

THE CASE FOR CHANGE
KINGS HILL COMMUNITY CENTRE (KHCC)

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EXECUTIVE SUMMARY

SECTION ONE

This considers the key external and internal issues impacting KHCC, identifies three changes that could add value for KHCC's customers and the community centre itself, and then recommends which change option is chosen. It lists the costs involved for that change and then justifies the selected change through assessing the benefits.

SECTION TWO

This looks at the key skills and resources required to facilitate the change and discusses how KHCC's proposed change is related to wider brand strategy.

SECTION THREE

This questions which change management issues need to be addressed to ensure change success, provides relevant Key Performance Indicators (KPIs) for controlling the change and outlines a project planning process.

COMMUNITY SUMMARY

COMMUNITY NAME: Kings Hill Community Centre (KHCC)

PORTFOLIO OF SERVICES PROVIDED:

The community centre provides a full hiring and bar and catering service to businesses and residents in Kings Hill, Kent. "While facility condition is important, it is the people and activities that make community centres places that people want to visit. They need to be inviting, well managed and easy to access." Provision is for "not only community hubs and community halls but also community rooms."

INCOME SPLIT:

KHCC has projected total income for 2019 to 2020 of £143,850 (of which £134,850 was projected to derive from hire income, £6,500 bar & catering, and £2,500 event income), (all data is pre Covid-19).

PROFITABILITY:

Projected net gain (of projected income less projected costs) of £3000 in 2019/2020 (pre Covid-19).

CUSTOMER BASE:

Large and small businesses based near Kings Hill. Residents of Kings Hill and surrounding villages.

SECTORS SERVED:

The community centre does not specialise in serving one sector. It has worked with business owners, corporates, youth and retirement organisations, charities, and educational establishments.

MAIN COMPETITORS:

There are many organisations in and around Kings Hill which currently compete with the community centre and identify themselves as suitable for providing like for like community and/or corporate services. These include local schools, Kings Hill Golf Club, The Spitfire pub, Churchill Square and Regus business centre.

SECTION ONE: BUILDING THE CASE FOR CHANGE

What are the important external and internal organisational issues facing KHCC?

TABLE 1.0: THIS SHOWS THE IMPORTANT EXTERNAL ISSUES FACING KHCC

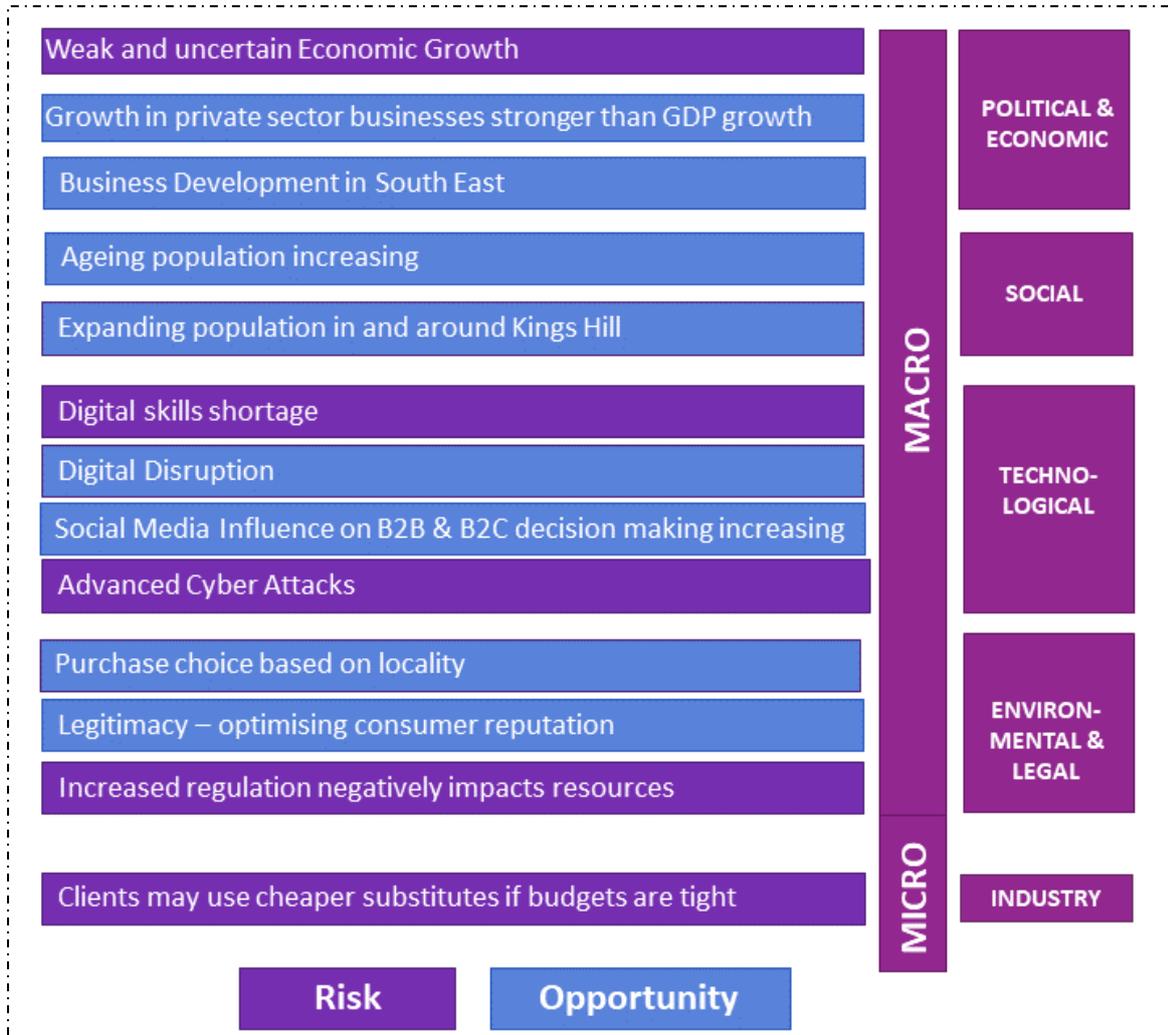
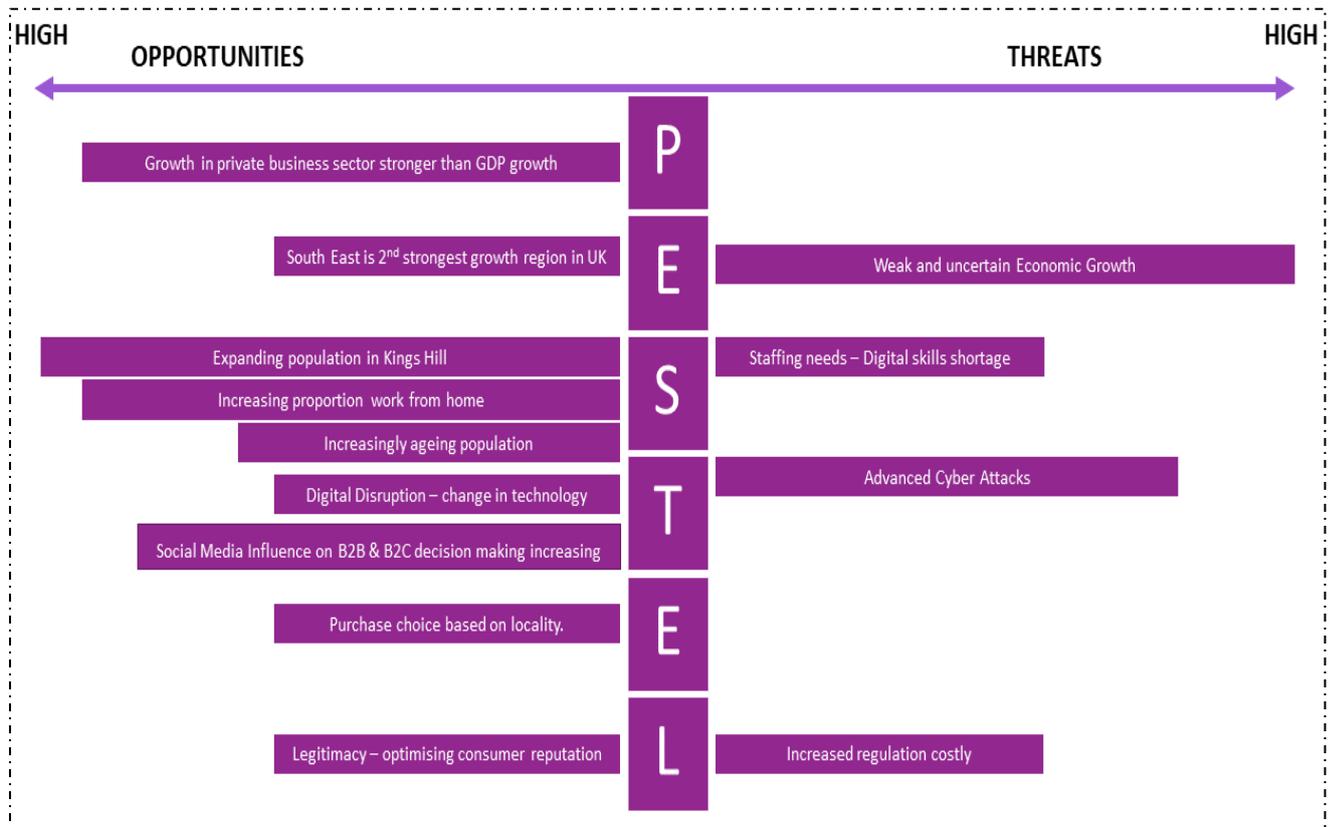


