

# Change management essay

[Design](#), [Photography](#)



The analysis is based on six major managerial actions taken towards change. The internal and external pressures that facilitated the change, change diagnosis, how change was communicated, forces of resistance, SWOT analysis of change outcome and the type of change manager image and style portrayed by both organizations. The CEO of Eastman Kodak “ George Fisher” was over confident about their stands in the market share as far as photography goes and failed to implement the necessary changes needed at the time and was a bit too late to the game when he finally decided they were going to move into digitization. His style of implementation his change plan was very aggressive and was directorial management image change due to the urgency of the change to save Kodak on the other hand, Fujifilm’s CEO “ Shaggy Kombi” was very proactive and more of a Caretaker who knew the importance and the sense of urgency this change needed to be implemented Managing Organizational Change between Eastman Kodak & Fujifilm Over the past years, Kodak and Fuji faced some difficult times in the market industry, until both Coos of the companies made some changes to regain stability in the market growth. Kodak was known as leader of photography in producing rotational film cameras, lost its home market to a Japanese company called Fuji who aggressively came to the United States and opened its first ever film production plant , cut prices, stole the market share and went into digital cameras. Other competitors like Canon Inc. Hewlett Packard and Seiko Epson Corp. were far ahead with digital cameras. Initially Kodak did not really bother about these companies taken over the market and wanted to stick to their traditional film camera industry for the fear of losing profit. [1 ] After several years of being in denial, Kodak

changes CEO and recruits George Fisher in December of 1993, Bringing Fisher on board changes the whole game for Kodak as Fisher pared down cost, sold off business not related to photography and refocused his goal to revive the photo industry. Even though other stake holder did not agree to his vision, he stood his ground to effect changes which brought about immense gain to Kodak. On September, 2003 David announced it would cut this line of production in the Western countries and move away from traditional product within the film industry and move fully into launching digital technology and imaging industry.

KODAK STYLE OF MANAGEMENT CHANGE IMAGE Fuji just like Kodak was eating the market as far as walkway, cameras, video recorder, TV's and other electronic products, experienced similar changes when high technology companies such as LEG, Samsung and Apple came out with products took over the market share, this external pressure compelled the CEO “ Shaggiest Kombi” to make some internal managerial changes by announcing the establishment of a new management structure which will take effect April 1 , 2012. The external pressures from competing with high technology companies caused both companies (Kodak & Fuji) to undergo drastic managerial and technology change. EXTERNAL PRESSURE Embracing New Technology – A Comparison and Contrast of Eastman Kodak Company and Fussily Company Management Approaches to Change In 1976 Eastman Kodak Company, popularly known as “ Kodak,” was considered as the Google of today and was known for its innovations of videos and camera pictures. Financial reports show that Kodak made over 90 percent of films and 85

percent of camera sales, with an annual revenue of \$16 billion in 1960 and a profit margin of \$2. Billion in 1999.

Kodak was considered one of the best brands in the world; however, Fujifilm Company, a Japanese competitor company called “Fuji,” [1] came to the United States with the new technology of digital photography and took over the market share. After several years of complacency and denial, Kodak realized its shortcoming and moved away from its traditional film camera and entered the digital technology industry. With the beginning of the digital era, both companies were threatened by the rapid technological change that introduced smart phones with in-built cameras. Both were aware of the need to keep pace with the new demand. And faced similar threats; however, each had a different approach to effect the change. 3] COMPARE AND CONTRAST Kodak, unfortunately, was overconfident about its market share and brand and; failed to read the emerging markets correctly, resulting in the company eliminating direct consumer sales and altering its focus to stay in business.

Fuji, on the other hand, chose to expand the technological change and sparked an internal power struggle within the company. Shaghiest Kombi, the CEO, acted quickly and developed a prolonged three-way strategy. It found money to prepare for the digital change and new business line, whereas Kodak moved too slowly to instill a sense of urgency to gain a foothold in digital photography. Although equally affected by the introduction of smart phones, Fuji has more of the market share than Kodak. Fuji exposed its weakness and aggressively sought and gained the sponsorship in the 1984 Olympics in Los Angeles, while Kodak became a complacent monopolist.

Despite the smart-phone technology taking over the market, Fuji transformed into a solidly profitable company and ended a rough year with \$12. Billion, with Kodak at \$220 million.

