

# The ROI of Laying the Groundwork of Change Intelligence®:

*How a CQ® foundation equips leaders at every level to respond swiftly to a crisis and emerge stronger financially and culturally*



**Crisis.** It can be defined as a time of intense difficulty or trouble, when hard or important decisions must be made.

A crisis can cause urgency and extreme disruption in an instant. It ushers in chaos, uncertainty, fear, panic, and confusion about next steps. Our decisions seem to hold heavier weight during a crisis, as the outcomes can dramatically change our course.

When faced with crisis in business, leaders have no choice but to act.

But, what if their actions aren't quick enough, or if they misstep directionally? Or worse, what if leaders get lost in the chaos of crisis — uncertain about what to do next, paralyzed to make any decisions at all.

This scenario played out worldwide in 2020 with the COVID-19 pandemic.

While some organizations pivoted to adjust to the crisis and thrive, others languished and suffered severe economic losses.

As Warren Buffet states, “it’s only when the tide goes out that you learn who has been swimming naked.”

It’s impossible to know when the next crisis will hit, but preparing today to positively and powerfully lead during crisis safeguards the future of your organization and those it serves.

This preparation is exactly how one organization was able to act swiftly and make crucial business decisions, driving positive impact during the COVID-19 crisis.

Rock Valley Credit Union (RVCU) started preparing their entire workforce, from the CEO to the frontline employees, with Change Intelligence (CQ) in 2018. An impact study of their pre-pandemic results in 2019 revealed that all employees felt better equipped to collaborate and lead through change. When the COVID-19 crisis hit, the workforce had an enabling foundation to partner together and knew what to do. Dedicated preparation allowed RVCU to continue to execute on their strategic vision. Their leaders were properly and confidently empowered to navigate the chaos and disruption of COVID-19.



“*The biggest impact of CQ was that there was no pushback! Normally, people question decisions, and we didn’t hear that. We didn’t hear any concerns, or “it would have been nice if you would have” comments. We realized that because of CQ, we communicated exactly what they needed to hear to quickly embrace the necessary changes.*

— VP Member Experience

The result?

RVCU achieved their strategic goals in spite of the crisis. They improved operations and grew revenue, resulting in a positive financial impact of \$1.8M.

In this paper, we share the ways in which the CQ foundation of leading change with the Heart, the Head, and the Hands positioned RVCU for success amidst a global crisis.

The following is their story.

## Building the CQ Foundation

### ABOUT THE ORGANIZATION

RVCU is a member-based credit union located in the Midwest. RVCU’s purpose is to impact lives, influencing the community it serves through the cooperative spirit of people helping people.

Credit unions have faced fierce market competition due to frequent consolidations by larger banking institutions, making it difficult for small credit unions to compete. Increased customer demand for products and services compounds the pressure on credit unions to innovate in order to stay relevant. To survive, credit unions are forced to creatively find ways to reduce costs and streamline operations in an effort to keep up with the services customers demand.<sup>1</sup>

### THE CATALYST: A BOLD NEW CEO

In 2018, RVCU brought on a bold CEO with a strategic agenda to lead the organization in direct partnership with their Board. Together, they would reshape RVCU to meet the needs of its members while simultaneously keeping up with the rapid pace of competitive innovation.

The new CEO had a clear vision for the future direction of the company, unfolding new opportunities for growth, and positioning RVCU for a strong future. However, internal concerns ran high. Key components of the strategic plan, such as a digital transformation and branch closures, were perceived as “high tech” and at odds with the “high-touch” values of the heart-centered culture that encompassed RVCU as a whole.



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<sup>1</sup> Cocheo, Steve (2020). New Challenges, Competitive Threats Sharing Financial Waters. The Financial Brand. <https://thefinancialbrand.com/82480/bank-credit-union-competition-innovation/>

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*I'm more Hands-oriented and I like to make sure that in my emails I'm concise about how things need to be done. I have to be non-technical when I explain things such as remote access, walking through it clearly.*

— VP Information Services

## THE RIGHT SOLUTION FOR SUCCESS

For RVCU the solution was the CQ® System for Developing Change Intelligence®, a humanistic model of leading change, created by Dr. Barbara Trautlein, principal and founder of Change Catalysts.

Change Intelligence (or CQ) is the awareness of one's own Change Leadership Style and the ability to adapt one's style to be optimally effective in leading change across a variety of people and situations.<sup>2</sup> A unique identifier of the CQ System is the innovative focus on humanizing elements to engage the Heart, enlighten the Head, and equip the Hands to positively effect change (Figure 1).

