



Preparing for innovation and modernization

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“Change is hard because people overestimate the value of what they have and underestimate the value of what they may gain by giving that up.”

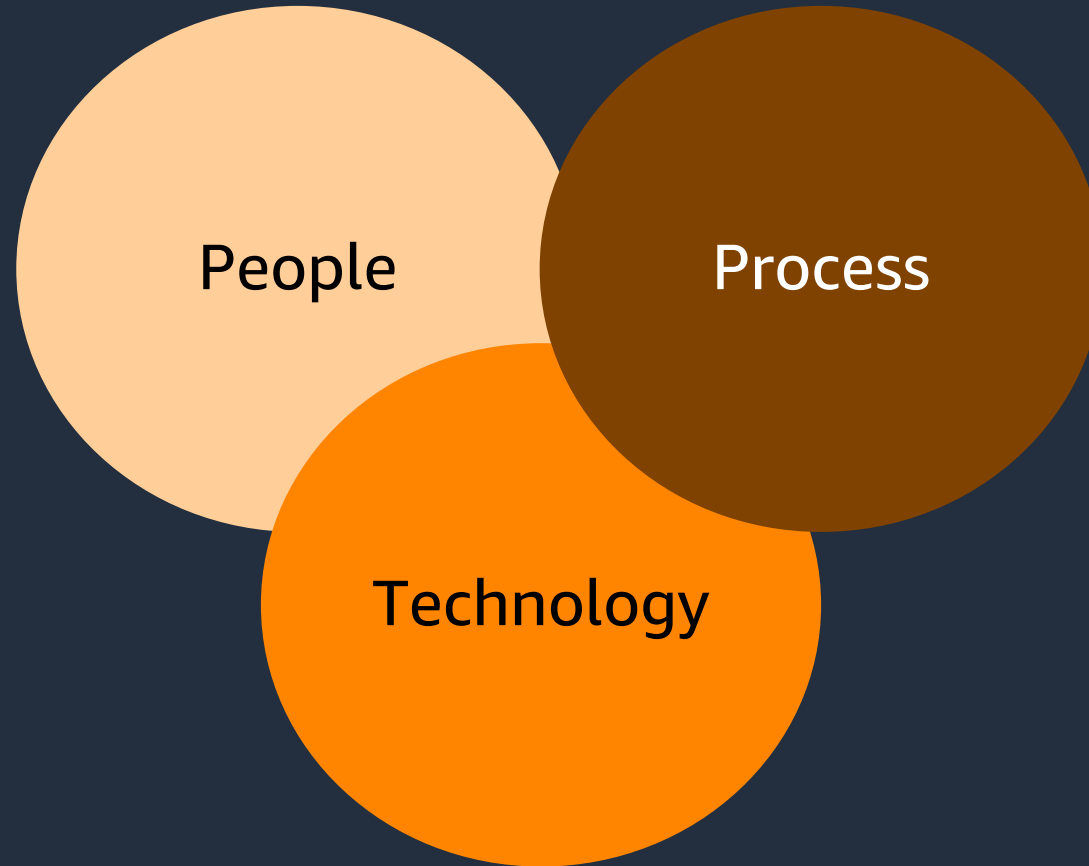
- *James Belasco and Ralph Staye*

80%

of government
transformation
efforts fail



Essential ingredients



Why does change need to be managed?

1. Change is inevitable.

2. Organizations tend to underestimate how much their environment is changing.

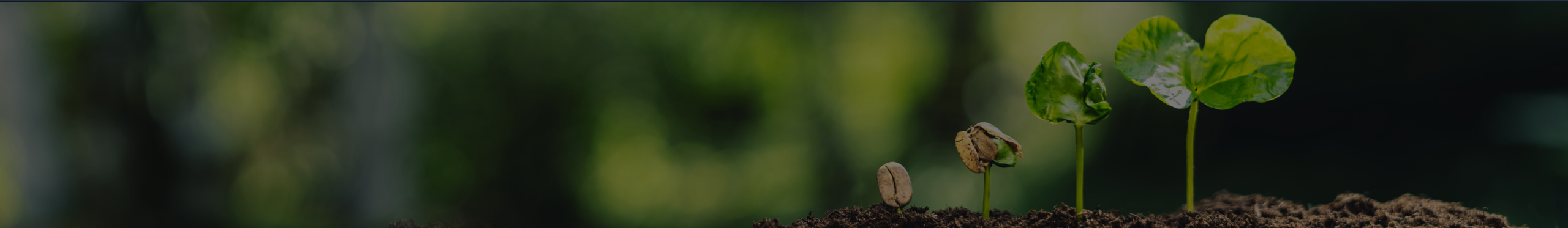
3. Passivity in the face of change can threaten an organization's existence.

