

PR1- A2: Consultant Training Toolkit

Chapter no.:1

Partner: ISOB

Changing lives. Opening minds

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1.0 Information about Chapter

Chapter's title: Overcoming mental barriers ("my business must stay what it always was")

Duration: 8 hours

Short introduction to the chapter:

The chapter includes addressing mental barriers to a digital mindset as well as teaching fundamental and innovative change management approaches, especially organizational resilience as well as lean management principles. Finally, success stories of micro-enterprises that stood out during the Covid-19 pandemic are presented.

In the first chapter we focus on the aspect of "overcoming mental barriers" to counteract killer phrases like "my business must remain the way it has always been" and to open up the space of possibilities. Below is a suggestion on how to do this to strengthen the competencies of change management, flexibility, adaptability, and creativity.

- need to break down mental barriers through rethinking in small and medium-sized companies
- what is change management?
- new strategies in change management
- concept of lean management
- establishing a successful lean culture in medium-sized companies - advantages and disadvantages
- planning future actions to implement the change
- success stories of companies that were able to overcome mental barriers

In order to make the necessity of overcoming mental barriers clear, the term "mental barrier" is first explained to the participants.

References to EU policies in line with this topic (if any):
Digital Competence Framework for Citizen (DigComp 2.2)

Methods of instructions:

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The chapter includes PowerPoint presentations, links to external sites, and instructions for reflection assignments.

Prerequisites of the students:

No prior knowledge is needed; ideally the learner is an entrepreneur of a microbusiness or has previous experience in managing an organization.

Learning aims and Objectives:

The analog and traditional business models are just barely functioning and yet it is clear that these will increasingly be a discontinued model in the coming years. Even if a baker or artisan is still needed in the future, they will need new skills to attract and retain customers. This requires new technological means and processes geared to the customer.

The main aims and objectives of this module focus on:

- Learners reflect on their mindset and mental barriers with regard to digital transformation
- Learners apply different methods of change management to their business and identify relevant trends and current problems
- Learners develop an exemplary change program and develop measures to mobilize their employees

Learning Outcomes Covered:

After completion of this module, the learners will be able to:

- To reflect on their mindset and discover and counteract mental barriers
- Get an overview of different change management methods, their benefits and use in the company
- Understand how to make their business resilient and develop change programs in order to adapt to trends and problems with foresight and speed
- Know how to mobilize their employees and get them into change mode

Skills and Competences:

Skills:

Organizational resilience, change management, digital culture

The learners will acquire creativity and methodological skills in the area of digital transformation and change management. Furthermore, the learners' ability to reflect is stimulated and trained in order to achieve flexibility adaptability. Microenterprises face numerous challenges with regard to the

further development of their business model. Furthermore, the learners' ability to reflect is stimulated and trained in order to achieve flexibility adaptability.

Competences:

adapt to change and digital transformation, change management strategies, lean management approach, lean methods, lean culture, planning future actions, project management, mental barriers, resilience, four sight method, business model, trend analysis, success factors, organizational resilience, digital culture, change curve, digital mindset, mental resources, problem solving tools

2.0 Information about each individual subchapter

Subchapter title: **The need to overcome mental barriers through change of mindset in SMEs**

Short introduction to the subchapter:

Mental barriers arise when there is a problem completing a task. A problem is defined as a difficult-to-answer question, due to which the actual fulfillment of the task cannot be achieved despite considerable effort. The obstacle here are often mental barriers that make it difficult for the individual to approach the desired, positive target situation. Solving the real problem involves overcoming the mental barrier. This requires mental resources and problem-solving skills.

The following diagram is recommended for visualization. It is important in the presentation that mental barriers can be overcome through mental resources, i.e. helpful and resilient ways of thinking and acting. The resilient ways of thinking and acting are tested and learned in the DigiEntAid intervention. In Chapter 2, for example, the aspect of "resilience" is dealt with in depth.

The diagram illustrates the following situation: Mental barriers exist when a person does not achieve their goals despite considerable effort (e.g. an entrepreneur does not make enough sales despite many regular customers and tries out new strategies for customer acquisition, e.g. discounts and loyalty cards with special offers). The problem is designed to take people from a stressful state (e.g., insufficient sales) to a satisfying state (e.g., enough sales and growth numbers). However, the problem in this example is not the low turnover, but the mental barrier behind it. There is a mental barrier

between the current problem and the desired target state: it complicates or prevents the path to the target state. So, the solution to the problem is not to solve the problem itself, but to overcome and remove the mental barrier.