Sensing that the proposed strategy would be met with resistance, the VP of HR brought CQ into the organization to arm the Leadership Team with strategies to connect members and staff with the radically new vision.

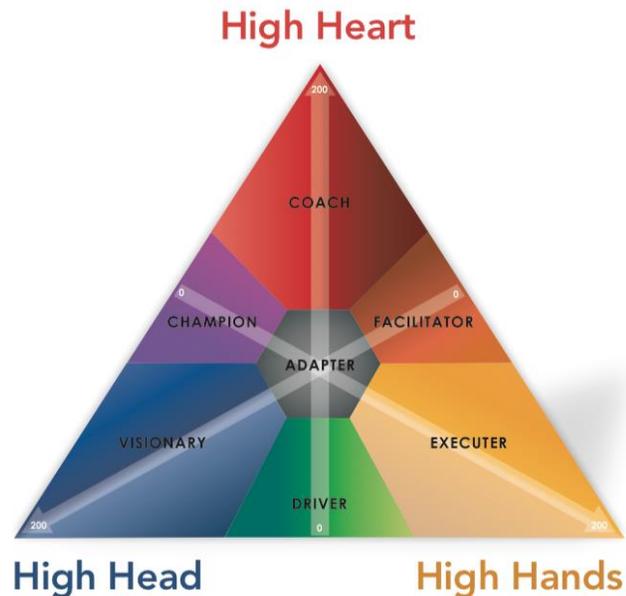


Figure 1. The Change Intelligence/CQ Model.



<sup>2</sup> Barbara A. Trautlein, PhD. (2013). *Change Intelligence: Use the Power of CQ® to Lead Change that Sticks*. Austin, TX: Greenleaf Book Press.

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*We are very progressive in technology and the products that we offer. We've retained our customer focus and our passion is providing great member experience and not treating them as a number.*

— *Member Services Representative*

## EQUIPPING LEADERS-AT-ALL-LEVELS WITH CQ

In July 2018, RVCU held its first CQ Workshop for the Leadership Team. Dr. Trautlein and the VP of HR used the CQ Model internally to coach the new CEO and other leaders, and deployed methods such as the Change Intelligent Communications Tool to guide engagement.

In January of 2019, RVCU held its second CQ Workshop. This time, the training was provided for all staff, enabling every person to see themselves as a “change leader”. This allowed a common language and approach for the organization as a whole to plan and execute change together: to give and receive feedback up, down, and across the organization about what’s working, what’s not, and how the organization can course correct for success and sustainability.

In summary, the full Change Intelligent Learning Journey included:

1. **The CQ Assessment** to learn one’s own individual Change Leader Style
2. **CQ Workshops** to develop collective Change Intelligence, including building Change Intelligent teams and collaborating to plan/implement/evaluate change in a way that’s “smart” and sticks
3. **Coaching** to integrate the concepts and leverage the tools into practical actions

During that timeframe, RVCU began to execute on its 2019 strategic plan with a focus on the following:

- Increase member wallet share
- Reduce operational expenses
- Grow assets
- Increase member utilization of remote/digital services
- Implement additional technology for remote services

In August of 2019, RVCU’s CEO invited their Board members to participate in a CQ Workshop. This engagement aligned the Board even more with the new strategic direction and RVCU’s change style, while simultaneously helping Board members uncover and leverage their own individual and collective Change Intelligence. Following the workshop, the Board was able to support the CEO more effectively, and in turn, uphold RVCU more completely as a whole.

By the end of 2019, RVCU was on-course, developing and deploying CQ to lead themselves and their members toward achieving the ambitious strategic goals. The organization was seeing success in financial metrics and then. ...

*In 2020 the pandemic struck!*





*When the crisis hit, we had to close our lobbies and offer drive through only, online digital and no face-to-face. Overnight, 43% of staff had to work remotely and that was a significant change and stress on IT. We had to learn a lot of new technology quickly and it was a learning curve. But the speed was the biggest issue, and CQ helped us adapt.*

— VP Member Experience

## CHANGE INTELLIGENTLY LEADING THROUGH CRISIS

Worldwide, organizations were thrown into uncertainty and chaos, not knowing where to begin and how to decipher next steps. Some leaders optimistically believed in 'two weeks to flatten the curve' and then everything would be back to normal.

However, it soon became apparent that the entire global community was facing a crisis unlike any experienced before, with an unclear path forward or end game.

Many leaders around the world determined survival would be the only imaginable objective for 2020. The leaders at RVCU had a different plan. They set their sights on effectively moving their strategic plan forward, despite the pandemic and unknowns ahead.