4. Failure to adopt new technologies can lead to competitive disadvantage.

5. Without a common vision, individual actors within the organization will have different ideas about what change is needed.

6. Resources need to be made available in order to effect change.

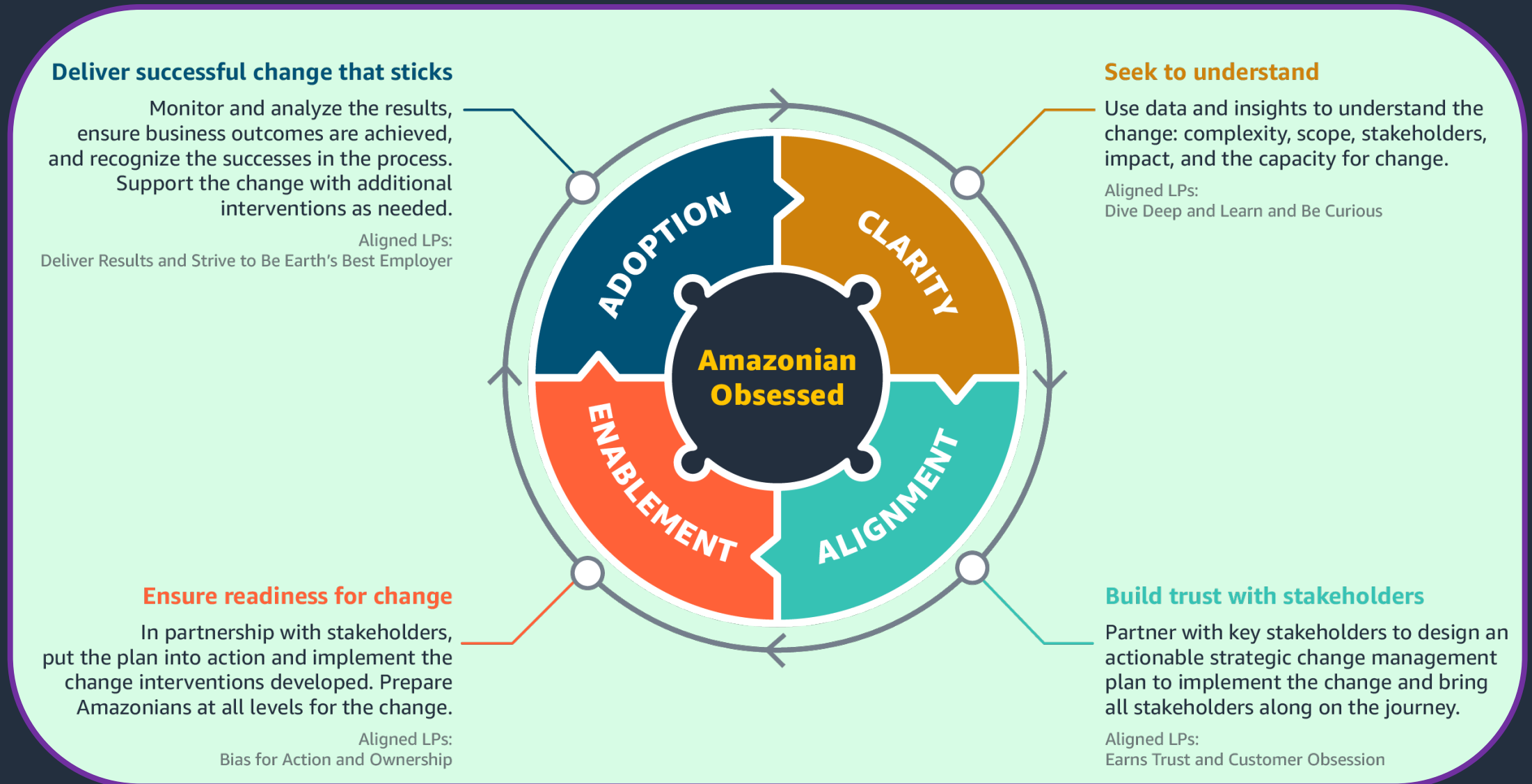
7. Coordination and group action is required to overcome significant obstacles.