TABLE 1.1: THIS SHOWS THE PESTEL IMPACT ON KHCC (Political and Economic, Social, Technological, Environmental and Legal).



These key PESTEL factors (Political and Economic, Social, Technological, Environmental and Legal) present both opportunities and threats to KHCC. Those with medium to high significance are below:

Key external opportunities are:

- Expanding population in Kings Hill who may be unaware of what community space is available for them.
- Growth in the number of UK private sector businesses is much stronger than economic GDP growth. Ref: <https://www.theguardian.com/business/2020/aug/21/uk-private-sector-expands-fastest-pace-seven-years-august>)
- The South East is the strongest growth region next to London. (Ref: <https://www.statista.com/statistics/1004135/uk-gdp-by-region/>)
- Increasing proportion of people work from home and have a need to hire rooms for meetings and workshops. (Ref: <https://www.hso.co.uk/leased-lines/technology-news/homeworking-news/50-of-uk-workforce-to-work-remotely-by-2020>)
- Both businesses and general public customers base purchase choice on locality, together with reputation based on high standards, quality, and reliability.
- Social media influence on both B2C and B2B decision making increasing – opportunity for KHCC to build positive influence.
- An increasingly ageing population – possibility of recruiting them as volunteers (to act as brand ambassadors for KHCC.)
- Digital disruption – chance to use technology to benefit customers and KHCC.

These opportunities are considered alongside the challenging key risks facing KHCC.

Key external threats are:

- Economic pressures: weak economic growth and uncertainty with Covid-19 have strongly affected KHCC.
- Despite weakened economy, recruitment in the digital skills sector, is challenging. Hence, it is important to retain, train and develop current staff.
- Increased threat of cyber-attacks requires KHCC to invest in technology and training to ensure cyber security. (Ref: <https://www.ncsc.gov.uk/information/reducing-your-exposure-to-cyber-attack>).
- Increased regulatory requirements have a negative impact on resources.

Micro external issues facing KHCC.

TABLE 1.2: KHCC'S CURRENT POSITIONING WITHIN THE BUSINESS ROOM HIRE INDUSTRY - The table below shows how KHCC offerings for businesses (Rooms for Hire) are positioned versus their competitors

