

# Newsletter

## Change is a Process... Not an Event!

**Guest Columnist:**  
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*"If you want to truly understand something, try to change it."*

Kurt Lewin

It is a sad fact that nearly 80% of all major change initiatives fail to realize their intended gains. Research into the causes of such failure point to achieving people's acceptance and adoption of change as the single greatest obstacle to success.

In 1932, Kurt Lewin, a renowned American

academic, proposed a host of new ideas on human behaviour, its formation and its consistency. Through many studies and applications he evolved a very simple model for changing the way people think and act. Eventually the model became known as the three phase model, ***Unfreezing, Transformation and Refreezing.***

### **Unfreezing**

Unfreezing refers to the idea of shocking a system out of complacency. It means creating awareness and understanding that the status quo is no longer sufficient and that trying to maintain things as they are, or return to the "good old days" just won't work anymore. It is amazing how that advice is so relevant in today's organizational setting.

### **Transformation**

Transformation, the process of making purposeful adjustments to the way one operates, according to Lewin, will only take place after

the status quo has been altered.

### **Refreezing**

Refreezing refers to the process of making the adjustments to the system part of the new commonly accepted practice or "just the way we do things around here."

The conclusion that one can draw from the wealth of literature and advice on how to transform an organization is that, in truth, there is no single right approach for tackling change. However, there are some **general principles** that, based on the issues at hand, tend to work better than others.

### **Principle #1**

Change as a process, not an event is the first example of a principle that seems to be effective. At the heart of this principle is the belief that change requires a process for converting the behaviours of key groups of people. By anticipating and organizing the tactics neces-

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## Neocog Chosen by 3 More Credit Unions!

From the shores of the Pacific Ocean on Canada's west coast to our nations' capital, Neocog solutions have been adopted as the place for managing member relationships. **Sydenham Community, Westminster Savings and Your Credit Unions** have recently announced their choice of member relationship solutions for their sales and service networks throughout their respective regions.

"A number of years ago we established a mandate at Sydenham Community Credit Union to maintain profitable growth while enhancing our value proposition to our members. The marketplace in this region is increasingly competitive and while we recognize a competitive marketplace is healthy it also tests the member loyalty we have come to expect." says Janet Grantham, Sydenham CEO. "We recognize that in order to remain competitive we need the technology to facilitate this and that is why we turned to Neocog. Cognito will help us to analyze and understand our members and ACE will help us to proactively respond to those members needs."



"We've used a CRM system at Westminster Savings since 2002. As part of our customer management and strategic planning processes, in 2009 we recognized the need for a more robust CRM system - one that will really allow us to get a 360 degree view of our members and enable us to deliver on our high customer experience standards," says Kevin O'Rourke, VP Retail Banking for Westminster Savings.

"After doing our due diligence Neocog came out clearly on top. Not only is their CRM system ACE very robust in its functionality, Neocog staff were very responsive to our business requirements. With regular releases, ACE is continuously upgraded with the functionality we need. Westminster Savings is in an incredibly competitive environment and we have developed some strategic initiatives regarding new member acquisition and retention and ACE is giving us the tools to accomplish those initiatives. We look forward to a long and profitable relationship with Neocog."

"We chose Neocog's Cognito Data Ware-

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## Fourth Annual Neocog Technologies Client Conference "Illuminating"

2010 has been a busy and exciting year for Neocog Technologies. The theme of this years conference was simply "Illuminate" and was focused on illuminating delegates to upcoming solutions enhancements, to shed some light on what already exists in the solutions and to educate on client best practices. Neocog invited its clients to its fourth annual client conference which was held at the luxurious Piller & Post in Niagara-on-the-Lake, Ontario, on November 9<sup>th</sup> and 10<sup>th</sup>, 2010. This years' conference was attended by representatives from our clients, sponsors and prospective clients. The conference featured product updates, a discussion group and guest speakers from our clients and respective partners.

"Our clients are our most valuable asset. We partner closely with our clients and it is their participation that makes our client conferences as successful as they are," says Chris Palmer, Neocog President & CEO. "This year we featured presentations on relationship profitability management by Sandy Ferguson & Christine Chieu of United Communities Credit Union and driving profitable growth through member intelligence by

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**Neocog Client Conference.....continued from page 1**



Derek Tufford of Meridian Credit Union. A conference highlight was a presentation on using IntelliLender for more than just loans origination by Rita Epp of Meridian Credit Union. This year we also had the privilege of having David Bratton from Bratton Consulting do a presentation on the topic of change

unions to work with and it is an absolute pleasure to come along side and to see them cooperate and share together." Neocog would like to thank our guest presenters and conference partners, Bratton Consulting, Member Direct and CUMIS Insurance for their contributions to this annual event.