Through coaching with Dr. Trautlein, the Leadership Team at RVCU took the first step towards courageously leading towards their future. In the first month of the lockdown, they reviewed the Change Intelligent Analysis & Action Planning Tool to thoughtfully consider their response and leadership through the COVID-19 crisis thus far.

Careful analysis of the successful ways the team was already making gains in the strategic plan through leading the Heart (focusing on people, teams, and culture), Head (focusing on vision, mission, and metrics), and Hands (focusing on plans, process, and tactics), allowed the Leadership Team to speedily assess where to focus their efforts to get the most traction despite the pandemic.

## RESULTS

The foundation of change-capability-building from CQ put RVCU in a better position to proactively and effectively manage through the COVID-19 crisis. The positive impacts, including financial health and stable operations, were significant. RVCU leaders were rated by staff as leaning into the following CQ capabilities:

1. **Head:** Inspiring them to see the big picture and how the changes serve members and the mission
2. **Heart:** Intentionally balancing managing staff to get tasks done with checking in with them as people, and
3. **Hands:** Helping staff achieve stability in shifting times, by adopting effective processes and procedures.

This work resulted in a significant monetary gain of \$1.8M.

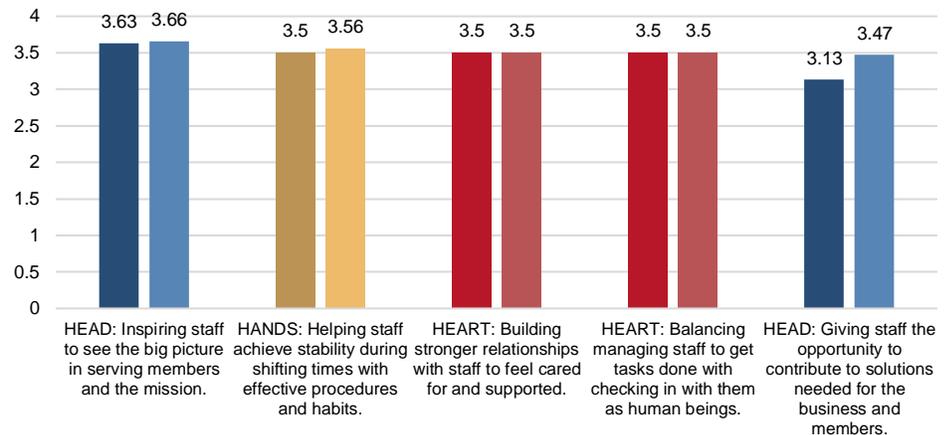


“ I’ve noticed when they [senior leaders] have made decisions instead of making quick decisions, they have made sure to look at it from different angles. I’ve seen them using this [CQ] and it was clear that they were thinking about the how and the Hands. It’s complete and thorough when they use the Head. The direction and why is clear.

— Member Services Representative

## HOW LEADERS LED THROUGH CRISIS

RVCU leaders were rated by staff as proactively and confidently embracing CQ capabilities that helped the employees see the big picture, achieve stability, build relationships, balance work, and give them the opportunity to contribute (Figure 2). These results were an important indication of the foundational groundwork that had been completed prior to the pandemic, noting that not only did the leadership team members rate themselves as implementing these CQ skills, but perhaps most important, the staff recognized them doing it. These essential skills accelerated the organization in achieving their strategic plan in spite of the crisis.



Color key: Leaders Darker shade Staff Lighter shade

Scale: 4 = Significant improvement 3 = Moderate improvement 2 = Some improvement  
1 = Slight improvement 0 = Unsure or not applicable

Figure 2. RVCU Leaders' top 5 Change Intelligence/CQ skills used to lead through the crisis as rated by staff.

## EASE, SPEED TO DIGITAL, AND COST SAVINGS & ROI

By equipping the entire workforce at every level with CQ during 2018-2019, resistance to the new “high tech” strategy had been eliminated prior to the pandemic. At the conclusion of 2019, RVCU had already made significant progress towards implementing digital technologies. In addition to the decrease in operational costs, revenue also grew, resulting in a net annual income increase of \$1,120,048 from December 2017 to December 2020.

When the pandemic hit, RVCU was able to *further capitalize* on their success and rapidly transition members to digital during the pandemic *faster than their competition*.

Like other organizations, RVCU had to close its lobbies, pivot to offer drive-through and digital services and was unable to offer the usual face-to-face interaction with its members. Overnight, 43% of RVCU staff began working remotely. Working from



“ I don't like to leave things vague, and I don't think about the Heart or Head. I'm usually more triage oriented. Now, when someone is upset, I know they are coming at it from a different direction, and I try to be sensitive.

