



***Integrating Organizational Change
Management Concepts with Project
Management and Business Analysis
Functions.***

IIBA Pittsburgh – August 2016

John Catlos, PMP
Director, PMO Practice
p(US): +1 (412) 897-5913
John.catlos@newtonconsulting.com
www.newtonconsulting.com

NEWTON
CONSULTING
— *Vision Implementers* —

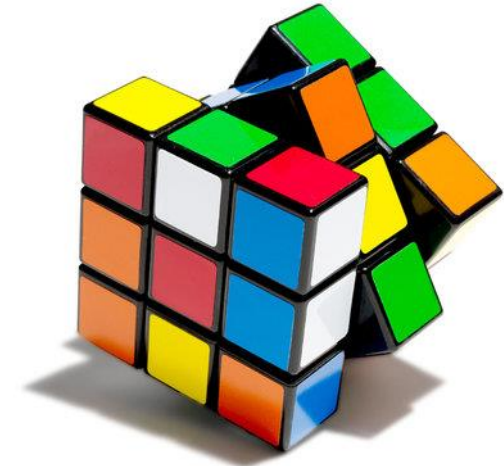
Objectives

- **Leverage a practical OCM framework and understand the key integration points into both the governance process, and project and business analysis lifecycles.**
- **Understand the characteristics between a proactive and a reactive change manager, and its impact on organizational change management**
- **Understand and be able to apply key lessons learned from case studies where OCM concepts played a large role in the successful delivery of those projects.**



Detailed Agenda

- ***What is OCM?***
- ***The Change Equation***
- ***Types of Organizational Change***
- ***Foundations in OCM***
- ***OCM Assessment Framework***
- ***Key Integration Points within PM Processes***
- ***Key Integration Points within BA Processes***
- ***Proactive vs. Reactive Change Managers***
- ***Case Study # 1 -- Applied OCM Concepts and Lessons Learned***
- ***Case Study # 2 – Applied OCM Concepts and Lessons Learned***



BUSINESS CHANGE IS A CONSTANT AND INCREASINGLY COMPLEX CHALLENGE FOR TODAY'S ORGANIZATION

The way successful companies think about change has evolved from ...

to ...

