

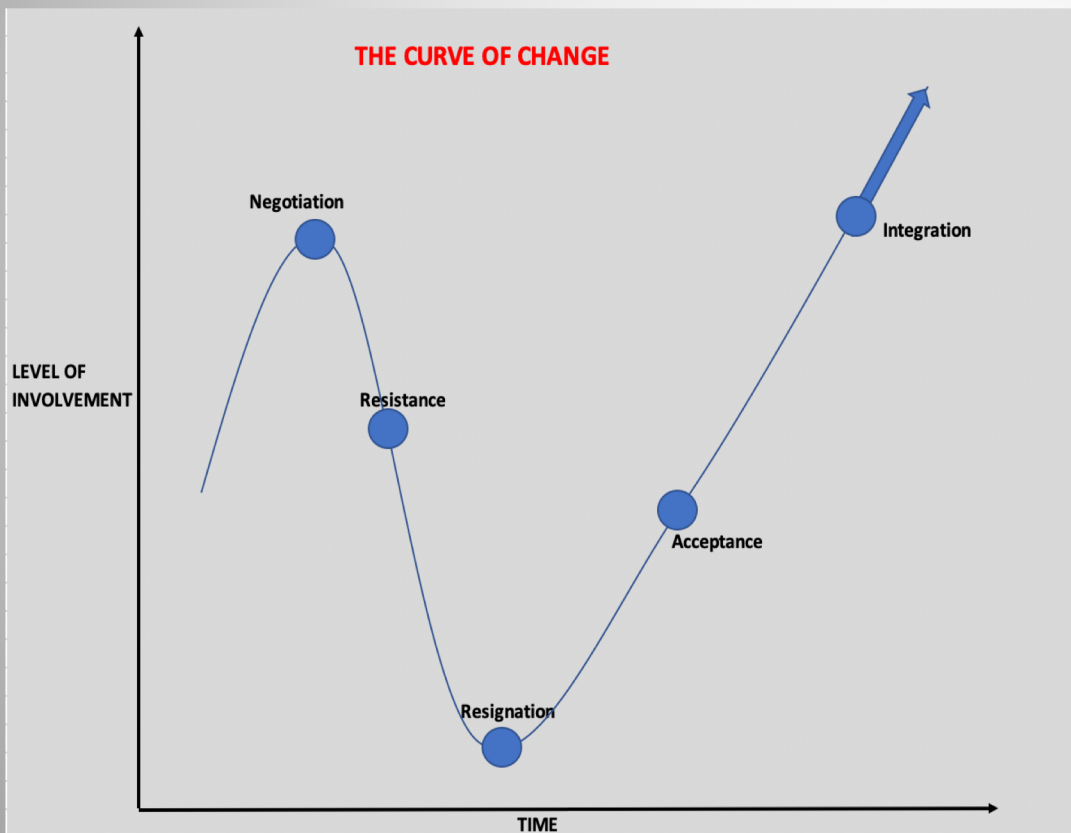


# **ZARA CONSULTING1**

**Consulting for: Change Management & Culture Change**

# THE ORGANIZATIONAL CHANGE

The globalization of the markets, the need to be more competitive in some areas or in certain markets pushes companies to complex acquisition operations, this operation are traumatic for the people involved in a process that is called "change management and cultural change"



- These operations are often "traumatic" difficult to manage at all levels of the company organization chart.
- This business evolutionary process is called "change management" which passes through a real cultural change.
- In the graph we have represented the curve of change, from our experience we can say generically that the longer are the years of seniority of a person who works in the organization, the greater is his degree of resilience.



# CULTURAL CHANGE AND CHANGE MANAGEMENT

## Negotiation:

It's the phase in which the organization begins to enter contact with new colleagues, team work are set up to decide on best practices. Still people working with their old professional identity.

## Resistance:

Phase in which the two companies have legally merged, the human resources of the two realities come into contact in the daily activity but, generally, the Board has not yet decided the final organization chart.

## Acceptance:

Phase in which the processes to be maintained are already decided, to be modified or created. Information systems are beginning to settle and the new organization has been announced. People begin to accept change

## Integration:

Several months have now passed since the Resistance phase, people are now integrated with each other and the new reality begins to exploit the new knowledge. Information systems are perfectly integrated.

# HOW TO MANAGE ORGANIZATIONAL CHANGE?

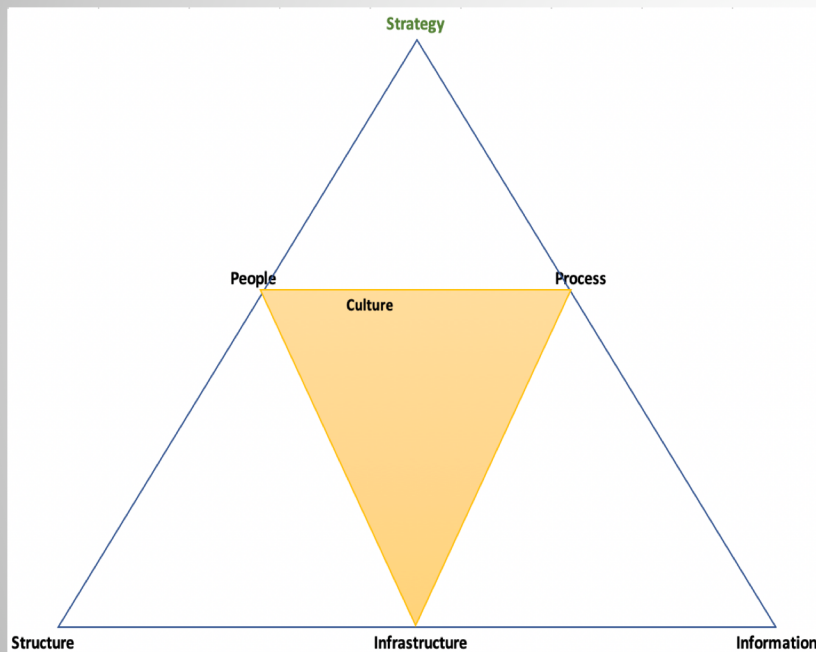
We have seen in the previous slides how complex a change so profound.