Which mindsets prevent entrepreneurs from trying out new digital media and innovative technologies in customer acquisition? A statement could be: "That's not possible, others have already failed, and that's not possible with us - our new customers want to be addressed personally." Or: "It's all happening too quickly for me! I have more important things to do, otherwise my regular customers will run away from me." The diagram thus serves as a transition to the typical thinking barriers or "killer phrases" in digital transformation.

This is followed by dealing with mental resources, i.e. learning thinking skills such as optimism, gratitude, acceptance, compassion. It is the basis for the ability to solve problems, which is also part of the European reference framework for digital competence for citizens (DigComp 2.2.). Problem-solving ability means recognizing needs and problems and solving problem situations in digital environments in a reflected manner. For this purpose, digital tools are used to innovate processes and products in order to keep up with the digital evolution.



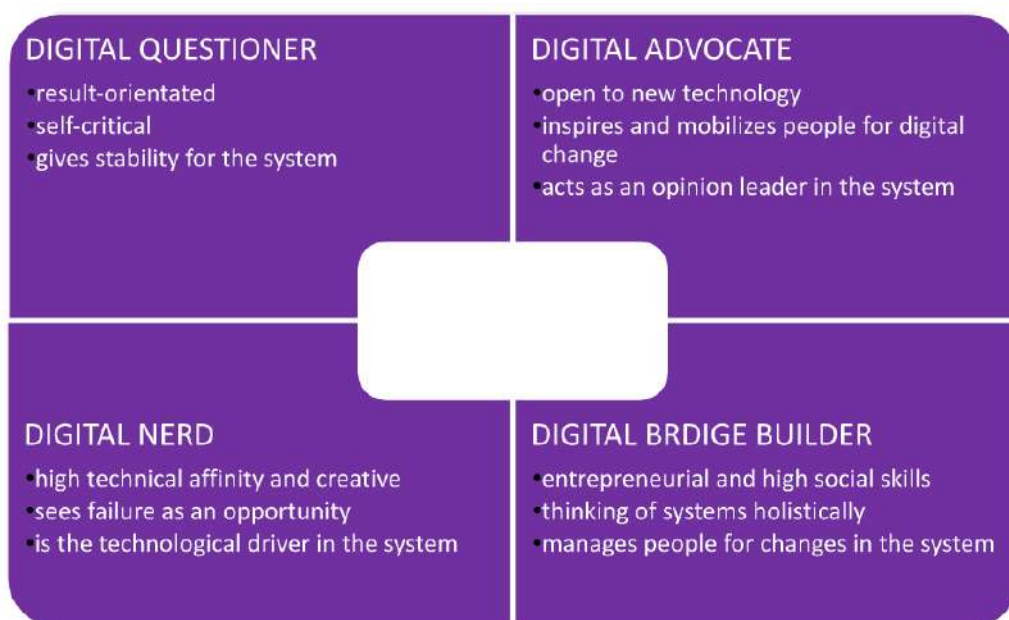
Both approaches can then be merged into the "Digital Mindset" concept, which refers to the "Digital Competence Indicator" model:

- openness and agility
- proactivity
- creativity and design motivation
- customer focus
- critical skills

- open-mindedness in dealing with mistakes

This is followed by the presentation of the roles that people play in the digital transformation. A distinction is made between four roles: digital questioner, digital advocate, digital nerd, and digital bridge builder.

In this subchapter, mental barriers related to digitization are explained and exercises are made to identify and activate one's own mental resources to increase problem-solving skills. In addition, learners will gain insight into the digital mindset. In addition, the learners will discuss their role in digitization and how their team is doing.



This is also the transition to the question "What is change management?" to make it clear that there are different ways to digital transformation or that different contributions can be made and that not every decision-maker has to be a digital nerd. Rather, it requires an entire team, possibly also external support, to support and participate in the digital transformation.

Subchapter title: **What is change management**

Short introduction to the subchapter:

In this subchapter, the learners will get an overview of the concept of change management, especially with reference to emotional reactions in the change process. With reference to the change curve, participants reflect on their mental barriers and mental resources with reference to the digital mindset.

The second subchapter also starts with a definition of terms in order to eliminate ambiguities: change management includes all managerial tasks and personnel development measures of operational change with the aim of implementing new strategies and developing behavioral routines as well as optimizing structures and processes.