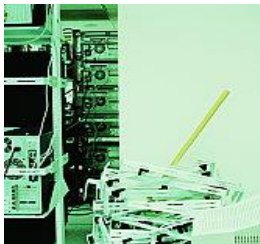


Once a decade



Survival

Driven by Boards and CEOs



Multi-year mega-program

Projects and workstreams



A state of mind

Competitive advantage

Driven by Customers and Employees

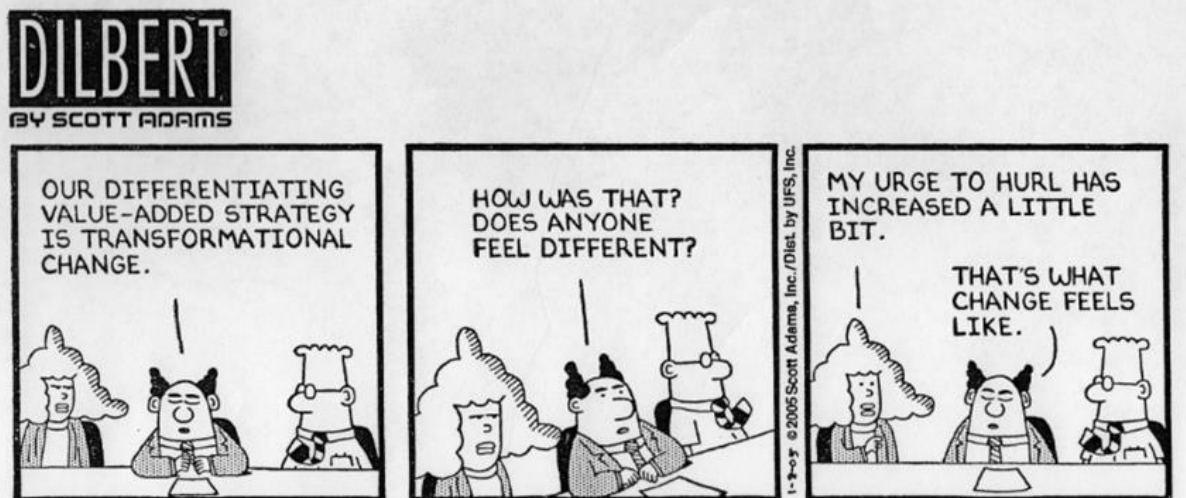
Dynamic strategies

Stages of transformation



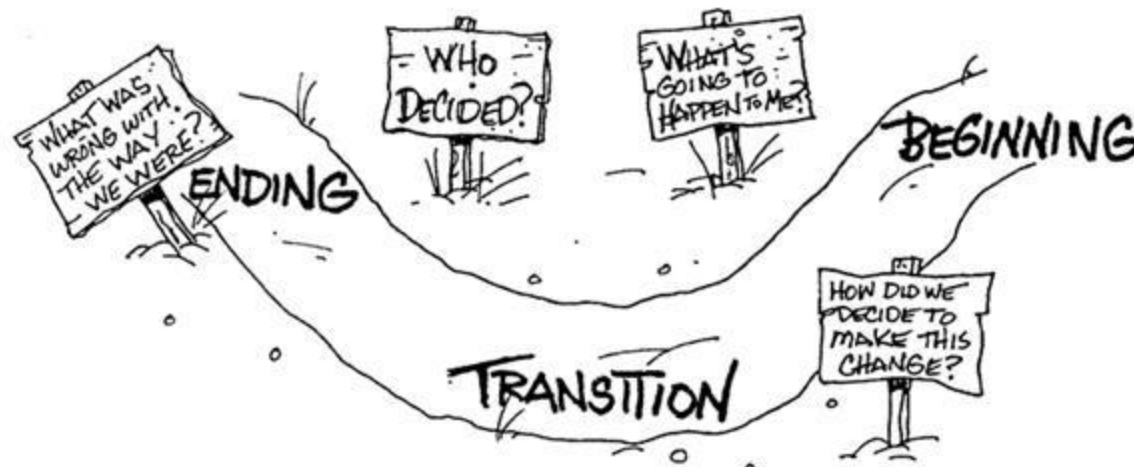
Underlying Themes

- Project Managers are “strategic change managers”.
- Business Analysts are “change analysts”. (Analyze transition from current to future state.)
- Operations = what you are today. Projects = what you will become = change.
- Many organizations fail to integrate the concepts of organizational change management (OCM) into their project management and business analysis best practices.
- Failure to plan for and mitigate risk surrounding the organizational change can result in:
 - Failed or cancelled projects
 - Customer dissatisfaction
 - Failure of your delivery organization to be seen as a strategic asset and partner to your business stakeholders.



What is Organizational Change Management?

- Organizational change occurs when a company makes a transition from its current state to some desired future state. Managing organizational change is the process of planning and implementing change in organizations in such a way as to **minimize employee resistance and cost to the organization** while simultaneously **maximizing the effectiveness of the change effort**. (Source: Inc.com)
- Organizational change management (OCM) is a framework for managing the effect of **new business processes, changes in organizational structure or cultural changes** within an enterprise. Simply put, OCM addresses the people side of change management. A systematic approach to OCM is beneficial when change requires people throughout an organization to learn new behaviors and skills. **By formally setting expectations, employing tools to improve communication and proactively seeking ways to reduce misinformation**, stakeholders are more likely to buy into a change initially and remain committed to the change throughout any discomfort associated with it. (Source: SearchCIO.com)



How Can OCM Help A Project or Program?

Effective application of OCM techniques can increase the return on investment and the change acceptance through:

- Effective **sponsorship and governance**
- Effective **visioning, branding, and alignment to culture** (or redefinition of desired culture)
- **Process redesign** / efficiencies
- Sufficient **training and education** of all stakeholders on new culture, processes, systems, tools, policies, procedures, etc. to ensure they are effective in their new roles
- Helping stakeholders understand, **accept and OWN the change** through **benefits realization and WIIFM**
- A well-planned and thoroughly executed **communication strategy and plan** that ensures that all impacted parties feel connected throughout the project
- Establish a governing body to **sustain the positive momentum post go-live** and track and monitor the ROI and benefits realization through quantitative metrics