The experience of so many organizational development projects has allowed us to see the so-called "**fear of change**", an attitude inherent to the human being, naturally oriented to conserve what has been acquired through experience.

The other obstacle identified is improvisation.

Instead, the solution is to implement solutions and mechanisms that minimize conflicts and resistance, to foster the fluidity of relationships and the efficiency of the organization.

In this perspective, the application of appropriate techniques that only the consultant can provide is profitable, to keep in mind the fundamental principles and to be aware of the multiple intangible factors on which any business organization is based.



The consultants of **ZaRa Consulting1** carry out **reorganization and valorisation** interventions of the corporate human capital, aimed at concretely improving the ability to compete on the markets.

Proven methodologies and an especially "practical" approach are the critical success factors of the numerous interventions carried out in the long experience of ZaRa Consulting1.

We are also convinced that training is one of the main drivers of organizational change.

For this reason, we create ad hoc designed training programs, as they are functional to organizational development projects and to support change.

We also carry out individual **"business coaching"** or work group interventions, with the aim of accelerating the achievement of objectives, improving decision-making capacity as well as team performance.

## PLANNING AND MANAGING THE GENERATIONAL PASSAGE

- Another important and delicate aspect related to Change Management is **entrepreneurial succession**: a process that often turns out to be problematic because it is influenced, not only by the characteristics of the company, but also by the attitude of the subjects involved.
- The succession always has significant effects on the organizational level, precisely because the structures and the division of labor frequently reflect the personality and skills of the entrepreneur.

### Even more so when it comes to the founder.

- The main risk factor is represented by the potential loss of the wealth of knowledge and relationships of which the entrepreneur is the bearer in first person.
- The entrepreneur - the first responsible for the transition process - tends to postpone the moment in which to face this issue and start a process of constructive delegation.



# A VERY TOPICAL SUBJECT

The issue of generational turnover or, more broadly, of the continuity of the company over time is becoming increasingly important in our economic system.

This problem arises from the observation of two phenomena confirmed by various international, national and local research:

ONLY 30% OF THE COMPANIES SURROUNDING THE SECOND GENERATION.

THESE ARE FURTHER 50% CLOSE WITHIN THE THIRD GENERATION.

THIS MEANS THAT ONLY IN 15 CASES ON 100 THE GRANDCHILDREN CAN MANAGE THE COMPANY FOUNDED BY THE GRANDPARENTS;

THE INDUSTRIAL HISTORY OF OUR COUNTRY HAS SEEN A CONSIDERABLE ENTREPRENEURIAL DEVELOPMENT IN THE 60s AND 70s OF THE ECONOMIC "BOOM" AND THEN IN THE 80s.

ACCORDINGLY, CURRENTLY MORE THAN 50% OF ENTREPRENEURS HAVE MORE THAN 60 YEARS.

# FROM "SYSTEM-FAMILY" TO "SYSTEM-ENTERPRISE"

- The main cause of the deaths of many family businesses concerns **the role of the founder** who finds himself at the same time the head of both the family and the company and thus sees the autonomy of entrepreneurial decisions strongly influenced by the rules and family ties. with **negative influences on the whole human resources management** of the company.
- The managerial problems of family businesses have their culmination at the time of succession and the "transfer of powers", since the members of the owner family would tend to confuse the aims of the two events which, on the other hand, are different.
- However, it is clear that a good family business cannot disregard the understanding and the rationalization of the relations **existing between the "business system" and the "family system"**.
- Family logic tends to privilege and protect family members in the recruitment phase, in career development and in the satisfaction of material and immaterial aspirations (training, professional growth, internal and external prestige).

Such conflicts are usually handled very badly from generation to power, which is torn between the desire not to create conflicts in the family and the need to receive the support of professionals outside the family unit.



# CONSULTANCY TO SUPPORT GENERATIONAL CHANGEOVER

- The intervention of **the ZaRa Consulting1 can facilitate the transition**, favoring communication between different generations and supporting the introduction of management and control systems that codify the experiences (positive and negative) of those who have governed the company and help, therefore, the successor to continue the activity independently.

This intervention is carried out through:

- **analysis of the joint family / business system and existing relationships in order to identify any critical factors;** the **identification of the strengths and weaknesses** of the company, as well as the analysis of the relative positioning in the market, to identify the possible development strategies and evaluate the one suitable for the integrated family-business system;
- support for the entrepreneur and the successor during the transition period;
- if necessary, the **introduction of an experienced "temporary manager"** who supports a family member to be initiated and promoted, in the perspective of succession.

## **And when is the successor not there?**

The lack of family members willing to take the lead in the company paves the way for "external" generational changes that can involve managers and employees - bearers of skills and management skills - through "management buy-out" operations.

When, even among the company's collaborators, potential successors are lacking, the entrepreneur remains only the way of transfer to specialized investors or competing companies.

In any case, it is necessary **not to take too long to consider the problem of business continuity and not to underestimate the complexity of the "succession" problem.**

For more information about Zaraconsulting1 visit  
our website [www.Zaraconsulting1.com](http://www.Zaraconsulting1.com)

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