— VP Information Services

home was a significant change and created stress on IT and employees who had to learn new technology overnight. But because of the foundation built through CQ, RVCU adapted more quickly and financially outperformed the competition by reducing operating expenses per member (Table 1).

This rapid digital adaptation allowed for greater cost savings and increased revenue. The percent of RVCU members who used remote services increased pre-pandemic, and the forward momentum continued throughout the crisis (Table 1).

In the past, when leading change at RVCU, staff would question changes and express concerns in a way that slowed down uptake and implementation. Instead, staff got onboard with the changes, fast. Questions and concerns were geared towards inventing workable solutions, versus resisting. Most significant and critical to success, the Leadership Team *didn't experience any pushback* as they managed through the pandemic and change associated with it.

AREA	IMPROVEMENT	VALUE
Cost Savings	Operational costs saved by closing the two locations earlier than planned. These locations were not financially beneficial to the majority of members (only 3% of members utilizing the locations), and they were expensive to operate (\$25k/month). Historically, RVCU would have received 'pushback,' but because of using a Change Intelligent approach, staff was able to work together in way that made it feasible to close these locations earlier and more smoothly than planned. RVCU closed two locations in September 2019 and was able to avoid the costs associated with these leases, which were originally set to expire in July 2020. By saving 10 months of leasing fees, RVCU saved \$500,000.	\$500,000
Revenue Increase	Speed to digital adaptation increased allowing for an operational cost saving. Percent of members using a remote service increased from 64.23% in Q4 2018 to 67.06% in Q4 2019 and then to 70.69% in Q4 2020. In addition to a decrease in operational costs, revenue also increased during this time. The net income from 2017 to 2020 increased 31% or \$1,120,048.	\$1,120,048



“ I learned that I’m a Hands person, and I know that in order to be fulfilled and do what I’m best at, I need to be serving others and helping others.

— Member Services Representative

AREA	IMPROVEMENT	VALUE
<b>Competitive Advantage</b>	Advantage over competition due to instituting digital strategy pre-COVID-19. RVCU was ready before COVID-19, positioning the organization for success and outperforming its local peer. Specifically, RVCU’s operating expenses per member was \$52 less than peer in 2018 and \$63 less than peer in 2020, equating to an annual savings of \$194,304.	\$194,304

Table 1. Monetary impacts of driving the RVCU strategic plan up to and through crisis with CQ.

When the costs of this investment were taken into consideration, RVCU leaders attributed 25% of the financial impact to have resulted from implementation of CQ capabilities, producing a \$453,588 positive impact (Table 2).

IMPROVEMENT	VALUE
<b>TOTAL MONETARY GAINS + SAVINGS</b>	\$1,815,352
<b>25% ATTRIBUTED TO CQ BY CEO</b>	\$453,588

Table 2. Financial impacts related to CQ.

Despite the daunting pandemic with no timeline for a ‘return to normal,’ RVCU was able to nimbly pivot using CQ to help both their internal teams and external members navigate the new landscape successfully.



When faced with a consequential turning point, RVCU used their CQ skills, and compounded them throughout the organization to make agile and substantial improvements. Leaders communicated effectively with their staff, gained their support in an unprecedented timeframe, and immediately implemented adjustments to keep the business on track. Staff was focused and wasted little time adapting to new requirements — and played mission-critical roles in stepping-up to advance key business strategies in the midst of the chaos of crisis.

RVCU did more than survive a crisis, they thrived and increased profits, emerging stronger financially and culturally. Very few organizations have experienced such a positive outcome amidst the pandemic.

RVCU's solid foundation of change capability powered by CQ, matched by the bold new strategic vision of the CEO, proved to be a winning combination setting them up for success today, and well into the future ahead.

*“People helping people. That’s our motto and I enjoy assisting members with important things in their life.”*

— Member Services Representative



## Change Catalysts, LLC Company Description

Change Catalysts, LLC, is the home of the CQ® System for developing Change Intelligence®. For over 30 years, we have collaborated with clients in a wide variety of industries around the world to catalyze transformational change, producing meaningful and measurable results. We partner with leaders-at-all levels to design and deliver customized solutions, which elevate organizational, team, and individual performance. Keeping our fingers on the pulse of global business trends through our innovative, proprietary research initiatives enables our strategies to be continually fresh, relevant, and grounded. Change Catalysts is a certified woman-owned business and a Qualified Education Provider with the Association for Talent Development (ATD), Association of Change Management Professionals (ACMP), the Human Resource Certification Institute (HRCI), the International Coaching Federation (ICF), the Project Management Institute (PMI), and the Society for Human Resource Management (SHRM).