The Change Equation

$$\text{CHANGE} = \text{FUTURE} \times \text{NOW} \times \text{PLAN} > \text{RESISTANCE}$$

- **FUTURE** = Desired Future State (Vision)
 - Show the benefits of the change as well as what will be preserved. (Value +, Deficits -)
- **NOW** = Current State / Situation
 - Create dissatisfaction with the present situation and create an awareness of a need for change.
- **PLAN** = The Plan to move from current state to future state (Clear, Realistic, Non-Disruptive)
 - The change effort plan should include the following elements:
 - ✓ **Description of the “NOW” & “FUTURE”** – What the organization looks like today and what you want it to look like after the change.
 - ✓ **Communications Plan** – Informing everyone about the change, as well as keeping them up-to-date as your change effort evolves.
 - ✓ **Recognition Plan** – How you will celebrate successes and reward those employees that support you and your change effort?
 - ✓ **Guidelines** – Defining processes, roles and responsibilities in order to reduce conflict and potential power struggles.
 - ✓ **Measurements** – Identifying accountability and tracking success.
- **RESISTANCE** = Potential resistance to the change (or perceived loss)
 - Overcoming potential resistance or perceived loss. Involve those who will be impacted by the change. (Ownership)

(Sources: Original Change Equation by Richard Beckhard and Reuben Harris; and “Managing the Change Equation”, by Robert Swaim.)

Types of Organizational Change

Structural Changes

- Typically involve company wide or department wide changes
- Usually transformational in nature
- May include major shifts in technology
- Typically include changes to organizational or team based structure and reporting hierarchy.

Strategic Changes

- Driven by need to adapt to external factors
- Usually Transformational in nature
- Shifts in Business or IT strategy
- May force realignment of projects and change efforts to strategy

Dimensions of Change

Will the change be organizational wide or affect only a subset of the organization?

Will the change represent major transformation, or seek to enact change in phases or incrementally?

Is the change required to remedy a certain condition or situation, or is it developmental in nature?

Is the desired change in response to an unplanned trigger or a planned trigger?

People Changes

- Usually involve changes in roles
- May be large-scale or incremental
- Can impact employee attitudes, behaviors and performances
- Often tied to HR initiatives

Process Changes

- Attempt to improve workflow efficiency and productivity
- May include technology changes
- More successful when employee input is obtained and utilized.
- Best rolled out in stages or phases.
- Usually includes a need for training

Foundations in OCM

KOTTER's 8 Stage Process for Creating Major Change

1. Establish sense of urgency
2. Create the guiding coalition
3. Developing vision and strategy
4. Communicating the change vision
5. Empowering broad based action
6. Generating short term wins
7. Consolidating gains and producing more change
8. Anchoring new approaches in the culture

(Source: Leading Change, by John Kotter)

BEVAN's 7 Core Factors for Successful Change Management

Clarity
Engagement
Resources
Alignment
Leadership
Communication
Tracking

(Source: Change Making, by Richard Bevan. 2011.)

A “Simple” OCM Framework

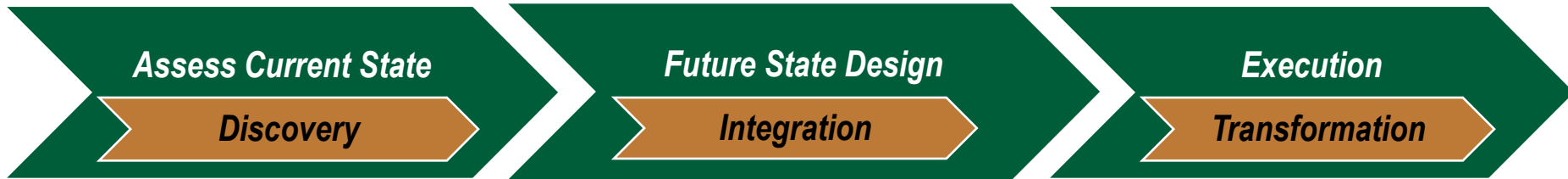


- Understand leadership vision and alignment
- Identify pain points and areas of opportunity
- Highlight dissatisfaction with present situation and create awareness of the need for change
- Establish a sense of urgency
- Develop Initial Communication objectives
- Set Expectations with key participants regarding involvement
- Identify potential champions or stakeholder groups that can be leveraged (training, etc.)
- Identify potential organizational barriers to change (structure, culture, resources, process/policy, etc.)