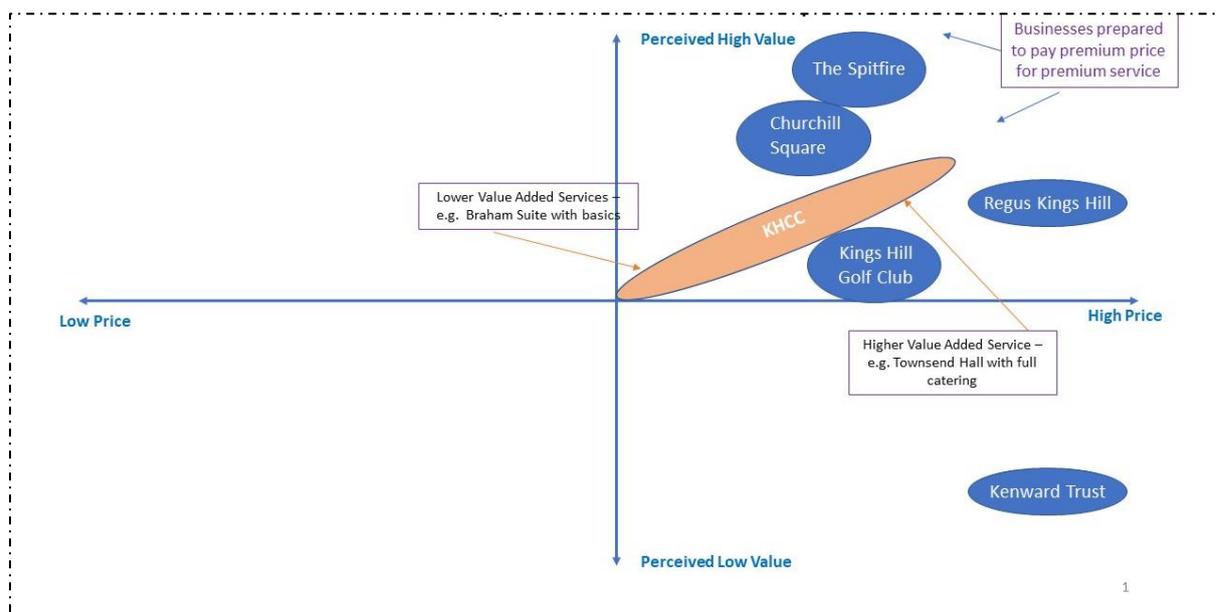
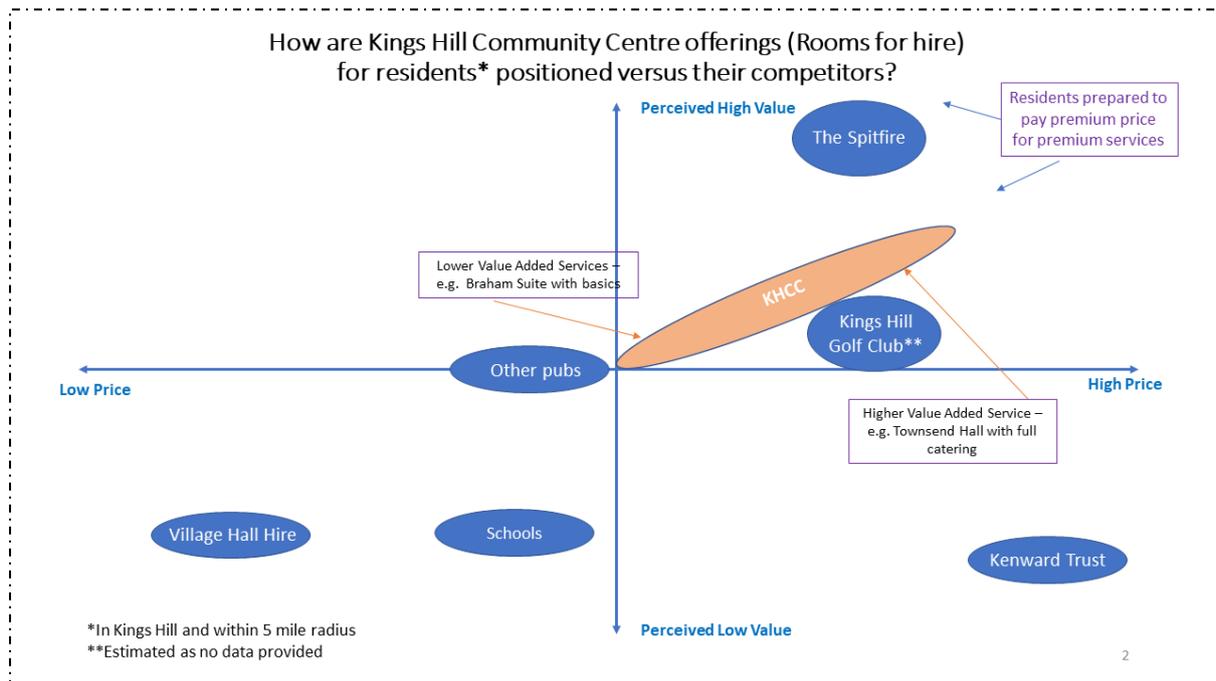


TABLE 1.3: KHCC'S CURRENT POSITIONING WITHIN THE RESIDENTS ROOM HIRE INDUSTRY - The table shows how KHCC offerings for RESIDENTS (Rooms for Hire) are positioned versus their competitors



KHCC is positioned in the “perceived high value and high price” quarter for residents’ room hire. It has a variety of offerings which range from mid-point on the price and value scale to a higher level.

Tables 1.4 and 1.5 below examine the industry’s competitive forces now and in the future.

TABLE 1.4: COMPETITIVE FORCES WITHIN THE BUSINESS AND PARTY ROOM HIRE INDUSTRY

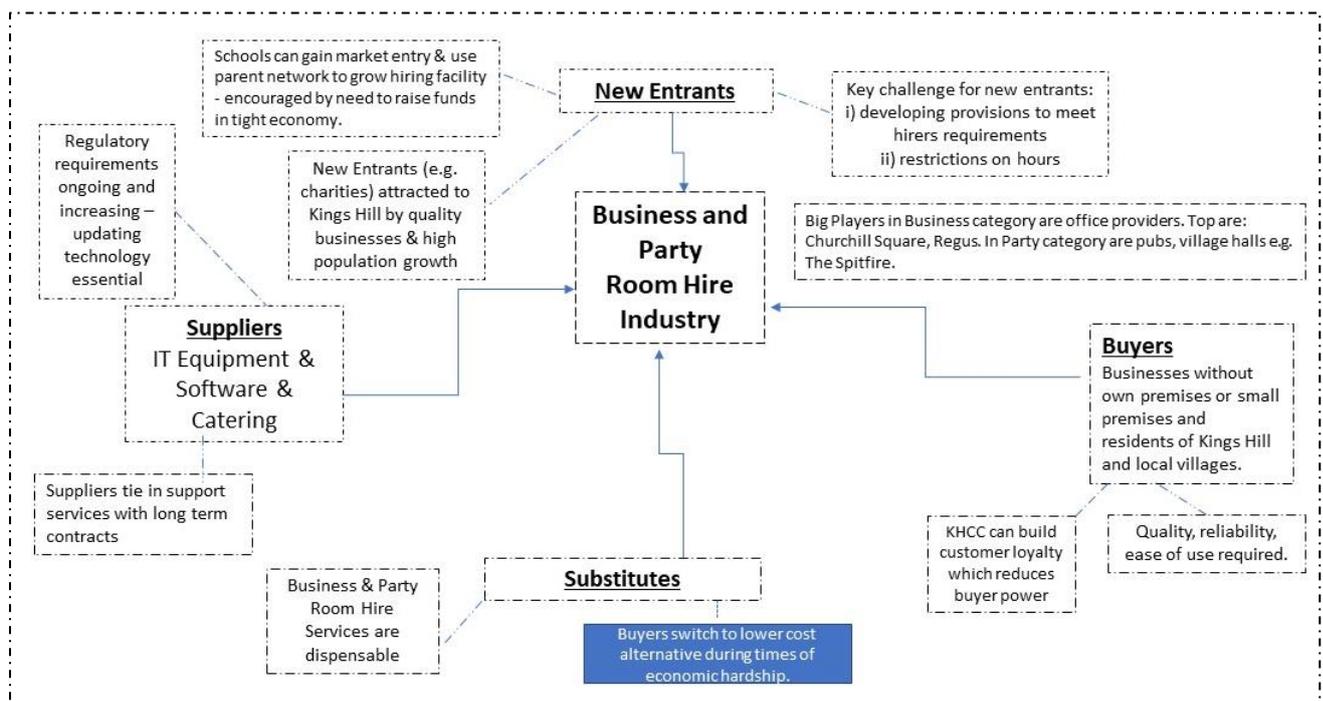
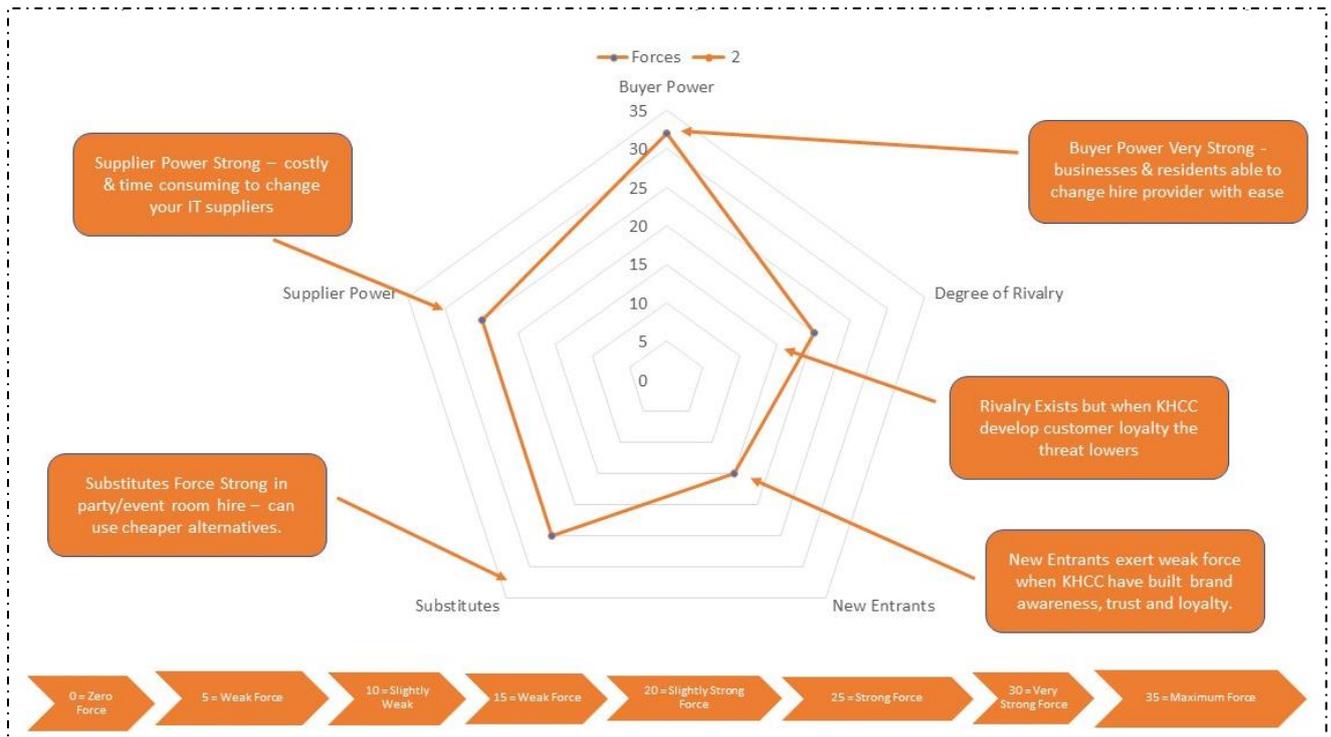


