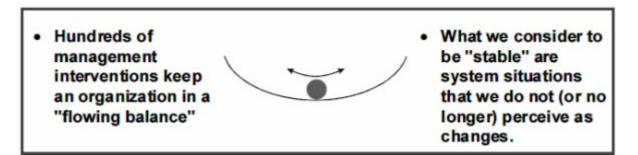
## Tuesday, July 13, 2004 BUSINESS: Change Management (03)

Organizations are never really stable!



Conclusion: change is the normal situation.

The development of an organization proceeds in discontinuity

- Stable stages (profit, growth) alternate with short period of profound crisis.
- Crisis constitute the ends and beginnings of stages of corporate development.
- Crisis also have **positive functions**: they are sources of energy against tendencies to remain put.
- Fundamental change identifies the transition between two development phases.

Classic enterprise lifecycle - dangers and opportunities

	Opportunities	Opportunities	Opportunities	Opportunities
X X X X X X X X X X X X X X X X X X X	High stakes/ strong commitment High degree of flexibility Quick decisions/ implementation Innovations Dangers Incompetence Insufficient resources	<ul> <li>Great motivation/ satisfaction</li> <li>Great momentum</li> <li>Sound finances</li> <li>Professionalisation</li> <li>Dangers</li> <li>Over-expansion</li> <li>Dissipation</li> </ul>	<ul> <li>Stability</li> <li>Sufficient cash-flow</li> <li>Know-how/ market experience</li> <li>Good relationships</li> <li>Dangers</li> <li>Short-term orientation</li> <li>Lack of flexibility</li> <li>Tendency towards</li> </ul>	<ul> <li>Financial strength</li> <li>Crisis as an opportunity</li> <li>Dangers</li> <li>Low benefit creation</li> <li>Lack of innovation</li> <li>Inflexibility</li> </ul>
-	Bad risk diversification		<ul> <li>bureaucracy</li> <li>Lack of elbow room/ power struggles</li> </ul>	<ul> <li>Cash/brain drain</li> <li>Time</li> </ul>
	Pioneering enterprise	Growth	Mature enterprise	Changing enterprise

Source: G. Müller-Stewens / Ch. Lechner