- Define Future State and benefits
- Leverage change agents and define barriers to change, and areas where cultural change is expected and needs to be communicated
- Identify HR strategy, tie-in, and involvement if needed.
- Align and integrate with current initiatives where overlap occurs
- Assess Impact (both positive and negative) and Level of Effort .
- Help key stakeholder teams to understand why the bar is being raised (impacts of current state, and benefits of future state)
- Define, Prioritize and rank all recommendations
- Define and assign key roles for each recommendation or set of recommendations in order to execute change successfully
- Define and/or develop tools necessary to implement the change
- Develop draft OCM Plan
- Define “one minute elevator pitch” and FAQ

- Engage and gain commitment with key action owners
- Define measurement methods for assessing success of change
- Finalize OCM plan and execute
- Communicate, Communicate, Communicate
- Support efforts with training as needed.
- Obtain “quick wins” and market those wins.
- Collect Feedback (Throughout Action Plan)
- Reward and Recognition

A "Simple" OCM Framework



- Understand leadership vision and alignment
 - Identify pain points and opportunities
 - Highlight dissatisfaction and create awareness of the need for change
 - Establish a clear vision and objectives
 - Develop a communication plan
 - Set Expectations regarding involvement
 - Identify potential champions or stakeholders to leverage
 - Identify potential barriers to change (structure, culture, resources, process/policy, etc.)
- Define Future State and benefits
 - Leverage change agents and define barriers to change, and areas of expected and needed.
 - Identify HR strategies needed.
 - Align and integrate with current initiatives where overlap occurs
 - Analyze positive and negative impacts to understand (impacts of current state, and benefits of future state)
 - Define, Prioritize and rank all recommendations
 - Define and assign responsibility for recommendation implementation
 - Develop a change OCM Plan
 - Define "one minute elevator pitch" and FAQ
- Engage and gain commitment with key stakeholders
 - Develop a communication plan for key stakeholders
 - Communicate, Communicate, Communicate
 - Support efforts with training as needed
 - Monitor progress and adjust as needed
 - Collect Feedback (Throughout Action Plan)
 - Re-evaluate and adjust as needed

Force Field Analysis

Stakeholder Analysis

Impact / Gap Analysis

Change Readiness Assessment

Influencer and Change Agent Strategy

Communication Planning

SWOT Analysis

Training Needs Assessment & Planning

Role Mapping

Process Mapping

OCM Integration Points

Changing corporate culture is more challenging.

The Change Agent's role requires:

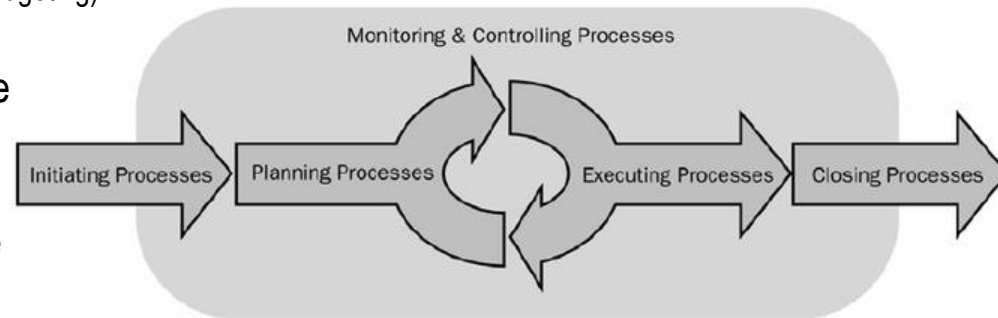
- Understanding of the required cultural change and its rationale
- Learning how the success of the cultural change will be measured and sharing that information with your team
- Developing a plan that includes objectives, explanations, communication, and measurable goals
- Brainstorming with your staff on methods, techniques, and behaviors to come into compliance
- Pushing gently in the new direction while acknowledging previous behaviors
- Teaching and mentoring using encouragement, stories, and a sense of humor
- Seeking assistance from change management experts either in your own HR department or asking for outside training
- Balancing rewards and discipline—always remembering that change is difficult and frightening for some people
- Giving feedback and being open to getting feedback