TABLE 1.5: INDUSTRY COMPETITIVE FORCES OVER THE NEXT 3 TO 5 YEARS



Analysis of the industry reveals the strong external micro issues facing KHCC. The most important factors are:

The force of buyers who can change room hire suppliers with ease.

The force of substitutes with cheaper providers of those services are offered by KHCC.

Key internal issues facing KHCC

TABLE 1.6: KEY FINANCIAL RATIOS AND TRENDS

	2019/20	2018/19	2017/18	2016/17
Total Income	143,850	146,625	135,880	129,750
Y on Y (%)	(1.9)	7.9	4.7	
Of which Room Hire	134,850	127,600	110,180	117,500
Total Costs	140,850	159,975	135,622	127,660
Y on Y (%)	(11.9)	17.9	6.2	
Staff and Admin Costs	73,570	77,625	66,740	62,597
Of which training	250	0	0	0
Building Costs	49,500	48,500	50,432	44,502
Sinking Fund	0	15,000	2,500	2,500
Contingency	8,500	0	0	0
Net Gain(Loss)	3,000	(13,350)	258	2,090

Reference: Financial Information in table 1.6 has been taken from published KHPC Annual BUDGET.

Background to Key Financial Data:

- Total income rose year on year until 2018/2019 but KHCC then experienced a decline in income in the year to 2019/20.
- Total costs rose year on year over the same period but at a faster rate.
- Both total income and total costs declined in the year to 2019/20 with total costs falling at a steeper rate.
- Staff costs declined slightly in period to 2019/20.
- KHCC staff training expenditure over the period negligible.
- KHCC has moved from a loss in 2018/2019 period to positive in 2019/20.

Analysis of financials reveals strong internal issues facing KHCC:

Key internal threats are:

- Declining revenues.
- KHCC have not remained current with software and technology requirements and have not allocated funding for this in previous years. Consequently, website and management systems are basic, dated, and time-consuming.
- Future investment in software and technology will not be possible unless revenues improve.
- KHCC have historically not invested in staff training and development. Staff are not up to date with technology and software management.
- Future investment in staff training and development will not be possible unless revenues improve.

TABLE 1.7: SWOT ANALYSIS FOR KINGS HILL COMMUNITY CENTRE

Internal	Strengths	Weaknesses	Internal
	<ul style="list-style-type: none"> • Good staff morale. • Historic relationship with groups who hire rooms. • Recently upgraded rooms. • Supportive stakeholders including KHPC. • Long standing supplier relationships. 	<ul style="list-style-type: none"> • KHCC is currently in a difficult situation with revenues declining. • Current lack of residents’ warmth/connection with KHCC. • Competitive industry. • Lack of visibility – not well known in area for business room hire. • Staff digital skills currently weak. • Technology and software are dated and not fit for purpose. 	

		<ul style="list-style-type: none"> • Need to generate revenue to invest. 	
External	Opportunities <ul style="list-style-type: none"> • Social Media Influence on B2C & B2B decision making increasing. • Business & residential customers basing purchase choice on locality, high standards, quality & reliability. • Private Business sector growing which could lead to demand for more room hire. • Growth in ageing population offers opportunity to build volunteer KHCC ‘brand ambassadors.’ • Growth in overall Kings Hill population provides opportunity to build community links and awareness. 	Threats <ul style="list-style-type: none"> • If revenues continue to decline staff morale will fall and they may leave. • Uncertainty due to Covid-19. • Poor economic growth. • Further new regulatory & technology requirements may impact KHCC’s cost. • Digital skills shortage and/or lack of knowledge may risk KHCC’s ability to compete. • Substitution effect – customers use cheaper alternatives when budgets tight. • Increase in pubs, schools, charities, and others entering the room hire industry. 	External

SWOT analysis identifies **three options for change (Choices A, B and C) that could add value for KHCC’s clients and organisation itself:**

- A. KHCC could choose to focus/concentrate 100% of resources on providing room hire to the private business sector because:
- Growth in the private business sector is exceeding weak economic growth.
 - KHCC needs to increase revenues. The private sector offers a higher margin earning potential for KHCC. Businesses are prepared to pay a higher rate to hire professional meeting rooms than a resident seeking room hire for a party. This would enable KHCC to grow/develop.
 - There is potential for increased demand for local, safe, professional quality, room hire due to increased number of entrepreneurs and businesses working from home and requiring space for workshops and client meetings.
 - Private sector businesses base supplier purchase choice on high standards, quality & reliability. KHCC has organisational legitimacy due to link to KHPC and has recently upgraded facilities.