Chris Palmer, Neocog CEO, addressing conference delegates.



Delegates from Mennonite Savings, Prosperity ONE, Motor City, Sydenham, Libro Financial & Auto Workers Credit Unions enjoying the conference.

management titled "No Choice But to Change—Leading Through Turbulent Times.

"Our clients feedback was overwhelmingly positive." said Jason Heffren, Neocog Communications Manager and conference coordinator. "We set up our conferences to allow our clients to share with each other their best practices and to share their experiences. We have an incredible group of credit

**SAVE THE DATE**  
**2011 Neocog Client Conference**  
**November 23-24, 2011**  
**The Pillar & Post**  
**Niagara-on-the-Lake, Ontario**

**3 More Credit Union's Choose Neocog.....continued from page 1**

house/Business Intelligence solution because we needed to get access and make sense of the data in our banking system." says Joel Lalonde, VP Business Development & Sales for Your Credit Union. "Choosing Neocog was easy, we heard of them through the CUSA group and the work they have been doing for a number of other credit unions in that group. We recognized that Neocog staff were experts in working with our specific data set and that they had a reputation of understanding their clients requirements and being responsive to their ongoing needs. We are really looking forward to our partnership with Neocog for years to come."

**Sydenham Community Credit Union** based in Southwestern Ontario, has assets in excess of \$163 million serves 9000 members in 5 branches. Sydenham is a rural based community credit union with a focus on providing financial services to smaller communities in Southwestern Ontario.

**Westminster Savings Credit Union** headquartered in New Westminster BC, provides a full range of retail, commercial and financial planning services, plus vehicle and equipment leasing services through its wholly-owned subsidiaries WS Leasing Ltd. and Mercado Capital Corporation. Its 400 employees serve more than 50,000 members from 12 retail branches across metropolitan Vancouver. It also offers a wide range of online and mobile banking services, access to global ATM networks and extended telephone service through its contact centre located in New Westminster.

**Your Credit Union** is comprised of six distinct groups - the Education, the Municipal, the Ottawa Citizen, the United Counties Education, the Howard Smith, and the Trillium Groups; serving members across the Ottawa-Carleton, Cornwall, and rural Eastern Ontario regions. Your Credit Union has more than \$209 million in assets and serves over 13,000 members in 5 branches.

**Change is a Process, Not an Event.....continued from page 1**

sary to convert behaviours, an organization will minimize the time, dollars, energy and loss in productivity caused by change and upheaval.

**Principle #2**

A second principle is that stakeholder involvement is necessary but not sufficient for the change to take place. Ensuring that those that are affected by the change have a voice in the process is an effective means of achieving acceptance and support. However, it is unreasonable to assume that all employees can participate in every decision, particularly the more strategic choices that should quite properly be in the hands of the leadership team.

**Principle #3**

A third principle is that communication is critical to a successful change effort. In a situation of rapid change and upheaval, where old rules don't apply and new rules have not been

created, people need reassurance that someone is in charge, that someone knows where the organization is headed and has a plan to get there.

Change is therefore dependent on the organizations willingness and ability to communicate the process, the decision rationale, and the projected impact of decisions on individuals and groups and the new behaviours called for in the change. Like the old army saying, you have to "tell them what you are going to tell them, tell them and then repeat the process!" Communication is a process, not an event!

**Principle #4**

The final principle is to understand that a sense of urgency is a good thing but a feeling of anxiety is a bad thing. Jolting people out of complacency is a necessary step in the change process. A sense of urgency is created when a threat and a solution are readily identifiable and results in channeling energy into useful behaviour. Anxiety is created when only the threat, either real or imagined is identified and results in wasted and often

dysfunctional behaviour and effort.

Understanding these four key principles will help to ensure that the level of commitment to the change increases and the level of resistance to the change decreases, a scenario that speaks to success. Credit Unions wanting to change would do well to heed the advice of Kurt Lewin!

**About the Author**

David Bratton is a management consultant in the fields of human resources and change management. He is a widely published author and speaker on the subject of managing change in turbulent times. He has an undergraduate degree in psychology and an MBA in organizational behaviour from the Shulich School of Business at York University.

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