(Source: "Role of Project Managers in Change Management", Bruce MCGraw, 2009. FearNoProject.com Blog)

OCM Integration Points within Governance and PM Processes

Initiation (Business need identification, scoping, business case, budgeting)

- Identify degree of change
- Plan roles and budget accordingly (i.e. change manager role, work stream leads, business involvement)
- Identify impact on hardware and infrastructure



Planning (Requirements, analysis, design)

- KICKOFF -- Engage all stakeholders in kickoff, and include the following key elements
 - Vision, Objectives, Benefits, and High Level Scope (including what is NOT in scope)
 - Impacts (and impacted areas),
 - Overall timing and when stakeholder groups are needed (by system and business area),
 - Team structure, governance, roles and responsibilities, communication plan
 - Importance of business process definition and its linkages to all other aspects.
- Requirements – Engage stakeholders, gather input, and ensure traceability from requirements thru testing
- Project plan – Create fully integrated plan with business or client tasks as well. Key Task areas should include: business readiness, physical environment, customer care, SOP's & business processes, training, communications (project, business, client), operations and support, documentation, and an OCM area of the plan.
- Business Process linkage -- Understand linkage between business process and almost everything else

OCM Integration Points within Governance and PM Processes

Execution (Construction, Test, Train, Documentation, Beta)

- Training – Engage stakeholders, ask for input, identify customer & client variances (one off or group variances), and utilize train the trainer approach (encourages investment and loyalty)
- Testing – Engage business or client to write UAT test cases, and ensure onsite stakeholder participation in one room
- Interfaces – If possible, Build interfaces early in project, enabling earlier visibility into data flow and downstream issues.
- Business Process should support UAT test case creation.

Monitor and Control

- Plan regular meetings with executive sponsors – NO SURPRISES
- Gather data on “before-and-after” that is relevant to your “change” objectives
- Recognize and reward examples of the desired new behaviors
- Be a teacher or mentor
- Remember that learning new processes and tools takes time—practice patience

Closing (Deploy, Transition, Ops/Maintenance)

- Engage operations / support resources and system administrators during requirements and testing.
- Project plan needs to include post production support planning and knowledge transfer.

Key Integration Points within BA Processes

Elevating the role of a Business Analyst to a leader on business transformation and innovation projects requires application of OCM concepts within all phases.

Foundational OCM Themes to apply in all phases:

- Change the way the business interacts with the technical team, encouraging an increased amount of business resources / expertise dedicated to the project
- Encourage collaboration with business representatives to develop and define options and recommendations.
- Focus more on the business value/outcomes of the project rather than on the new technology
- Prepare an organization to accept new business solutions and to operate them more efficiently

Key Integration Points within BA Processes

Elevating the role of a Business Analyst to a leader on business transformation and innovation projects requires application of OCM concepts within all phases.

Foundational OCM Themes to apply

- Change the way we do business, encouraging an increased amount of business
- Encourage collaborative recommendations and define options and
- Focus more on the technology an on the new
- Prepare an organization to accept new business solutions and to operate them more efficiently

**Do NOT Be
“Order Takers” !!!**

Key Integration Points within BA Processes

Discovery / planning

- Gaining an understanding of vision, scope and benefits
- Integrating strategic planning with planning for the IS and technology directions
- Defining business problems and identifying new business opportunities to achieve the strategic vision

Requirements

- Understanding the business need and impacts of the proposed solution on all areas of business operations
- Maintaining the fierce focus on the value the project is expected to bring to the enterprise
- Using an integrated set of analysis and modeling techniques to make the as-is and to-be business processes visible for all to see, understand, and validate
- Translating the business objectives into business capabilities / requirements, ensuring prioritization is aligned with objectives.