B. KHCC could make an organisational change by formulating a volunteer KHCC 'brand ambassador' programme.

- A volunteer policy championing KHCC 'brand ambassadors' could recruit members of the retired and/or unemployed population who could use their skills, knowledge and experience to help the community. These champions could also be helped themselves by gaining employability skills.
- KHCC has low visibility. This programme would increase this.
- Staff could become involved with community increasing their feeling of wellbeing.
- KHCC has low and declining revenues. This programme would cost staff time to train volunteers but would not require financial investment.

C. KHCC could choose to focus/concentrate resources on building community links and awareness amongst residents.

- This could be achieved by updating and investing in technology, software, and staff training to enable booking online through a new KHCC website. Strategic marketing could be used by trained staff to promote the KHCC facilities through a positive social media strategy alongside traditional marketing methods.
- There is a need for room hire for both groups and residents' parties/events. Increased room hire will increase revenues.
- Many new people have moved to the area in recent years and are unaware of the facilities offered by KHCC. Once they become aware of what KHCC offers they will be more likely to "buy". I.e. hire rooms for events, meetings, parties, and groups.
- KHCC have a historic relationship with groups who hire rooms but currently there is a lack of residents' warmth/connection with KHCC. Rebuilding the relationship with these groups will create customer engagement and help build sustainable future revenue growth.
- Many residents are also business owners working from home, work for local businesses, or have links to local businesses. Therefore improving community links and awareness amongst residents would also have a positive effect in increasing business room hirers.
- Hirers are used to doing everything online and quickly. An online booking system within a secure, fast response website will enable them to book easily.
- This online booking system will enable staff to concentrate on implementing a strategic marketing plan so building customer relationships, growth, and revenues for KHCC.
- Social media strategy will increase brand awareness for KHCC. New customers will then look to KHCC as the first place for booking their rooms and events.
- Staff training will create sound employee engagement so that staff feel valued and confident that they can add value to KHCC.

The three changes, A B and C listed above would all create a benefit for KHCC. From the financial analysis, we know that KHCC is suffering declining revenues which impact investment, could impact staff morale, and ultimately lead to KHCC being unable to continue. It is critical to increase revenues.

However, increasing revenues is not the only measurement of success for KHCC.

KHCC is a community ‘hub’ which must be inclusive and a place that people want to visit. A community centre “needs to be inviting, well managed and easy to access.” People need this together with the ability to book community halls and community rooms.

We therefore propose that Choice C is undertaken.

TABLE 1.8: COSTS OF CHOICE C (YEAR 1):	£
<u>Internal Training:</u>	
WordPress (2 hours Morgan / Michelle)	114
Social Media (2 Hours Morgan / Michelle)	114
Google Analytics (2 Hours Morgan / Michelle)	114
Total internal training cost	342
<u>Rebranding Strategy & New Website: (See Appendix 1 for details)</u>	
Back End (Technical)	1400 - 1800
Rebranding & Design	900 – 1100
Brand Guidelines (Optional)	0 - 250
Strategy & Project Management	1230
Hosting (annual)	40
Total rebranding, strategy, and website cost	3570 - 4420
<u>Traditional Marketing:</u>	
Leaflet	200 - 600
‘Launch of Rebranded KHCC’ Event	200 – 400
Total traditional marketing cost	400 - 1000
<u>COSTS OF CHOICE C (YEAR 2):</u>	
Hosting of Website	40
Branded Uniform	40-100
Leaflet	200 - 600
Strategy & Tracking Review	410
Total Year 2 cost	690 - 1150

COSTS OF CHOICE C (YEAR 3):

Hosting of Website	40
Updated Staff Training	350
Promotional Event	400
Professional Videos (optional)	600
Professional Photography	600
Strategy & Tracking Review	410
Total Year 3 cost	2400

BENEFITS OF CHOICE C:

STAFF:

1. Currently Morgan and Michelle spend significant proportion of time chasing payment and making bookings
2. Online booking system on new website will enable them instead to concentrate on marketing hall hire and building customer relationships.
3. Training in word press and social media will enable Morgan and Michelle to make any required changes to new website, understand and implement a positive social media strategy to increase audience reach and generate leads for hall hire.
4. Training in analytics will enable staff to measure success of their marketing activities.
5. Staff engagement will improve.

CUSTOMERS:

1. Rebranding of KHCC with a new website and positive design will lead the community to be proud of their Community Hub.
2. Community engagement will further increase due to staff having time to build customer relationships. This will lead to referrals from satisfied customers.
3. Customers will be able to easily access current information on hall hire, then book and pay through new website with online booking system.
4. Community engagement and bookings will increase as a result of staff following a positive social media strategy.

ASSUMPTIONS:

- i. All website content for new website to be produced by KHCC team.
- ii. All future website changes (non-technical) to be carried out in-house by KHCC team once trained.
- iii. Social media implementation to be carried out in-house by KHCC team once trained and to follow social media strategy.
- iv. Analytics to be carried out by KHCC staff once trained and to follow strategic guidelines.
- v. NOTE: Costs exclude VAT.

SECTION TWO: CREATING A CHANGE CULTURE

KEY SKILLS AND RESOURCES REQUIRED TO FACILITATE THE KHCC CHANGE PROJECT

How KHCC's current activities will need to change in order to deliver maximum value for the least possible cost:

- Building the Knowledge Base: KHCC needs to build customer knowledge; this can be achieved by gathering data and expanding/building on their current customer database. They then need to concentrate their resources on generating referrals from this customer base. Objective: this is to build their knowledge for the best value. Negative impact on cost and operating margin but positive on organisational value.
- Setting up the Project: KHCC need to appoint an internal Project Leader (PL) for the KHCC Choice C change/rebranding project. They will be responsible for providing information to external project manager/strategist for planning the project and allocating resources and also for ensuring that the rest of the KHCC team understand the scope and timing of the project so that it stays on track. Objective: this is to achieve efficient allocation of resources within an optimum timeframe. Positive impact on cost, margin, and value.
- Developing the strategy: KHCC team building and personal development. PL will also be responsible for leading their team to provide the best customer options. Objective: create best customer value at best cost. Positive impact on cost, margin, and value.
- Implementation: PL, with guidance from external project manager, organises implementation of the KHCC Choice C change/rebranding project using optimum internal/external resources mix. PL, with guidance from external project manager, organises monitoring of key KPIs. Objective: achieve highest quality at minimal cost. Positive on value, margin, and cost.

Does KHCC have required skills to facilitate the change?

Skills required to facilitate the change:

- Building the knowledge base: data gathering. Customer database system management. Customer relationship building.
- Setting up the project: leadership and time management.
- Developing the strategy: team building and personal development.
- Implementation: Website management skills. Social media management. Monitoring/analytical skills.