Kodak and Fuji have much in common-? both were in film production, enjoyed lucrative near-monopolies of their home markets, and were battered by the development of smart phones that double as cameras. 4] Kodak and Fuji incorporated different management changes. The types of change images to be discussed are as follows: Change Image Basis of Change Application Pressure for change Differs how Unintended intension Director Management in full control and a dictator.

Strictly by policies Reduce turn over Efficient Cost reduction Navigator Internal control but no external control Indecisive Confusion and dissatisfaction No change and inefficient No progress and development Coach Team structure Plans for action with one common goal Team spirit Very efficient Goal accomplished Two dominate styles of management change are, management as control ND management as shaping. Within these management styles are six types of management-change images: Director, Navigator, Caretaker, Coach, Interpreter, and Nurturer. Soda's image of managing change is more off Director Manager, one of control and dictatorship management.

George Fisher, CEO of Kodak, believes its expertise was not in digital imaging and was concerned about the cost involved in moving to the new arena, which required hiring more people and having to pay higher salaries, benefits, and incentives. He ignored all external and internal pressures to

effect the change of digital imaging, but instead offered customers the ability to post and share pictures online. This type of managing image change does not work. The Fuji Co's image of managing change is that of a Coach Manager who restructures, transforms, and expands the organization—change that involved a whole team. He explores Fuss's expertise in film by making optical films for LCD flat-panel screen and has maintained its original base products and stretched its interest beyond just film development, whereas Kodak has depleted many of the products on which the company was originally based. This is more of navigator management, where things are not well planned and spelled out. Even though Kodak made several reductions and exited non-core businesses, it is adapting to the current market and concentrating on business products and services. TYPE OF MANAGEMENT CHANGE IMAGES FOR BOTH COMPANIES Fuji chose a different route and developed a plan to promote growth for businesses and expand its market by concentrating its management resources in healthcare.

It also developed a plan to create and market products that designed to match the needs of emerging markets and put goals into place to boost sales and reduce costs. The 2013 records indicate that Fuss's plan works; it showed an increase in revenue and earnings by 0. Percent and an increase in consolidated operations by 1 percent. Fussily has maintained progress on a regular basis, whereas Kodak is still struggling to survive in the market share.

For Kodak and Fussily to survive in the dynamic business of technology and be in good market standing, they should have a well-prepared plan for

anticipated future changes. Change diagnostic model between the two Companies According to Foot and Robert (2002), diagnosis is a process of reviewing an organization to identify the loop holes and need for change. Like every bad habits, organizations are difficult to change. Diagnosis for change is the readiness and willingness an organization responds to change and the steps it take to amend the change. Organizational diagnosis is “ a pattern used in understanding organizational problems, data collection and analyzing and drawing conclusions based on the findings with the purpose of making changes and modification (Cummings, 2005) [4] DEFINITION FOR DIAGNOSING CHANGE There is no defined rule is solving every diagnosis as all managers in every organization have their own views of how they vision and interprets things. Therefore, the pee of change model used depends a lot on the kind of change image the manager portrays such as “ Director, Navigator, Caretaker, Coach, Interpreter and Nurturer.

For instance, a change manager as a Director will have certain qualities such as dictatorship, where he/ she make rules, build up his own ideas base on extreme self confidence and identify where change is needed may influence the type of diagnostic model used. There are various types of diagnostic change models but management may use a particular diagnostic model base on the needs of the organization and the changes that is needed. It is solely up to management to figure out which model best suit their situation”. [2] After carefully reviewing and analyzing the various types of model discussed in the text book “ Managing Organizational Change, Palmer” and Ramie H 201 1” [2] the best model for diagnosing changes between Eastman Kodak usually called “ Kodak” and Fussily also referred to as “ Fuji” is “ Marvin

Dashboard's model "The Six-Box model". In this model six categories are used to perform organizational diagnosis: [1] Purpose: The mission and goals of the organization must be spelt out clear to all members and have to abide by them even if they have totally different philosophies in comparison to that of the organization; they have to go along the same stipulated purposes and rules of the organization. Structure: The structure of an organization is the bigger picture of its level of power and authority and formal relation between functional groups of the organization. It offers a true and appropriate image of power distributing duties for the purposes for the organization Rewards: This is a medium used to appreciate or motivate individuals to attain the organization goals. Helpful mechanisms: The approaches organization uses to coordinate activities among staff members.