Design / Build / Test

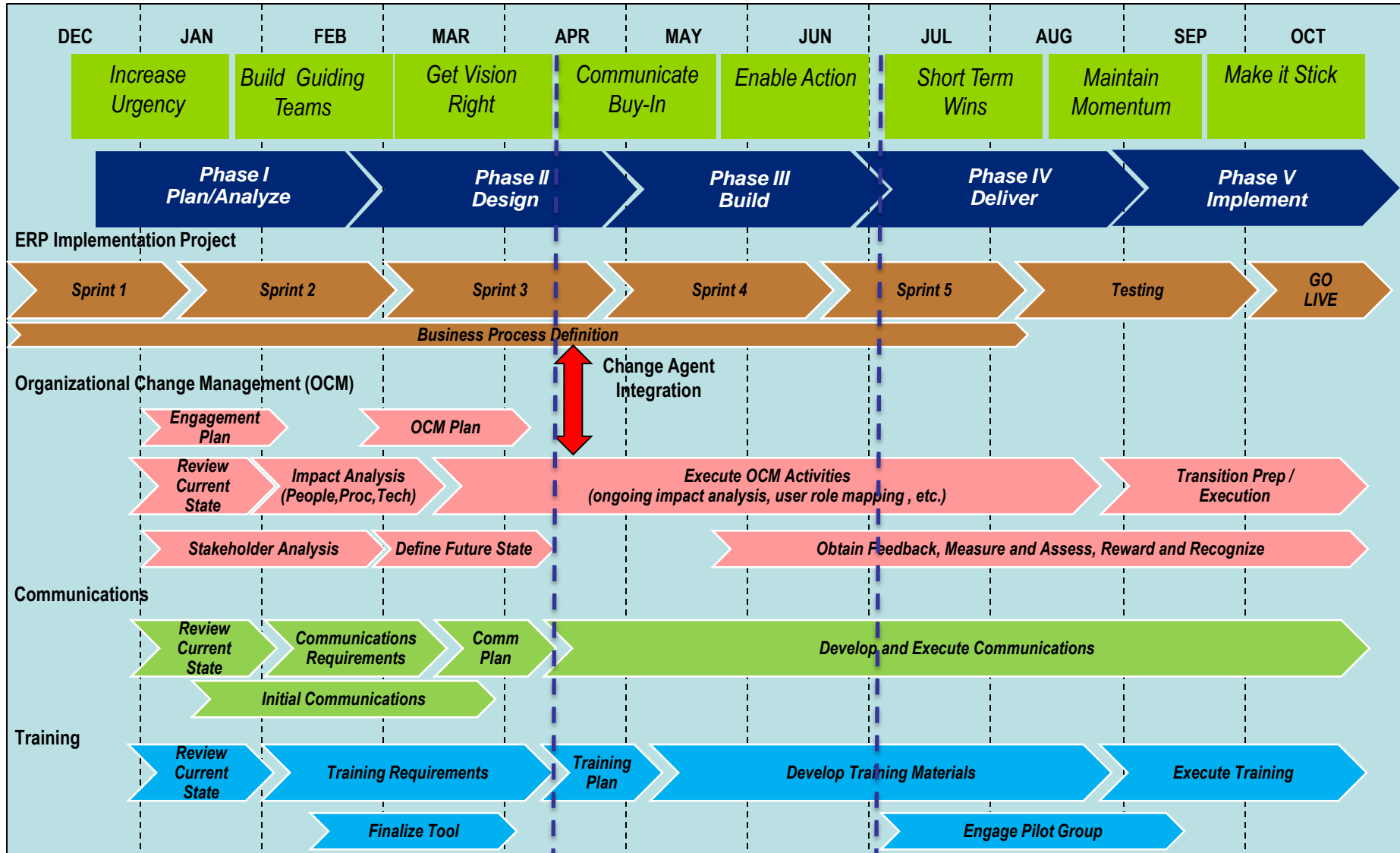
- Providing guidance and vision to project team
- Validating the new solution meets the business need
- Ensuring UAT and Training plans align to the business processes.