TABLE 2.0: KHCC’s CURRENT TEAM SKILLS GAP ANALYSIS

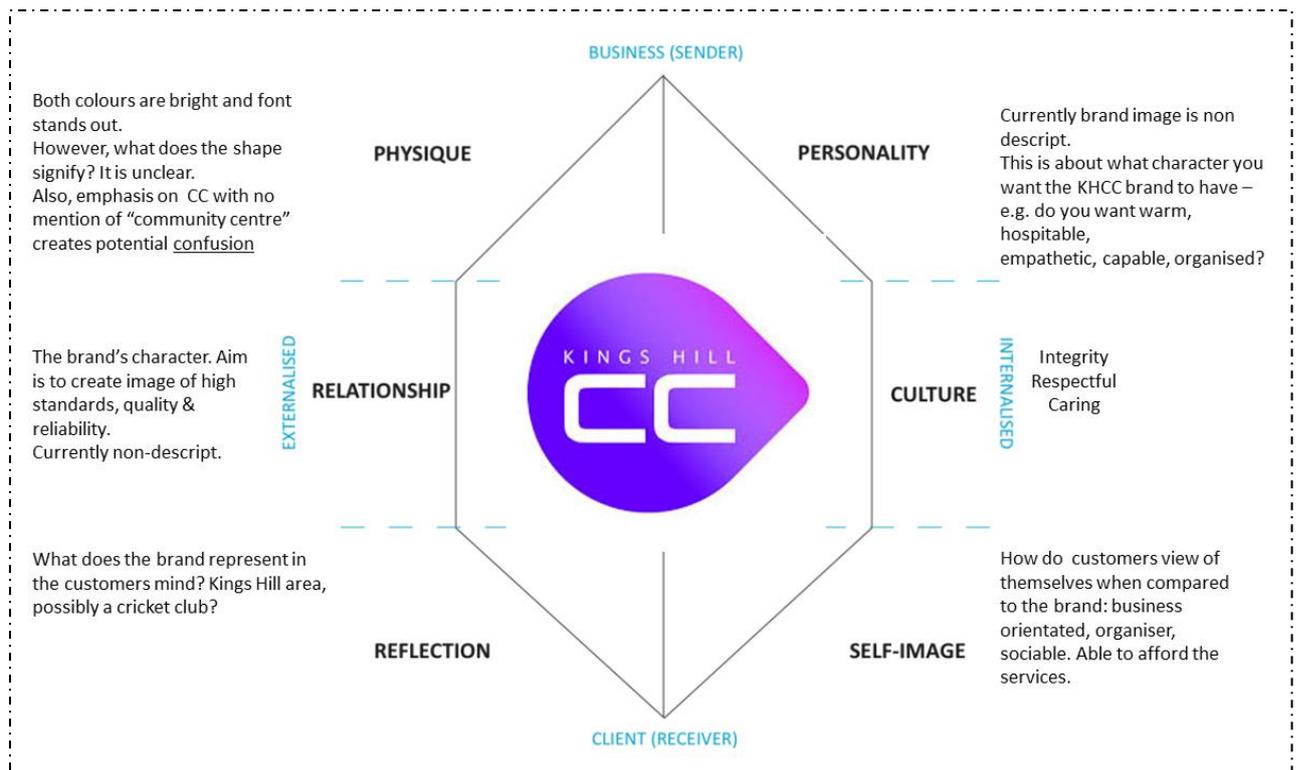
This table lists the skills required to implement the programme, the current skill level and the level required to successfully implement the change programme. PL refers to the internal project leader.

Skills	Who is affected? Project Leader (PL) or Team or ALL	Current Skill Level (1 = LOW to 5 = HIGH)	Required Skill Level (1 = LOW to 5 = HIGH)
Ability to conduct research/gather data	PL and Team	2 to 4	5
Customer database system management	PL and Team	2 to 4	3 to 5
Customer relationship building	ALL	2 to 3	5
Leadership	PL	2 to 3	5
Time Management	PL and Team	3 to 4	5
Team Building	PL	3 to 4	5
Personal Development	PL	2 to 3	5
Website management skills	PL and Team	0	3
Social Media Management	PL and Team	0	4
Monitoring/analytical skills	PL and Team	0	5

How KHCC’s proposed change is related to wider brand strategy.

The table 2.1 below shows a brand identity prism. This is a model which helps organisations build a strong, sustainable brand identity which reflects their core values. It looks at how you want to project your organisation (community), and how you would like to be seen, by the outside world.

TABLE 2.1: KHCC's CURRENT BRAND IDENTITY PRISM



Source: Kapferer, 1986

The Prism identified strengths and weakness in the current brand identity:

Strengths are:

- Physique - “Kings Hill” name is associated with high standards and community values. Logo has bright colour which aids brand recall.
- Positive attributes within Culture.

Brand equity is also sourced from:

- The perceived customer base.

Identified weaknesses from brand prism are:

- Physique – shape has no significance. Emphasis on “CC” creates confusion. No mention of “community centre”.
- Relationship – KHCC are aiming to create an image of high standards, quality, and reliability. Current brand image is non-descript.
- Reflection – when individuals were asked what the current brand represents 100% assumed it represents Kings Hill Cricket Club.
- Personality – KHCC are aiming to present a community brand associated with warmth, empathy, inclusivity, and professionalism. Currently brand image is vague and unclear.

The recommended Proposed Choice C change and rebranding will enhance brand equity and market position by:

- Matching customer's and KHCC's self-image. KHCC's customers' image is of an "organiser, sociable and/or business orientated person who is able to afford the services offered by KHCC."
- Clarifying the KHCC brand as a "community hub serving residents and related businesses". The rebranding will mirror KHCC's current positives of brand culture: sound integrity, respectfulness, and caring attitude.
- Reflecting KHCC's inclusivity (residents and businesses) – a "community hub for all" – warmth, hospitality, empathetic, organised and capable."

Brand and Corporate Reputation Risk:

KHCC does not want to damage equity already built with current customers.