Common change management frameworks

Framework Name	Change Management Process Overview
Kotter's 8-Step Process	Create → Build → Form → Enlist → Enable → Generate → Sustain → Institute
McKinsey 7-Ss	Structure + Strategy + Systems + Skills + Style + Staff + Shared Values
Prosci ADKAR Model	Awareness → Desire → Knowledge → Ability → Reinforcement
Lewin's Change Model	Unfreeze → Change → Refreeze
Kubler-Ross Stages	Shock → Anger → Bargaining → Depression → Acceptance
Satir Model	Old Status Quo → Resistance → Chaos → Integration → New Status Quo

Amazon's change management framework



Clarity: Seek to Understand

Use data and insights to understand the change

- Complexity
- Scope
- Stakeholders
- Impact
- Capacity for change

✓ Aligned Leadership Principles

- ✓ Dive Deep
- ✓ Learn and Be Curious

Goals: Develop a thorough understanding of the project, purpose, particulars, and people (4Ps), including the business problem necessitating the change, readiness for change, expected impacts, risks involved, and how success will be measured.

Alignment: Build Trust with Stakeholders

Partner with key stakeholders to design an actionable and strategic change management plan to deliver the change and bring all Amazonians along on the journey.

✓ Aligned Leadership Principles

- ✓ Earns Trust
- ✓ Customer Obsession

Goals: Develop a stakeholder engagement plan, a communication strategy, and plans for upskilling and reskilling, managing resistance, and building and sustaining a network of change-agents.

Enablement: Ensure Readiness for Change

In partnership with stakeholders, put the plan into action and implement the change interventions developed. Prepare Amazonians at all levels for the change.

✓ Aligned Leadership Principles

- ✓ Bias for Action
- ✓ Ownership

Goals: Ensure that stakeholders and project team are prepared to implement the change and determine what is necessary to make the change stick.

Adoption: Deliver Successful Change that Sticks

Monitor and analyze the results of the change, ensure that desired business outcomes are achieved, and recognize the successes in the process. Support the change with ongoing interventions as needed.

✓ Aligned Leadership Principles

- ✓ Deliver Results
- ✓ Strive to Be the Earth's Best Employer

Goals: Track specific adoption metrics and progress toward desired business outcomes. Debrief on the change and share key learnings through after-action review (AAR).

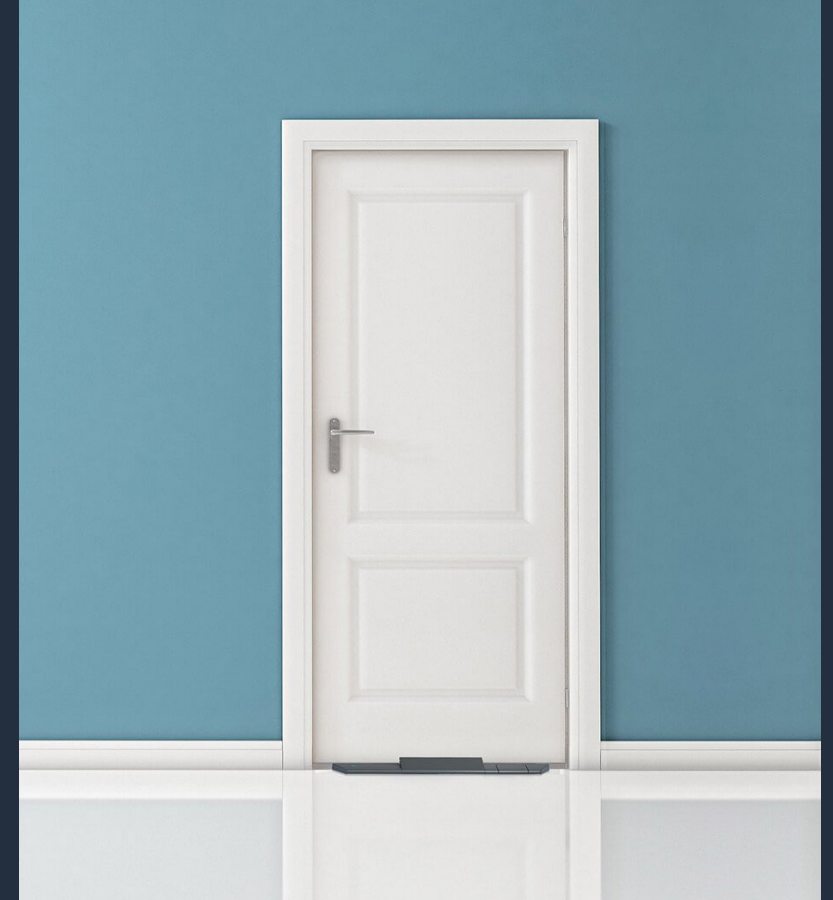
Amazon Leadership Principle:

Have Backbone; Disagree and Commit

Leaders are obligated to respectfully challenge decisions when they disagree, even when doing so is uncomfortable or exhausting. Leaders have conviction and are tenacious. They do not compromise for the sake of social cohesion. Once a decision is determined, they commit wholly.

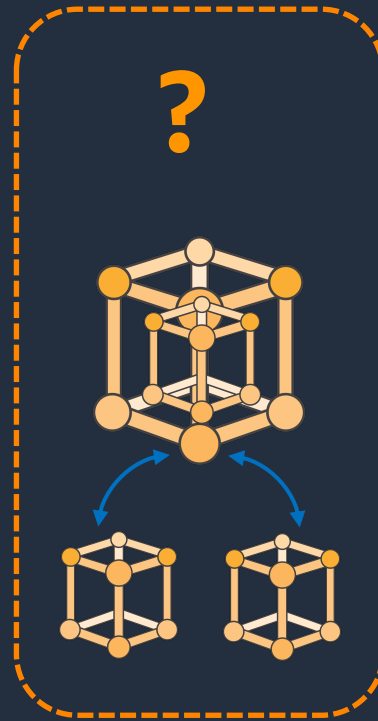
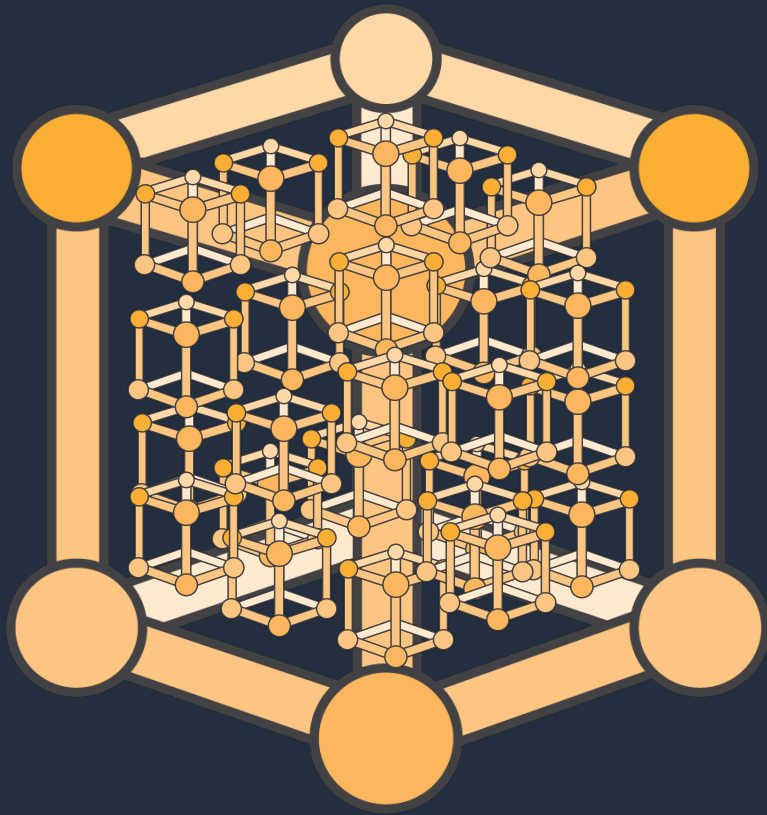
One-Way vs. Two-Way Door Decisions

- One-way doors are decisions that, once made, cannot easily be reversed.
- Two-way doors are decisions that can be reversed if the outcomes are not as desired.
- Many people assume decisions are one-way doors, when they actually are two-way doors.
- Recognizing two-way door decisions promotes a greater sense of experimentation and risk-taking and creates an environment where failure becomes a source of learning rather than a negative outcome.