Relationship: How individuals relate and respond to each other when there is pressure between them. Leadership: The efficiency of a manager is the degree of authority his employees feels he has. (Ramie. H et al 2011 and Binder, 1 995) Reasons why six box model is the most suitable for Kodak and Fuji There are many types of model but the most suitable model for the diagnostic change between Kodak and Fuji is the Six -box model because both companies used the six box variables as mentioned and explained above (purposes, structure, rewards, helpful mechanisms, relationships and leadership) to effect change when faced with pressures for hanged. The purpose variable reminds management the kind of business they are in and the changes needed as well as the approach used in dealing with the pressures for change. Kodak and Fuji are both in the photography industry and was doing very well until the introduction of smart phones with inbuilt



cameras. This invention created intense external pressure for change as both companies are aware in other to stay in business they have to make changes. In dealing with the change Kodak and Fuji used the six box variable, For instance both companies realizing the type of business they were in knew they need to make changes in other to survive in the market share.

Fuss's CEO " Shaggiest Kombi" quickly restructured the company and came up with helpful mechanisms to save the company by regularly conducting research to monitor the market behavior of consumers and to know which area to improve or effect change, management quickly went into electronic and health care operations where as Kodak was slow to change, it equally structured its company by concentrating in business products. Also, the external pressure from competitive companies created an internal pressure among the organizations by causing conflicts between management and the employees. For instance Kodak faced serious crises of low returns due to the competition therefore management decided to downsize the number of employee this caused conflict between some employees and management but due to good leadership they are able to solve the problem from escalating. Also Kodak is currently participating in the Electronic Industry Citizenship Coalition (ICE) to addressing the working condition of their employees.

ICE focuses on issues related to the safety of the workers and makes sure employees are accorded the respect and incentives they deserve. Also Fuji management balances the tension created by expanding product line to

meet demands of consumers on the market. Even though both companies used the same organizational model in diagnosing the changes, the approach was different because there is prescribed method for change. The SOOT analysis created base for Kodak and Fuji. Kodak and Fuji both built a strong home base market share in their various countries until change in technology hit them and in effecting the change they both had strengths, weakness, opportunities and threats. Strengths: Kodak has a reputation of producing high quality brand of products to its nonusers and this caused them to have high market share for a long time building up confident in their products and capable to influence consumers in trying their new products through promotions.

On the other hand, Fuji is very fore sighted and innovative, over the years it has expanded its line of products into life science while still having firm hold on its original line of product (photography and printing) and a skilled workforce to meet the demand for the various changes. The company just celebrated its 80th anniversary this year and prided itself as being the “World’s largest film and imaging Company” (FUSSILY). Recent record showed in 2013 that, Fuji increased in revenue and earnings by 0.9% and in consolidated operations by 1. % [9] Weaknesses of Kodak and Fuji: Kodak was over complacence and totally ignored the force of competitors on the market.

Record shows that, it used to enjoy 70% market growth but in 2012 Kodak entered chapter 11 bankruptcies. “Due to increasing competition, digital photography and debt’ (PRESS 2013) and till date, the growth rate is at Fuji

failed to research properly into its cost analysis before branching into other product line. While Kodak was too late to the game; Fuji was also too proactive to respond to competition without proper evaluation.

Opportunities: There is still mass market place for photography and Kodak being known for its high quality brand still has the chance to rebind their products and packages as the competition margins is not so great currently. Fuji equally has great stable margins in term of market growth and has the opportunity to expand its scope.

[7] Threats: Kodak is threatened by low growth rate and fear of losing the company decides to shut down some of its products line concentrate on the few one to grow them. Fuji could be threatened by too many government regulations in the photo industry. Also, technology advancement may eliminate the need for rolls in the market The introductions of smart phones with cameras and inbuilt features that can are easily operated by any individuals, examples, most smart phones have high LED and big storage drives can be a huge threat of competition to both companies. Potential areas Of resistance that may be encountered by Kodak and Fuji and possible actions to minimize the negative effects Kodak management was reluctant to change for the fear of losing control of the market share and did not want to move way from their traditional way of photography to digital photography. Over the years, Kodak has been known for its quality products line placing them # One on the market as far as film photography is concerned. Another resistance for change was culture complacency, Kodak was overly confident that no matter what consumers will buy their products without realizing the power of technology. Despite the external pressures

from its rival company Fujifilm invading the market with digital camera and aggressively moving into new technologies, management did not see the urgency to implement change.