Then follows the explanation of the steps for change management:

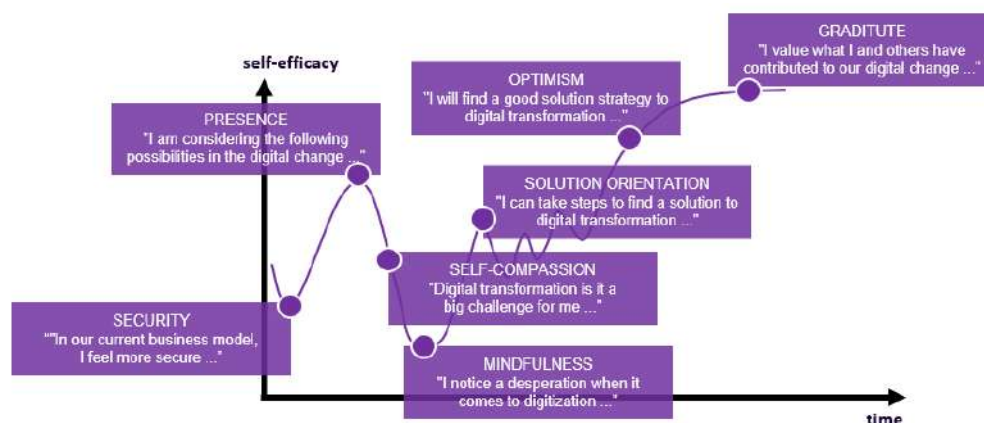
- conscious initialization: determining the need for change and activating people
- wish concept: set desirable goals and develop a participatory change program
- informed mobilization: communicating the program of change, collaborating, and encouraging change
- enabled implementation: implementation of tasks and projects through participation and reflected practice
- continuing change: anchoring the results of change, strengthening, and securing the willingness and ability to change

In order to build on the aspect of mental barriers, Lewin's change curve is then presented, which shows various emotional reactions in the change process that depend heavily on one's own self-efficacy expectation.

After an initial state of shock ("Covid19 pandemic - they are closing our business. this can't be true ...") an inner resistance ("Digitization can't help us here ...") usually develops, which over time turns into experiences of frustration ("Maybe digital technologies are a possibility after all ...") and then develops into desperation ("Technical ones could really help us ..."). Here the low point is usually reached, which is often perceived as inescapable and never changeable. However, over time, given one's commitment to the process, self-efficacy increases, and so does the emotional response. Try and learn ("I'll try the technical means ...") usually turns into a realization ("Digital media actually works ...") after a relatively short time and, with further practice, an increasingly growing integration ("We take digitization for granted ...").

The emotional reactions describe mental barriers and can be prevented or at least reduced by mental resources. The following graphic can be used to show the participants the change curve with a view to mental resources. In this context, it is also interesting to show that mental resources count as "driving forces". Mental barriers, on the other hand, are "restraining forces" and can block the process of change, which cannot be stopped either. The change can be supported and maintained with the

mental resources, such as security and acceptance, presence, mindfulness, compassion, solution orientation, optimism, and gratitude.



Afterwards, the participants are guided to reflection in order to critically think through the first two sub-chapters, especially with a view to their own mental barriers and mental resources. The reflection exercise is also suitable as a partner exercise.

Only when your own mental barriers have been uncovered, or you are aware that everyone has mental barriers, should you move on to the next chapter: new strategies in change management.

Many participants will ask themselves how to promote change management in the organization? This is the transition to the next subchapter.

Subchapter title: **New strategies in change management**

Short introduction to the subchapter:

In this subchapter, learners will get to know "Organizational Resilience" as new strategies in change management. In addition, participants reflect on themselves and protect their organizational resilience.