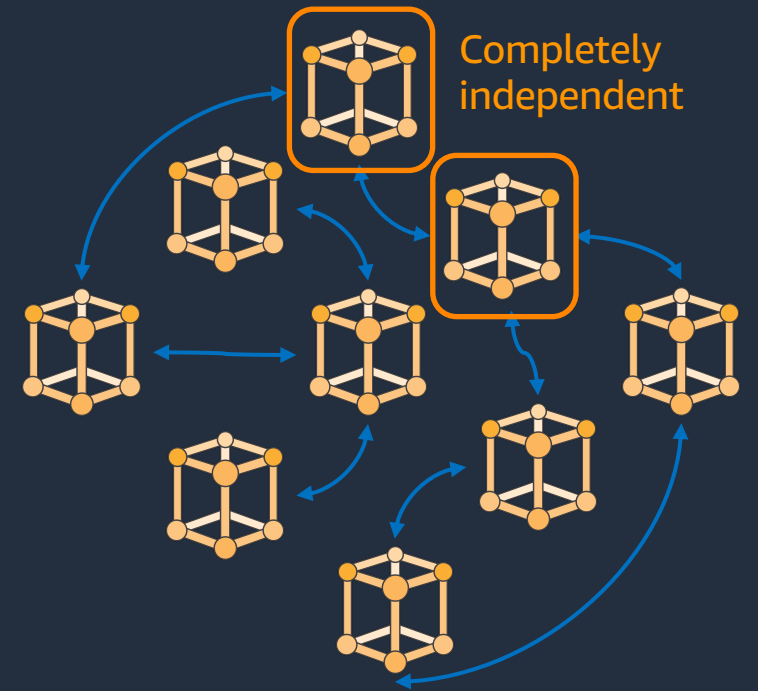


Monoliths → Microservices

Monolith

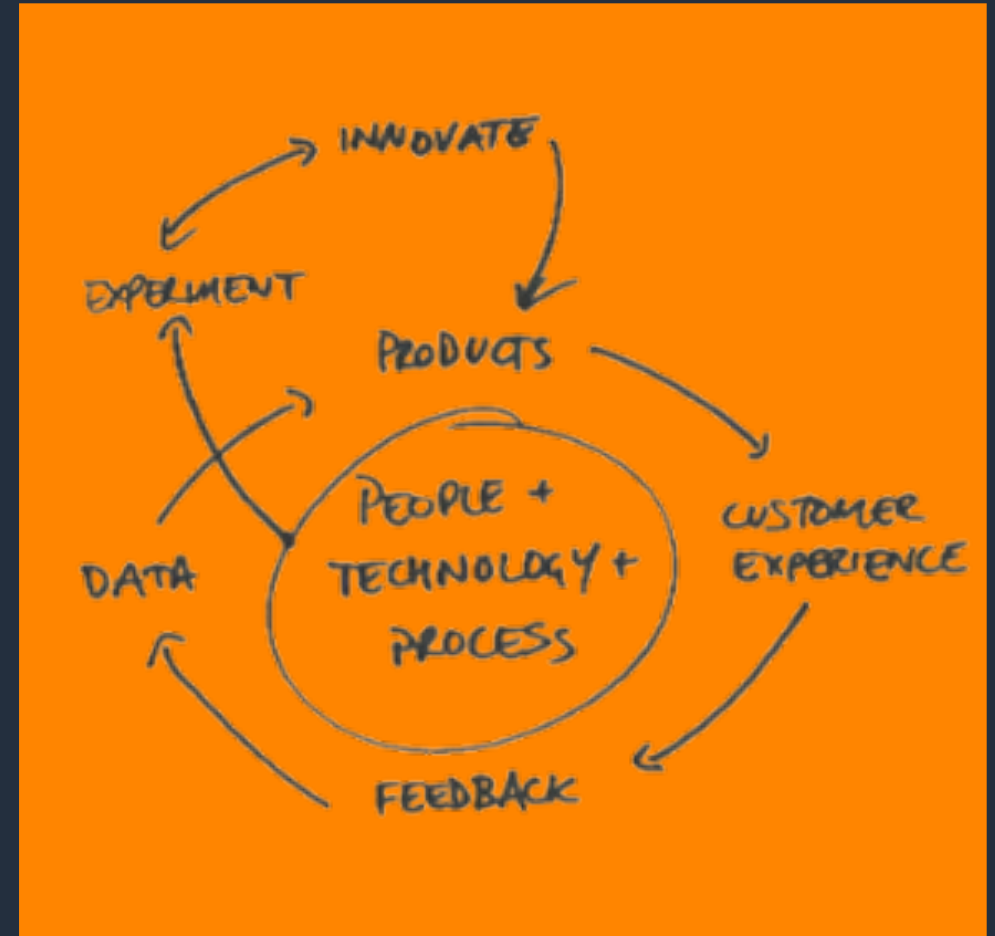


Microservices



The Innovation Flywheel

- The flywheel has been a central metaphor for innovation at Amazon since its earliest days
- Amazonians tackle large, complex problems by finding solutions to more tightly defined problems and then building out
