Executive sponsorship: the cornerstone of transformation

BY KURT KUELZ

Most business leaders understand that executive sponsorship is a key success factor for any technology-based change initiative. In practice, however, they often fail to establish the type of sponsorship required to guide large-scale programs to a successful conclusion.
When sponsors believe that their job is simply to set overall direction, obtain funding, and launch the program team, the risk of failure rises dramatically.

For example, a large PTC customer was seeking to harmonize product design and manufacturing processes across multiple business units. The company exhausted a full year with little progress due to the lack of effective executive sponsorship. The program goal was clear: Implement a new PLM solution to support process improvement and standardization across the company. But the program lacked an engaged executive sponsor to drive successful program execution.

As often happens with such initiatives, there was substantial resistance to change within the business units and the IT organization. Internal tensions were growing and people were losing confidence that the program could actually deliver on the expected value.

Finally, a year after program launch, a senior executive who understood both the potential value of the program and the requirements of effective sponsorship stepped in to put the initiative back on track.

His first challenge was to re-inspire confidence among the program’s executive leadership. Many on the program team felt they lacked the expertise and support to drive a harmonization program across the business units, regardless of the potential benefits. The first year’s lack of results validated their concerns.

The new sponsor reviewed program budgeting, staffing, and governance, and decided to bring in PTC Global Services as a joint stakeholder and value contributor. The sponsor repeatedly briefed the program team on expected business outcomes and put in place strong accountability for those outcomes. As a vocal champion of the program, he persistently drove home his message with his executive peer group as well as all stakeholders and affected employees.

With strong sponsorship in place, the program team was inspired to change the program trajectory and accelerate progress. A year later, the program had showed dramatic results. Once near cancellation, the PLM program has now become a gold standard on how all transformation initiatives at the company should be managed. The key was the strong, continuous leadership of the executive sponsor.

It simply cannot be overstated: True enterprise transformation programs cannot succeed without effective executive sponsorship.

"The reality is that programs suffer greatly when sponsorship falls short.”

Kurt Kuelz
Divisional Vice President, PTC Global Services
In PTC’s experience with large manufacturers, there are four essential elements to consider.

First, the sponsor needs to be actively engaged in the program from start to finish. He or she must constantly explain and champion the initiative up, down, and across the organization to ensure that all stakeholders understand and commit to the vision for change. You can’t just get the program going and then outsource leadership to the program team. Teams inevitably drift off course during complex programs, and small diversions are easily missed when sponsors fail to play close attention. When sponsors are not actively engaged, program drift can take too long to correct and initiatives can end up falling far short of their goals.

Second, the sponsor needs to lead the decision process through the inevitable conflicts that arise when preferences within business units and IT conflict with each other and with what is best for the corporation as a whole. Program team members often have little experience taking the strategic perspective and weighing the business pros and cons of different options and tradeoffs. The push and pull of daily operations often leads team members to stay close to their business unit perspective; executive sponsors need to step in with guidance and hard decisions.

Third, effective sponsors take full advantage of outside experience and points of view. Ego often gets in the way of people listening to outside advice but good sponsors view this as a strength not a weakness. The chances of success rise dramatically when internal and external experts work together considering different approaches before arriving at a decision.

Finally, effective sponsors understand that courage is required for program leaders to drive real change. Without strong leadership, program teams often avoid bold decisions and gravitate toward lower level incremental change. Sponsors need to remind their teams that they are expected to make the hard decisions necessary to achieve strategic value. Team members, in turn, need to know that the executive sponsor will back them up and support their decisions at the executive level.