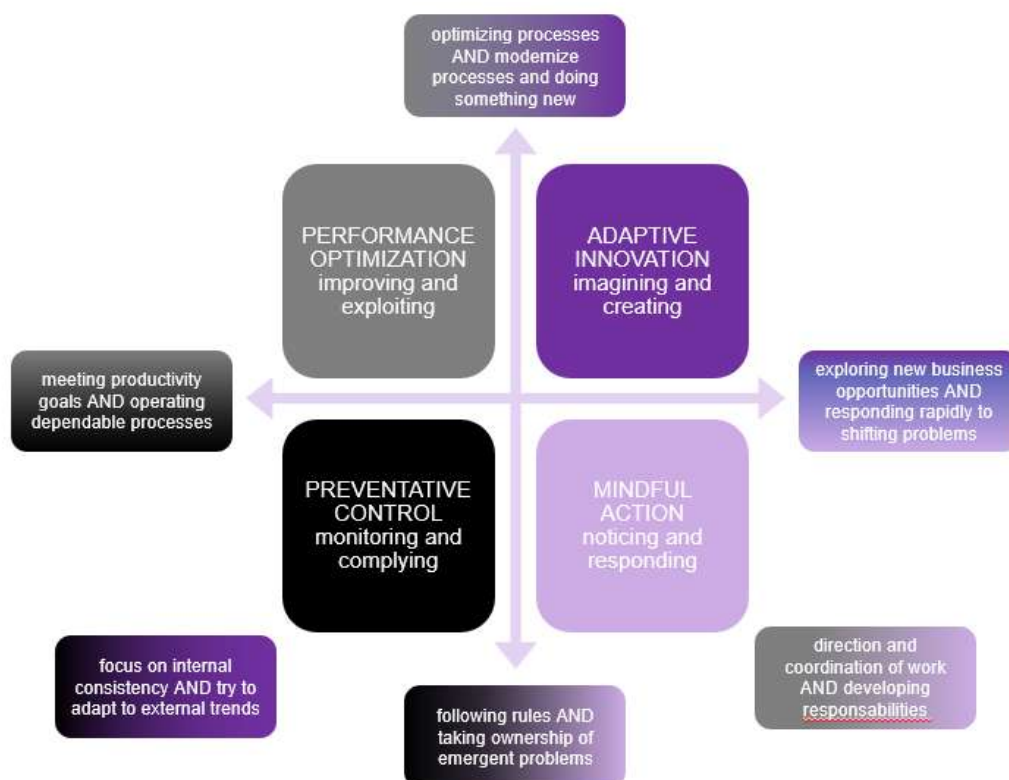
The concept of organizational resilience is present with a view to removing mental barriers and strengthening mental resources, which is also deepened in Chapter 2.

At the beginning, the participants are explained the term: Organizational resilience enables SMEs to anticipate and adapt to fundamental changes and sudden disruptions in order to keep the business running.

There are two approaches to organizational resilience, which can be divided into defensive (“preventing bad things from happening”) and progressive organizational resilience (“allowing good things to happen”). Organizational resilience requires:

- control (risk management) and compliance (standard operating procedures)
- proactive management focused on identifying and responding to threats and opportunities
- improvement, refinement, extension and use of existing assets and paradigms
- changing before the cost of not changing becomes too great
- learning new things by changing the underlying values and assumptions

The model of organizational resilience is then shown to you again visually. The following literature is recommended in this context: Denyer D. Organizational Resilience: A summary of academic evidence, business insights and new thinking. BSI and Cranfield School of Management, 2017, <https://www.cranfield.ac.uk/-/media/images-for-new-website/som-media-room/images/organisational-report-david-denyer.ashx#:~:text=Organizational%20Resilience%20is%20the%20ability,order%20to%20survive%20and%20prosper> (retrieved on 13.12.23).



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Subchapter title: **The concept of lean management and establishing a successful lean culture at SMEs pros`n`cons**

Short introduction to the subchapter:

In this subchapter, the learners will get to know the concept of "Lean Management" in order to get first impressions on digital facilitation and IT support. The subchapter also includes the advantages and disadvantages of lean management methods.

The following definition is a good place to start: Lean Management is a corporate philosophy for the effective ("doing the right things"), efficient ("doing things right") customer-oriented design and continuous improvement of the value chain including its processes, people, and purposes. The Japanese management approach focuses on avoiding "waste" (activities without customer benefit) including reducing errors. Ideally, the principles of lean management are then presented to the participants.

- understand and define customer value ("anything your customer is willing to pay for")
- identify and map the value stream using the customer's value as a reference point
- identify waste, eliminate, and reduce unnecessary processes and create a flow of value-adding activities
- adopt and transit to a pull-based inventory system
- continuous improvement through the pursuit of perfection

Here it is important to establish a connection to the participants. How do you understand your customer benefit and how is this reflected in your processes, products, and services? How wasteful are they currently in terms of lean management, i.e. what is the relationship between customer benefit activities and activities that bring little or no customer benefit?

The presentation of the three waste aspects of lean management is also suitable here and the description of some practical examples:

- muda: all activities that do not create value are considered "wasteful activities"
- muri: losses due to irregularities in work processes, such as stress, are called "overload"
- mura: losses due to missing or incomplete harmonization of capacities are identified as "overload or imbalance"

Subchapter title: **Planning future actions for applying change**

Short introduction to the subchapter:

The subchapter will introduce learners to the "Four Sight" method to help them become resilient in the future. In addition, participants will discuss possible trends and opportunities to modernize their business model and use innovative technologies for business purposes.