- Success drives the flywheel both directly and through secondary drivers of innovation that emerge



**“Think big,
start small,
scale fast.”**

Where to start

People



Culture
Communication

Process



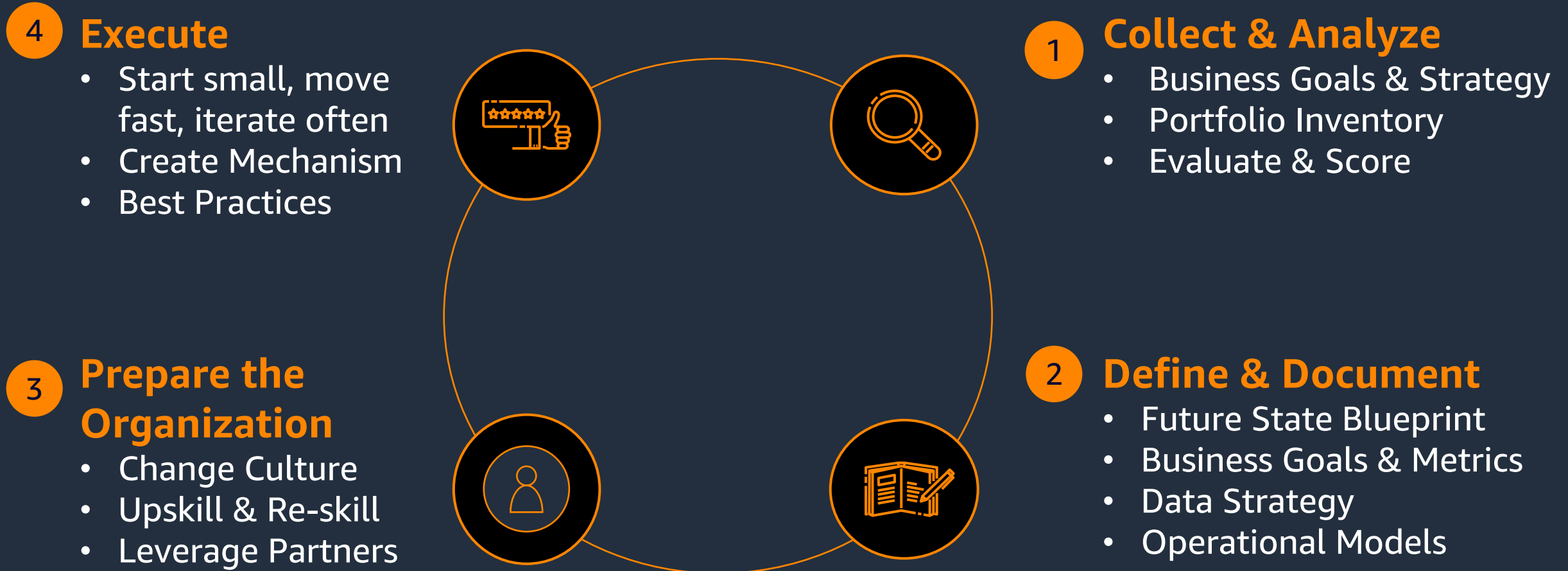
Don't "lift and shift"
Get rid of the "waste"

Technology



Start Small
Microservices

Phases of innovation & modernization





Thank you!

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