

## **Managing Change to Prepare Brick-and-Mortar and Dot-Com Organizations for e-Business**

In the digital age, where business races at warp speed and change is the only constant, organizations must continually evolve in order to stay competitive.

BY JENNIFER LEE

For both traditional brick-and-mortar companies and dot-com start-ups this means creating and sustaining flexible and adaptable organizations that can withstand external market churn, internal growing pains, speed-to-market pressures and a host of other issues brought about by the new rules of the networked economy. To be marketplace leaders, organizations must, therefore, proactively plan for and monitor the change created by their e-Business efforts.

### **What Is Change Management?**

Change Management is a holistic, systemized approach to helping organizations and their people through transitions. Since e-Business efforts permeate a company's entire operations – including areas ranging from product development and marketing to technology and human resources – traditional companies and dot-coms can both benefit from managing change and preparing their organization to reach set performance goals.

### **Change Management Needs for Brick-and-Mortar vs. Dot-Com Companies**

Because of their differing organizational characteristics, brick-and-mortar and dot-com companies have distinct Change Management needs. For a traditional company, entering into the e-Business fray often requires a significant cultural shift and a rethinking of existing organizational design and processes. For an emerging dot-com, the Change Management Strategy becomes more like an organizational roadmap for establishing and developing the business and ensuring that employees are equipped to help the organization succeed.

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## Managing Change to Prepare Brick-and-Mortar and Dot-Com Organizations for e-Business cont.

Following is a glance at some organizational considerations for assessing the Change Management needs of brick-and-mortar vs. dot-com companies.

	Brick-and-Mortar Companies	Dot-Coms
>> <b>organizational structure and communication</b>	<ul style="list-style-type: none"> <li>&gt; structured hierarchy</li> <li>&gt; minimal upward feedback</li> <li>&gt; communication flows top-down</li> </ul>	<ul style="list-style-type: none"> <li>&gt; organic/web flat structure</li> <li>&gt; feedback occurs readily</li> <li>&gt; decentralized communication that flows more freely</li> </ul>
>> <b>culture</b>	<ul style="list-style-type: none"> <li>&gt; "wait and see" and "why change" attitude</li> <li>&gt; more conservative culture</li> <li>&gt; well-delineated organizational boundaries, internally and externally</li> </ul>	<ul style="list-style-type: none"> <li>&gt; "launch and learn" and "change is constant" attitude</li> <li>&gt; more nimble, responsive, risk-taking culture</li> <li>&gt; more fluid, permeable organizational boundaries between internal functions and between external partners, suppliers and customers</li> </ul>
>> <b>business relationships and processes</b>	<ul style="list-style-type: none"> <li>&gt; proven processes and structure</li> <li>&gt; established relationships with external partners, suppliers, and customers</li> </ul>	<ul style="list-style-type: none"> <li>&gt; constantly creating / iterating processes and structure</li> <li>&gt; in the process of identifying and defining relationships with external partners, suppliers, and customers</li> </ul>
>> <b>challenges</b>	<ul style="list-style-type: none"> <li>&gt; financial capital is a barrier to growth</li> <li>&gt; established culture may be resistant to change</li> </ul>	<ul style="list-style-type: none"> <li>&gt; human capital is a barrier to growth</li> <li>&gt; growth is so rapid that a systematic approach to change may be overlooked.</li> </ul>

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CHARACTERISTICS

By assessing their **ORGANIZATIONAL CHARACTERISTICS** a company can identify and engage in the Change Management approaches and activities that best suit their needs. For brick-and-mortar companies, **CHANGE MANAGEMENT** can facilitate the transition from a traditional business to a more nimble e-Business organization by aligning the culture, processes and operations with the new vision. For dot-com start-ups, Change Management can enable rapid transition from an entrepreneurial firm to a professionally managed enterprise by developing strong leadership and vision and creating the necessary organizational components to support sustained growth.

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**Managing Change to Prepare Brick-and-Mortar and Dot-Com Organizations for e-Business cont.**

	Brick-and-Mortar Companies	Dot-Coms
>> <b>leadership and vision</b>	<ul style="list-style-type: none"> <li>&gt; leverage existing capabilities to create competitive advantages</li> <li>&gt; align executive sponsors with e-Business goals</li> <li>&gt; align potentially conflicting goals of functional silos with overall e-Business vision</li> </ul>	<ul style="list-style-type: none"> <li>&gt; identify core competencies</li> <li>&gt; establish strong leadership</li> <li>&gt; establish roles and responsibilities</li> <li>&gt; establish solid business foundation and scaleable critical business processes from scratch</li> </ul>
>> <b>evolving culture, organization, process</b>	<ul style="list-style-type: none"> <li>&gt; transform traditional culture to emphasize and reward collaboration, knowledge sharing, risk-taking, open communication and innovation</li> <li>&gt; transform organizational structure to flatter, more organic model that transcends internal and external boundaries</li> <li>&gt; identify opportunities to streamline and transform ingrained processes; align offline operations with online processes</li> <li>&gt; train existing employees in e-Business related skills or hire new talent</li> </ul>	<ul style="list-style-type: none"> <li>&gt; communicate company vision and values to employees to develop corporate culture</li> <li>&gt; establish culture of constant innovation, open communication and tolerance for change</li> <li>&gt; monitor change throughout organization's lifecycle to continually develop and grow the business</li> <li>&gt; design and develop flexible organizational structure and hiring strategy to support accelerated growth</li> </ul>

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In short, brick-and-mortar companies must transform and evolve while dot-coms must establish and grow. Whether they are existing brick-and-mortar companies or emerging dot-com start-ups, organizations must leverage their strengths and advantages and develop change management roadmaps to reach their e-Business goals. By proactively planning for and managing change and taking steps to prepare their organizations for e-Business, both traditional brick-and-mortar companies and dot-com startups can flourish in the networked economy. □□□ MARCH 10, 2000



As a member of NOVO's e-Business Strategy and Planning Group, Jennifer Lee designs organizational structures, operations and processes that prepare clients for launching and sustaining online ventures.

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