The subchapter is based on the organizational resilience and the possibilities that lean management offers. The project planning of change activities is not discussed here, but rather the acquisition of knowledge and observation for the initiation of change processes and mobilizing people. Because change management includes a leadership agenda for organizational resilience, especially for complex problems and critical business cases. The difficult thing about such challenges is that many stakeholders often have to be involved, there are gaps in knowledge and at the same time many opinions are circulating. Therefore, such situations require a change in behavior, a change in values and a reprioritization. To mobilize people, you must respond and create disruption and opportunity:

- forward-looking: anticipating and preparing for the future
- insight: interpret and respond to your present conditions
- oversight: monitor and review what happened and evaluate changes in
- hindsight: learn the right lessons from your experiences

The "four sights model" is also part of the previous literature suggestion: Denyer, Organizational Resilience: A summary of academic evidence, business insights and new thinking, 2017.

Subchapter title: **Success stories of companies able to overcome mental barriers**

Short introduction to the subchapter:

The subchapter provides learners with success stories of micro-enterprises that successfully adopted digitization measures as a change in their business model during the Covid-19 pandemic. In addition, participants discuss their observations and lessons learned to identify success factors.

The first success story is about "Donaustern". In times of the Covid-19 pandemic, she integrated an online shop and a virtual tour through her stationary shop into her business model. The lack of knowledge about the integration of these technological resources was initially a hindrance. The optimism of the managing director that the Covid-19 pandemic will pass was beneficial, but in order

to tackle the change, her openness and the social support of digital experts were an important mental resource that gave the impetus for change. Even after the Covid-19 pandemic, she is maintaining this digital strategy in order to acquire customers nationwide.

Another example is "Cookie Magic". At first glance a traditional business model based on the sale of baked goods. The entrepreneur relied primarily on social media and it works: her customer acquisition is no longer stationary, but mainly on Instagram and Facebook - she even gave up her shop. She works with influencers to increase her reach and is therefore always mentioned by start-up magazines as an example of good practice:

<https://dup-magazin.de/management/soziale-medien-facebook-kundenkommunikation/>

<https://www.deutsche-startups.de/2016/04/01/ueber-30-gruenderinnen-denen-man-on-twitter-absolutely-follow-shouldte/>

<https://www.regensburger-stadtzeitung.de/magazin/die-jungen-wilden-2-0-zu-besuch-bei-der-keksfee>

<https://anchor.fm/doris-gross/episodes/11-Laura-Berg--Grnderin-von-Kekszauber-ediuug>

<https://www.euoparegion.org/themen/ich-bin-gerne-chefin-895.html>

<https://www.mittelbayerische.de/region/regensburg-stadt-nachrichten/keksfee-verzaubert-regensburg-21179-art1810796.html>

Finally, the participants should be encouraged to contribute other good practices. Together, the success factors are identified, especially with a view to the mental resources presented.

Subchapter title: **References**

Short introduction to the subchapter:

References and bibliography related to the subject of the chapter.

3.0 Detailed Instructions for the trainer

Chapter 1

Step 1: Trainer must first become familiar with the introduction, aims and objectives and learning outcomes of the chapter as well as the European Framework of Digital Competencies for Citizen (DigComp 2.2).

Step 2: Trainer must teach the ppt file and uses the instructions for reflective exercises for the subchapters (slides 16, 25 and 29).

Step 3: At slide 15 the trainer must discuss with learners and collect their mental barriers and mental resources to find ways to drive digital change.

Step 4: At slide 18/19 the trainer needs to make sure the difference between individual and organizational resilience. The individual resilience is also described in Chapter 2.

Step 5: At slide 21/22 the trainer can additionally introduce some lean management tools, like Kanban or Six Sigma

Step 6: At slide 29 the trainer reflects experiences and collects further success stories.

Resources:

PPT:

Readings: /

Exercises: see the instruction within the PPT

Video:

Additional materials:

1. Denyer D. Organizational Resilience: A summary of academic evidence, business insights and new thinking. BSI and Cranfield School of Management, 2017.
2. <https://theleanway.net/>
3. Digital Competence Framework for Citizen (DigComp 2.2)

4.0 References

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2. Freyth A. *Persönliche Veränderungskompetenz und Agilität stärken. Praxisleitfaden für Mitarbeiter und Führungskräfte*. Springer Gabler, Wiesbaden, 2019.
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9. Womack J P. *Lean Thinking – Banish Waste and create wealth in your corporation*, *Journal of the Operational Research Society* 48(11), 2003.
10. Mangelsdorf J. *Positive Psychologie: Stärker durch die Krise*. *Deutschsprachiger Online Kongress für Positive Psychologie, Hoffnung wecken in der Krise*, 11.10.2020. https://www.youtube.com/watch?v=OQA5VCy6_04 (retrieved on 07.12.22)



Digital First Aid Kit ENTrepreneur's for recovering
from COVID-19 pandemic
Project Number: 2021-1-RO01-KA220-VET-
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