

Change Management is a People Business

Stephanie Schimang interviews Dirk Tesche – Interim Manager for special situations

I met Dirk Tesche in a Holiday Inn Hotel Bar next to my office in Frankfurt, Germany. Straight away the first look at him told me, this man is different - light leather bag under his coat, a black hat on his head and a welcoming smile on his face – a look you don't see often in Germany.

I think first of all I should introduce Dirk to you, as you might wonder, what kind of special person he seems to be. So here we go: Dirk has more than 40 years of professional experience, the last 15 years working as an Interim Manager for different international companies, driving change through Mergers & Acquisitions as well as insolvency proceedings with continuance. One of the companies he worked for as Interim Manager was Philipp Holzmann AG. It was the 2002 insolvency of Germany's former largest and one of the world's biggest construction companies. Through the insolvency process Dirks tasks included among others the structuralizing of Philipp Holzmanns' 320 international subsidiaries and associated companies. The winding-up embraces till today nearly 60 kilometer (or 37,3 miles) of records – and as far as is known, the process is still not finished.

Let's come to the interview and enjoyable midmorning I had with Dirk:
Through the last 15 years, Dirk was involved in all different kind of changing processes. Asking him in what kind of roles he drove those changes, his answer came immediately:

Dirk Tesche: *"I am always the Implementer unfortunately seen as the Invader and the first thing I have to do is to put up an umbrella to save the employees from fear. Afterwards the most important things I do are within the nonverbal area. Today you would say that I use my Soft-skills." With a smile he added: "To be honest, I'd rather call them Fluid-skills. I am able to obtain more information within one week, than anybody from the company itself. And you know why? Because – nobody – ever – takes – the – time – to – talk – with – the – staff ! What is natural for us, most controller or financiers have never done before - talking to their people. And that's what I do. I talk to them. I encourage them to get a chance to be part of solutions, to tell me what is happening in the company, I offer an open ear to them and for their anxieties. You know, my ears are my most important tools and I try to walk through a company twice a day, if possible. Because I am like a sponge, I need to absorb as much information as possible. Otherwise I couldn't follow my own understanding of leadership: Leading means to encourage employees to act by their own choice and for their own good."*

In Dirks eyes it is self-evident to talk with the General Manager or CEO (if they are still there) and to the shareholders, but the second hierarchical level is one of his most important "partners", as those people provide the base for operations. And Dirk would never forget the people working at the machines or the nice men and women from the front desk. "Because they know the daily business, they know the grapevine." And you should never underestimate the grapevine.

As a company, thinking about hiring an Interim Manager for situations like change, you might wonder for how long such a manager is needed. Dirk explained the following:

Dirk Tesche: *"Of course there is no fix statement I can give you, but in many cases it takes something around nine months." He made a pensive face and added: "But the magic number*

is three, not nine. Because within three seconds I need to get the sympathy of the others. Within three minutes I need to figure out if the sympathy is entitled and within the first three days, I need to know where the skeletons in the closet are and I have to find solutions about how to get rid of them within three weeks. Then we have three months to eliminate all skeletons and the hard work is done.

Ok, now you might wonder, why do I stay for another five months or more. And here you find a stumbling block, most companies can't handle. Yes, the business is getting better and they believe everything will come out fine. But that is wrong. For the next months I exchange the shovel for tweezers. Because now it's the time to talk to employees again, to convince them again and again. People don't change within two or three months. It takes time. And this time the company should invest to get the highest probability of success for the whole change process."

Asking Dirk what his most surprising change situation had been, where he was asked to help the company: he said:

Dirk Tesche: *"I was called for a change process, where a foreign company bought a French enterprise in summer and was extremely surprised that it is nearly impossible to make business in France during August (you need to know, that nearly everybody is on vacation in August, so most production companies are not producing anything). And on top, the production costs of the new company were way too high. So here several problems occurred just because somebody did not analyze or plan detailed enough, what would have been extremely necessary."*

Let's get the focus to the talent of companies, that you should not lose, when you are in a difficult situation, and it doesn't matter, if we look for example on the acquiring or the acquired side. As an interviewer it is always interesting to get deep insights in such processes and I really wanted to know, what companies do, to retain their talent. But the answer was honestly shocking: "Unfortunately often nothing." After this answer I needed to recollect myself. Imagine you are a company. You are going to merge with another company. You do this, because you see not only financial benefits, but technical process and innovation. How successful would such a merge be, when the partner company loses its talent?? And maybe you lose great talent from your company as well. It would be a catastrophe! So why on earth would you not try to retain your and the other companies' talent? Dirk answer's:

Dirk Tesche: *"Most of the "important" managers and executives are from finance or controlling. Most of them miss the importance of the whole aspect of empathy and even more dangerous how important employees are for the success of an enterprise. You can't measure everything in numbers, not when people are involved."*

So what do the people need in order to not leave their company? How do you try to retain the important talent?

Dirk Tesche: *"Most employees want to feel acceptance, appreciation and praise for their good work. The last thing they want or need in most cases is more money. Today's work is not only about money. It's about a right work-life-balance, reputation, authenticity and the knowledge, that somebody is listening. And here you see the benefit of hiring an Interim Manager. As an Interim Manager you must be able to juggle between managing, sales, psychology or your role as pastor. Most companies think in Excel and results. But Change Management is a People Business. Excel can't help you here."*

And with these wise words my interview with Dirk Tesche ended.

Thank you Dirk for giving me this fascinating insight of your work and the two hours, I really enjoyed while talking with you!

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