



Small & Medium Business Summit

Managing Change Throughout Uncertainty

William Pitt Union, Lower Lounge, 3959 Fifth Avenue, Pittsburgh PA 15260

Thursday, September 12th, 2024



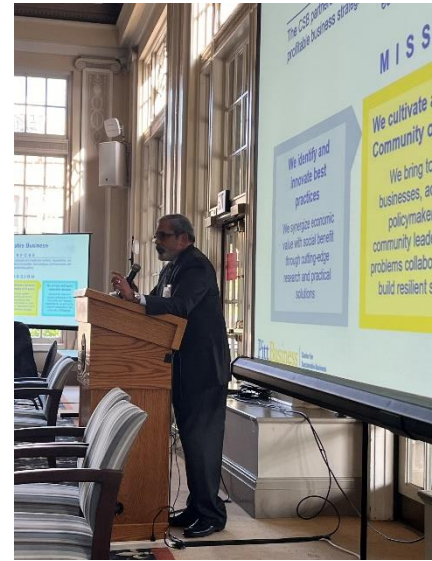
Executive Summary

1. In order to lead your organization through change, creating a thoughtful strategy that includes clear employee engagement and open lines of communication is key. Leaders need to create an environment where employees are empowered to own change, and expand their comfort zones.
2. The key to driving change in Appalachia is engaging with communities in a meaningful way, and adopting a “growth” mindset. Advancement and upskilling of employees leads to a diversified workforce that will be more resilient to challenges.
3. A Change Action Plan can minimize disruption for stakeholders and engage them throughout the change journey, ensuring a successful implementation of a new process.

Opening Remarks

Dr. John Camillus, Faculty Director for the Center of Sustainable Business, began the day and talked through the CSB's strategic realignment to meet the needs of our stakeholders. He introduced the CSB's new Purpose Statement, Mission, and Core Values:

1. Purpose: The CSB partners with companies to innovate and implement resilient, responsible, and profitable business strategies that overcome societal, technological, environmental, and economic disruptions
2. Mission:
 - a. We identify and innovate best practices: we synergize economic value with social benefit through cutting-edge research and practical solutions
 - b. We cultivate a dynamic Community of Practice: we bring together businesses, academics, policymakers, and community leaders to solve problems collaboratively and build resilient strategies
 - c. We access and apply collective wisdom: we pool the deep and diverse knowledge of the community and research organizations, as well as the research capabilities of the University of Pittsburgh
3. Core Values: Business, Innovation, Collaboration, Research, and Integrity



Panel Discussion on Leading Change in Appalachia

Moderator: Professor Leon Valdes, University of Pittsburgh

Panelists: Rebecca Bykoski (Director of Programs, Sustainable Pittsburgh), Petra Mitchell (Petra Mitchell), Professor Trevor Young-Hyman (University of Pittsburgh), Megan Zeigler (CEO, SWPA Municipal Hub)

Executive Summary: this session featured a discussion among industry, community, and academic leaders to address key questions on how the landscape for businesses has changed in Appalachia, and what companies should do to be successful when navigating those changes and challenges. The panelists discussed the importance of federal support to see sustainable

development in Appalachia, as well as the role community involvement plays in the longevity of local businesses.

Key takeaways:

1. **Federal Investment is Critical:** In order for the Appalachian Region to see success, we need federal investment in advanced manufacturing, as well as laws and regulations that support decarbonization efforts.
2. **Proactive Change Drives Longevity:** Historically in Appalachia the inability for the workforce to transition to advanced manufacturing left many communities in poverty, underscoring the need for proactive change that will keep jobs local.
3. **Community Involvement Ensures Success:** A key success factor for small and medium businesses is prioritizing community involvement as part of their business plan. Community benefit agreements can spell out ways that communities will have help and support, as well as improve the trust and leadership when engaging with communities.
4. **Short-Term vs. Long Term Ideologies:** In the short-term, you make compromises between shareholders and communities – long-term, prioritizing community welfare will pay back in higher resiliency and support from both community (workforce) and government (regulation, funding, grants, etc.).
5. **The Threat Rigidity Thesis Challenges Change:** This thesis outlines the tendency for organizations to respond to challenges by freezing innovation and reverting to old practices; and company leaders must be aware of this norm in order to create plans to overcome it when challenges arise.





Action & Opportunities:

1. There are many resources and opportunities that small and medium businesses can take advantage of:
 - a. RISE PA Grants
 - b. Engaging with non-profit organizations
 - c. CEMA from Catalyst Connection
 - d. Pitt Business and the CSB
 - e. Sustainable Restaurant Program
 - f. CCIA Funding
 - g. Economic Development Administration
2. Adopting sustainable business principles now usually reduces costs over time.
3. Diversity in workforce is key in the manufacturing industry.
4. A way to build resilience is to make supply chains as regional as possible; doing so ensures your partners have a common goal with you to engage with the community.
5. Adopting a growth mindset leads to resiliency, and it is critical to build the workforce and technology capacity to enable growth.

Fireside Chat on Managing Change in your Organization



Speakers: Bernard Brown (Empire Diversified Energy), Professor Kim Abel (University of Pittsburgh)

Executive Summary: this session explored topics of leading organizations through change, and how to best position those changes to minimize disruption to employees. The speakers talked about their own experiences in change management, and the importance of communication, flexibility, and strong teams. Furthermore, the speakers touched on habits of employees as they react to change, and how leaders can guide their teams through unexpected outcomes.