Implementation / Post Go live

- Transfer of knowledge is essential
- Managing and tracking the benefits expected from the new solution

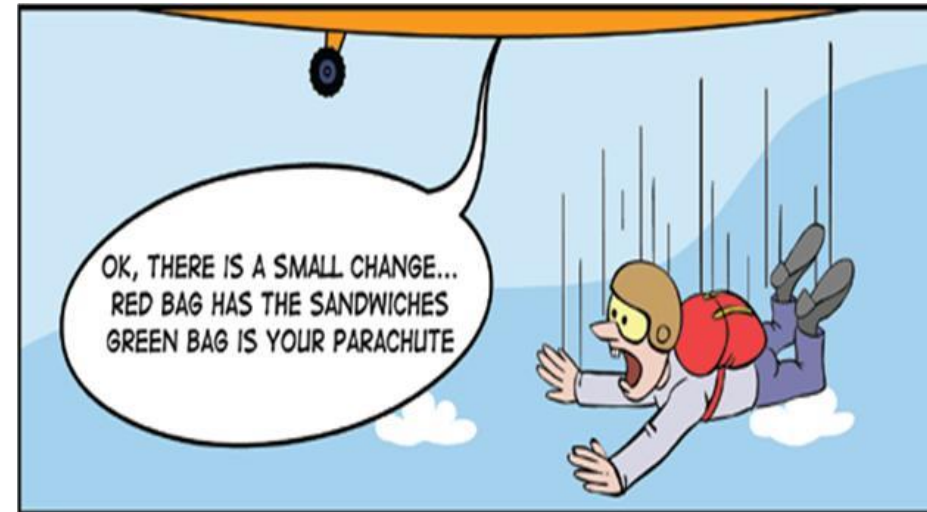
Alignment of OCM and Agile -- Example

The diagram below illustrates an example of how the major activities may align within the overall schedule.



Proactive vs Reactive Change Management

- Recognize that change will occur
- Understand that you need to be able to execute under both models (proactive & reactive)
- Define, share, and stick to the vision
- Communicate, communicate, communicate!
- Build your “informal” networks (vs. formal organizational hierarchy).
- Overcome resistance (remember the “change equation”)
- Minimize bottlenecks on key subject matter experts, and the need for those SME’s to carry the project success on their backs.



Proactive vs Reactive Change Management

Change managers are responsible for garnering support for change and overcoming resistance to change.

There are ten techniques that change managers can use to accomplish this.

- Plan well.
- Allow for discussion and negotiation.
- Allow for participation.
- Emphasize the financial benefits.
- Avoid too much change.
- Gain political support.
- Let employees see successful change.
- Reduce uncertainty.
- Ask questions to involve workers.
- Build strong working relationships.

Need to influence those factors within the culture that will allow the change to take hold. Otherwise, people revert back to original tendencies.

(Source: "Reactive vs. Proactive Change" *Encyclopedia of Management* Ed. Marilyn M. Helms. Vol. 1. Gale Cengage 2006 eNotes.com 17 Sep, 2013)

The Business Analyst as a Change Leader

Empower Business Analysts as change leaders!

- Business analysts understand the “context” of an organization within which change must be assessed for feasibility
- Clear understanding of the purpose for change and roles/responsibilities need to be modeled thru the requirements
- Changes should be tied back to organizational objectives (thru proper traceability) to ensure stakeholders understand “why” the change is occurring.
- Business Analysts can build trust and encourage interaction thru proper facilitation techniques allowing stakeholders to have a say and participate so they feel vested in the process.



Business analysts are capable of gauging their audiences and well-qualified to “listen, address concerns, and bridge gaps among departments and teams.”

Case Studies



Case Study # 1 – TPM Conversion and Implementation

The Challenge -- A leading, global pharmaceutical and consumer package goods company managed its Trade Promotion and Shopper Marketing funding and spending via a legacy Trade Promotion Management (TPM) application.

The application was built on **older, legacy technology**, and exhibited the following major flaws and risks:

- **Insufficient automated integration** with backend systems (Order Entry, Accounts Receivable, and AP/GL)
- **Manual processes** for data entry,
- **Excessive delays** in obtaining information,
- **Minimization of confidence** in Trade Spend performance reporting.
- **Duplicate Trade Spend data** entered into a back end legacy system for reporting purposes, producing two "sources" of TPM activity for Finance and Sales, respectively.
- **A need for heavy reconciliation** between the systems, thereby elevating risk, and negatively impacting management's timely decision making capabilities.
- **High level of inconsistency in both the timing and the quality of the data** provided.