Potential risk to the brand from:

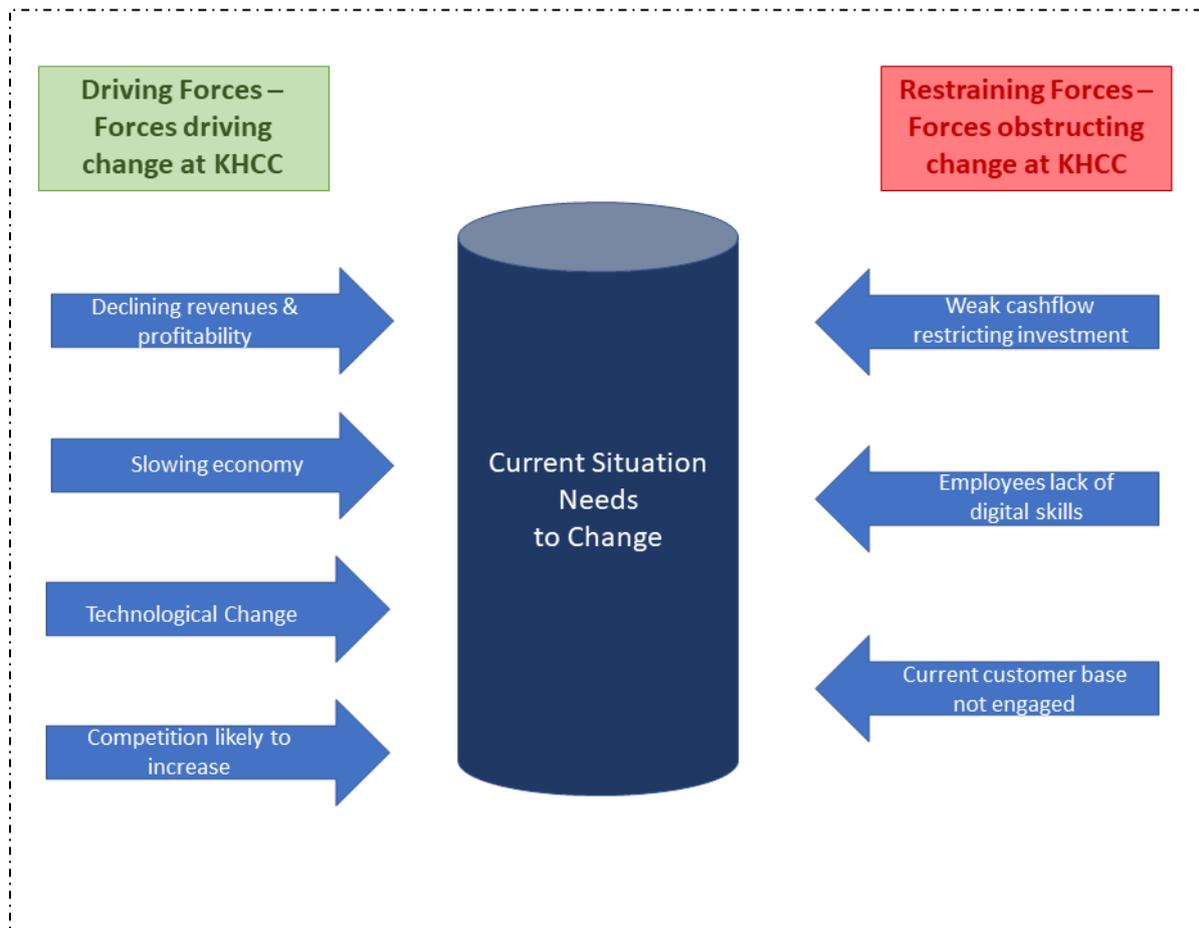
- Failure of stakeholders to engage with the change. KHCC must make sure that stakeholders are aware of the urgency of situation through honest, realistic communication.
- Social Media influencers. KHCC must ensure current and potential customers feel part of the change.
- In the near term, the link to KHPC. Currently, there is hostility amongst residents to KHPC and until this is turned around it would be helpful for the KHCC brand to appear to be separate from KHPC.

SECTION 3: IMPLEMENTING CHANGE

Which change management issues need to be addressed to ensure change success?

Table 3.0 below shows the factors which are driving the change at KHCC. It shows also which forces are obstructing the change and will need to be addressed to ensure that the proposed Choice C change/rebranding programme is a success.

TABLE 3.0: DRIVING AND RESTRAINING FORCES FOR CHANGE



Which stages need to be recognised and approaches adopted at each stage to implement change successfully?

Change within an organisation (community) needs to be managed carefully to ensure success. The three-step plan below lists approaches which will help with getting started with the programme, during the course of the change programme and in the future (ongoing).

TABLE 3.1: THREE STAGE PLAN

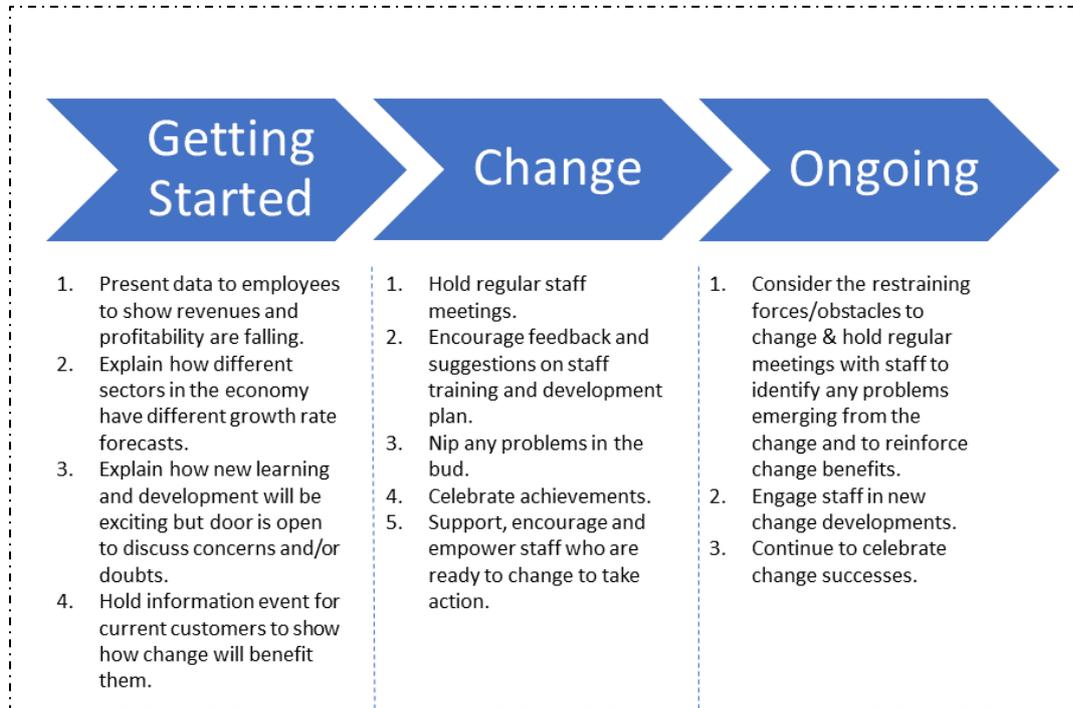


Table 3.2 below lists objectives which KHCC could consider, their relevant Key Performance Indicator (KPI) and where the data for where that KPI can be sourced. This is useful for tracking the change programme and identifying if and where modification may be required.