The cost involved in moving into a new area can be the main resistance to change for most organization and Kodak is no different. While Kodak is slow to slow Fujifilm was proactive to change “ As the Economist magazine said in an article, “ Kodak acted like a stereotype change- resistance Japanese firm, while Fujifilm acted like a flexible American one” Recommendations for further actions within the organization Change is inevitable and no matter how good or bad things are there will be change. Research show that “ Companies that change their products and their business model in the face of changing times thrives and prosper When is embraced from within the company that takes initiative leads the way. “ Kodak should develop new techniques and plan to capture the market and work on the alternatives ways to predict future changes. Kodak should adopt new designs and new technology for its products which will add value to its pricing”. (UK essay) Kodak and Fujifilm knowing they are in a rapidly changing business environment which is technology based, should have a well structured plan in place to cater for future changes which may arise . They should merge with a company with high market share to help promote their company.

Another thing that photography industry should do is create packages that will attract and appeal to the public, meaning more commercials on T. V, sports events and all other major platforms. They can also create different themes for events just to attract the public.

To gain market share and profits, Kodak should work on improving its quality and work towards new technology which will result in better performance of the products offered. Communicating Change Plan Communicating change can be very challenging as the change itself. Initiating change in any Organization is quite a reallocation for managers and the entire employee. In creating communication plan, Managers will have to figure out which communication style is the best fit for the type of change it wants to implement based on its audience.

Assertive: Goal achievers, Good listeners, high emotional intelligence, not too aggressive and not too passive. Aggressive: Characteristics are very loud, hustle, impatient, defensive, demanding and very confident. Sive-aggressive: Indirectly aggressive, portrays a different character than thoughts, back stabber and very unpredictable Submissive: they place others first, have low self esteem, not initiators; they go with the flow of the majority.

To communicate effectively using any type of this communication style, one must consider the following the purpose of communication, the communicator, type of audience, time, the method of communication and measure of communication. CA] Actual analysis of Communicating change Plan at Fussily Corporation. Fussily Corporation Commonly referred to as “Fussily” faced serious crisis at the 21st century due to introduction of digital camera, smart phones and demand for colored film. This external pressure pushed President and CEO “ Shaggiest Kombi” of Fussily to call for a meeting to discuss emergency plan of action. 6] Kombi used an Assertive

communication style of communicating to managers and shareholders by creating a sense of urgency by ‘formulating the medium-term management plan. Vivisectionist outlines the Company’s strategy and targets by the end of 2013. [2] Communication of Change plan 1. Repose of communication; Kombi created a change plan in order to reform and restructure the Company to ‘navigate through the new wave of digitization.

‘ 2. Kombi had his first board of directors and shareholders’ meeting held on June 28, 2012 and thereafter followed with frequent meetings. 3. His style of delivery was an in person communication, this is one of the best and effective way to get instant responses and answers, One can tell by the tone, vision, gestures, voice 4. He communicated his change plan firstly, to Board of Directors, Managers and Shareholders for corrections, suggestions and approval. Osmosis’s actions for communication and initiating changes are a change image of a Coach. 5. Finally, He communicated the change plan affirmatively with a sense of power, urgency, vision and assurance of the change by saying “ The 80th anniversary of the Company’s foundation is in line with the success of this plan.

[10] Communicating piece of my own analysis Communication is very vital in our daily lives and for any organization to succeed or fail depends a lot on how well or effective communication is been handled in an organization. Mostly, the type of communication used to communicate the change plan depends on the type of leader or management image. When Fussily Corporation was experiencing rapid technological change in the film industry, President and CEO “ Shaggiest Kombi” of the company quickly

came up with a change plan and strategy to move into digitization and other product to maintain their market share on the arrest. [ 1 ] Kombi considered the type of audience he was going to communicate with to know which medium of delivery is best to communicate his idea.

In order to have a smooth transition and implementation of the new change plan without facing lot of resistance from Shareholders, Board of Directors and managers, he believed a lively and informal environment will make management much comfortable during their first face to face meeting followed with subsequent meetings until plan was accepted and approved by all management. After careful consideration, Kombi and Management cited to use a different approach to communicate plan of action by conducting a survey to know how their employees feel about the new change plan.