Key takeaways:

1. **Adaptability in Leadership:** Effective leadership during change is asymmetric and requires continuous adaptation. Leaders must not only drive change but also be flexible in how they approach it, learning from past experiences and reacting to new challenges.
2. **Empowerment and Investment in Teams:** Success in managing change comes from empowering employees and recognizing the importance of their input. Leaders need to involve both formal and informal leaders in the process and invest in their team members' growth and development.
3. **The Importance of Communication:** Clear, continuous communication is critical during periods of change. Leaders must ensure that all team members understand the direction and reasons behind the change. Miscommunication can lead to resistance and failure to implement new strategies effectively.
4. **Managing Change with Limited Resources:** True leadership shines when managing change with constraints. Leaders of SMBs, in particular, need to be resourceful and guide their teams effectively, even when faced with limitations in time, money, or other resources.
5. **Psychological Barriers to Change:** People are naturally inclined to stay within their comfort zones, and change often triggers anxiety. Leaders need to create an environment where stepping into the "courage zone" is encouraged, which can gradually expand an individual's comfort zone.




6. **Leaders Must Own Failures:** Leaders not only guide successes but also take responsibility for failures. It is important for leaders to own the consequences of decisions made during the change process, as this fosters trust and credibility with their team.

Action & Opportunities:

1. **Workshops on Change Management:** Based on the insights shared, organizing a series of hands-on workshops focusing on adaptive leadership, change management, and empowering informal leaders could be valuable. These workshops can delve deeper into practical tools for managing change within organizations, emphasizing communication, adaptability, and resource management.
2. **Employee Empowerment Programs:** There is an opportunity to collaborate with organizations to create employee empowerment programs aimed at identifying and nurturing informal leaders within companies. This would involve building frameworks where employees feel valued and responsible for driving change, like the example of involving their team in a holiday project.
3. **Panel Discussion on the Psychology of Change:** A write-up that could focus specifically on the psychological barriers to change (e.g., the concept of the courage zone), with experts in organizational behavior. This case study could help leaders understand how to create environments that encourage risk-taking and adaptability in their teams.
4. **Case Study Compilation and Publication:** Compile the experiences shared by the panelists into a resource guide on leading change with limited resources. This could serve as a valuable publication for businesses looking to understand how to implement change when time and money are scarce.
7. **Further Programming Opportunities:**
 - a. **Change Readiness Assessments:** Collaborate with companies to implement change readiness assessments that gauge an organization's ability to adapt to new processes. This could be followed by customized leadership development programs.
 - b. **Mentorship Opportunities:** Create a mentorship program where leaders who have successfully managed change mentor other executives or SMB owners. This will foster a knowledge-sharing community based on real-world experiences.

Collaborative Activity: Creating Change Action Plans

Key questions to answer as part of your Change Action Plan:

 Center for Sustainable Business Joseph M. Katz Graduate School of Business and College of Business Administration		Small & Medium Business Summit September 12, 2024 Change Action Plan																					
Step 1: Identify the problem (what is the need for change? Why is it important?)																							
Step 2: Establish your objectives (what do you want to accomplish?)		Step 4: Define your challenges, risks, solutions, and mitigations																					
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Challenge	Solution																						
Risk	Mitigation																						
Step 3: Identify your stakeholders (who will be impacted? Who will need to be involved?)																							
Step 5: Set timelines and milestones																							
Step 6: Assign roles & responsibilities (examples of roles: project manager, executive sponsor, early adopter, change advocate)		Step 7: Get buy-in and alignment (who needs to approve the plan before you can implement it?)																					
Step 8: Implement the plan (go do this with your company!)																							
Step 9: Monitor progress (track objectives against milestones)		Step 10: Evaluate and refine (what adjustments should you make?)																					

Model based on Prosci and McKinsey Change Management frameworks

1. What is the need for change and why is it important?
2. What do you want to accomplish through this change?
3. Who will be impacted? Who should be involved?
4. What are your challenges and risks? What are some possible solutions and mitigations?
5. What are some key milestones to accomplish your goals?
6. Who can you assign strategic roles to?
7. Who needs to approve the plan before you can implement it?
8. What metrics must you track to measure progress?
9. What iterative adjustments should you make to get back on track?

Group Report-out Summary

1. The conversation underscored the importance of engaging with employees early and often when implementing change. Even if employees are not fans of the proposed changes, the early involvement will give employees a stake in the changes and help smooth the transition over time, rather than shock employees with a quick change.
2. Participants noted the likelihood that even the change will change: the plans laid out to guide employees through a new process will likely need to be adjusted or iterated, so it is important to remain agile and be ready to pivot.

Research Presentations

The CSB's Student Research Fellows presented on their latest projects to showcase the ways in which small & medium businesses can engage the CSB for a research engagement:

1. Harsh Nallanthighal, a graduate student at Carnegie Mellon University, presented alongside Harbison Walker International's Technology Director to talk through their Refractory Brick Circular Economy project. Harsh's research helped analyze areas in which HWI can improve their product turnaround cycle and reduce energy consumption and emissions.
2. Mohit Dewan, a graduate student at the University of Pittsburgh, presented on his Emissions & Process Improvements project for Peoples Gas. Mohit's project complemented a pipeline replacement strategy to outline innovative solutions to target Scopes 1-3 emissions.
3. Abby Bonilla, a graduate student at the University of Pittsburgh, presented on her Social Impact at the Community Level project for the CSB. Abby's project identified areas for improvement and best practices as it relates to Social Impact, Corporate Social Responsibility, and ESG.

