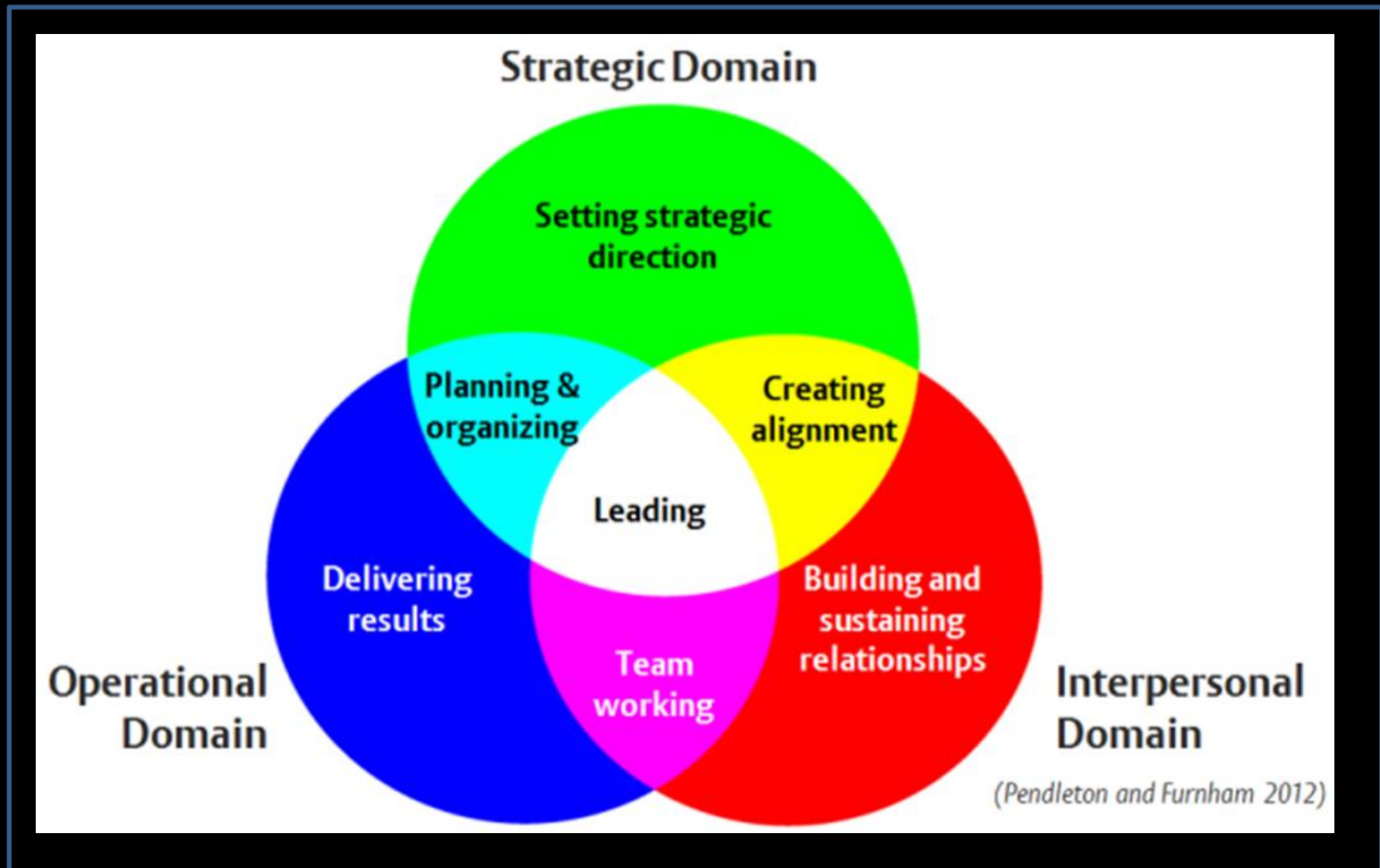
- How to look into the hearts and judge the intentions of others
- How to imagine and how to reason
- How to find the strength to let passions cool before acting
- How to make a plan and how to know when a plan needed to be changed or abandoned
- How to let the head rule the heart
- And the heart win the affection of others

“I start with the premise that the function of leadership is to produce more leaders, not more followers.”

Ralph Nader

LEADERSHIP IS A TEAM GAME, NOT A SOLO PURSUIT

Effective leaders need to develop skills across three domains:



THE CHANGE PLAN TEMPLATE

LEADING & EMBRACING CHANGE PROGRAMME

1. Leading Change work-stream:

Leading Change workshop (4 Sep & 17 Sep)

Select your change initiative

Develop your Change Plan

1:1 call with Campbell (23 Sep – 4 Oct)

Delivering Change conference calls (14-18 Oct)

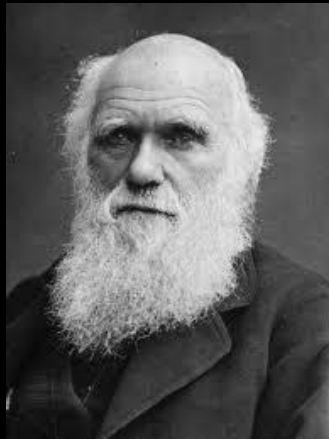
2. Embracing Change Work-stream

Embracing Change workshop (21-25 Oct)

3. Multimedia – post programme support

Live on the intranet from late October

*"It is not the strongest of the species that survive,
nor the most intelligent,
but the one most responsive to change."*



Charles Darwin