TABLE 3.2 KHCC’S KPIS FOR MONITORING/CONTROLLING IMPLEMENTATION OF CHANGE

	Objective	KPI	Definition & Data Source
Strategic Objectives	Increase revenue & profit growth	YOY Revenue Growth Gross margin % YOY	Internal Data
	Increase cashflow growth	YOY Cashflow Growth	Internal Data
	Achieve brand change	Brand awareness/perception	Google Analytics
Operational Objectives	Increase number of leads & number of leads turned into customers	Growth in % Month on Month Lead Conversion Ratio	Internal Data No. of leads turned into customers each month
	Customer Satisfaction Survey	Change in rating over each 12 month period during change process and for 2 years after	Internal Data
	Staff Perception Survey	Change in rating over each 12 month period during change process and for 2 years after	Internal Data
	Achieve lead generation in business sector from website changes	Change in rating over each quarterly period during change process	Google Analytics - Web Analytics CTR & Bounce Rate
	Achieve Social Media Engagement in the Residential and Business Sectors	Change in average Conversation, Applause and Amplification Rate per post over each quarterly period during change process	Sendible or other social media scheduling platform
Outcome based objectives	Achieve In House Training Goals	Team personal development and data research training test after training period	External testers
	Achieve Booking System change	System Test upon completion	External testers

Table 3.3 below presents an outline of the project planning process needed to implement the change programme and table 3.4 shows the work breakdown structure required.

TABLE 3.3: PROJECT PLANNING PROCESS

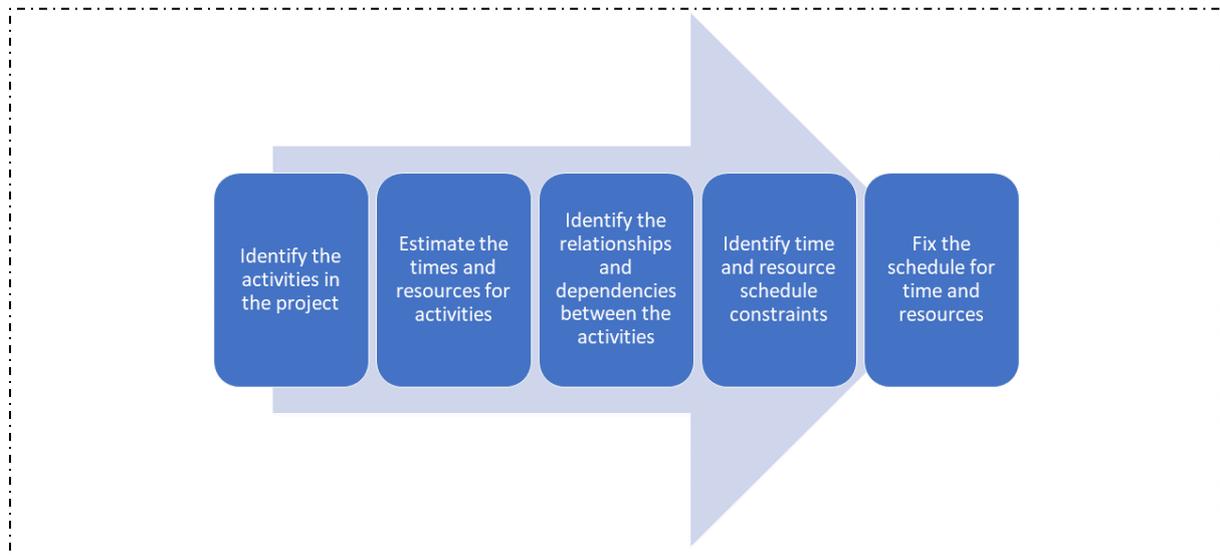
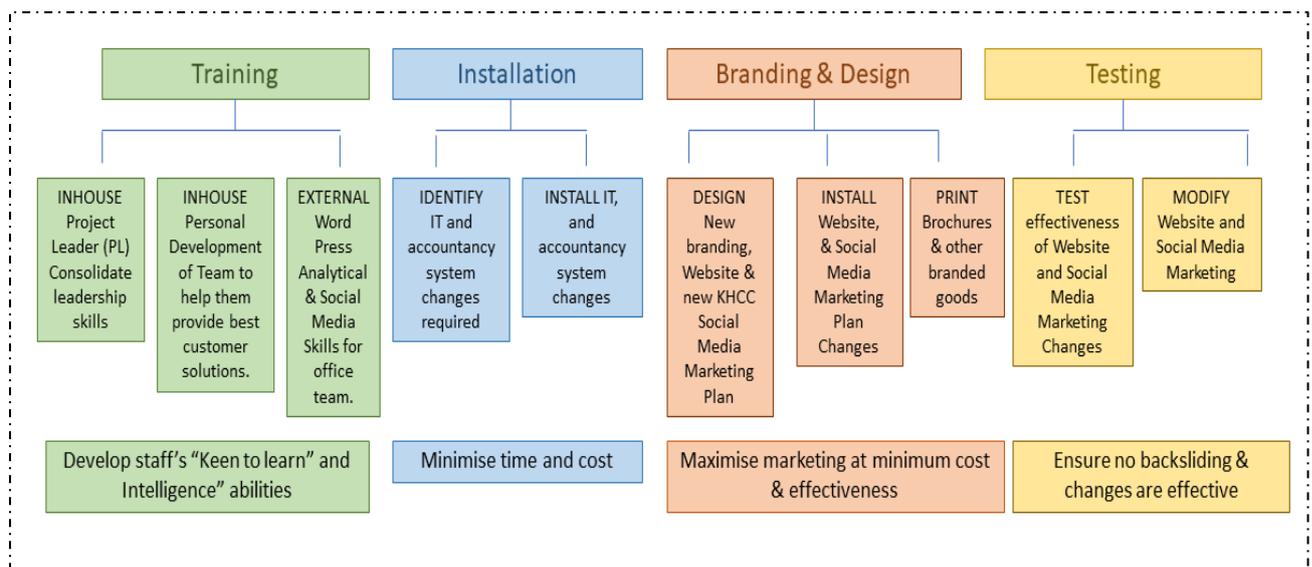


TABLE 3.4: WORK BREAKDOWN STRUCTURE FOR CHANGE PROGRAMME



Note that a further table illustrating the required time, resources, and relationships for the change programme can be provided once project approval has been received. This will identify clearly how long each stage of the project will take, what needs to be accomplished before each stage can progress, and who is involved with each stage.

Conclusion:

This report has built an argument for change within KHCC. It recognised how to implement and lead that change. For KHCC to ensure a successful change initiative we recommend KHCC consider these strategic points and, as KHCC enables customers to achieve their goals, KHCC will be able to build a successful and sustainable community hub for all.

Appendix 1

Back End (Technical) Includes:

- i. WordPress CMS
- ii. fully responsive website using premium theme
- iii. utilisation of default page layouts
- iv. standard pages incl. Homepage, about, Services, testimonials, contact page
- v. News Page or Blog
- vi. content addition (content provided by KHM)
- vii. contact Form With anti-spam protection
- viii. Google analytics set up with contact form conversion tracking
- ix. Basic SEO configuration with SEO optimisation of up to 10 pages
- x. Booking and payment functionality

Rebranding and design includes:

- i. Web styling
- ii. Logo design
- iii. Social media headers
- iv. Additional option: brand guidelines £250

Strategy and project management includes:

- i. Planning the project – time/resources, relationships/dependencies
- ii. Team and PL support
- iii. Ensuring project stays on track
- iv. Researching & providing SEO information for technical
- v. Guiding implementation & monitoring
- vi. Providing communication & social media strategies
- vii. Testing & modifying where required