Case Study # 1 – TPM Conversion and Implementation

The Solution: The client chose to implement a vendor purchased TPM solution across the United States to achieve the following:

- **The Soft Benefits:**

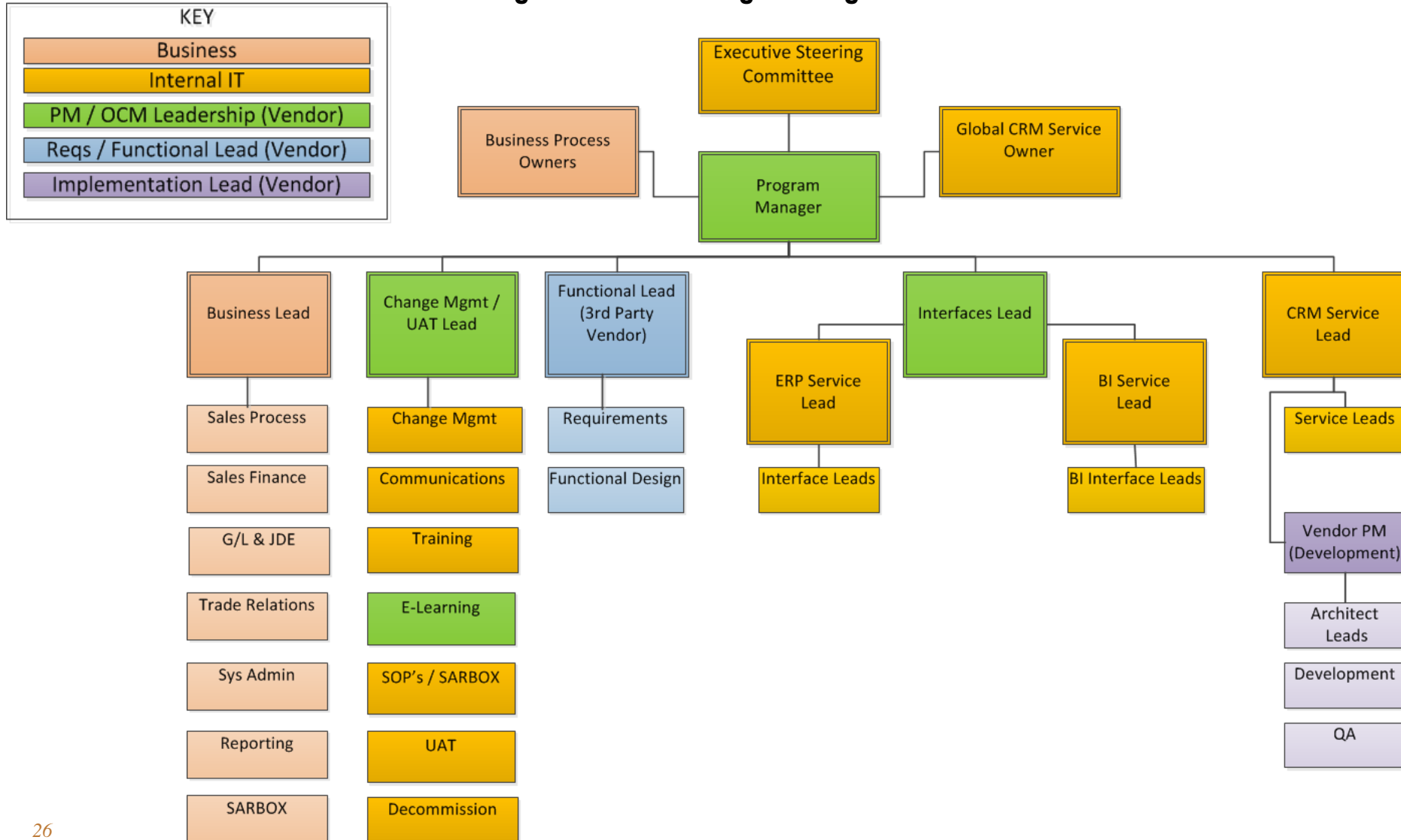
- Provide transparency of trade spend cross-functionally between Sales, Finance and Marketing
- Improved timeliness of performance information and measurements, including early visibility to funds “available to spend” enabling funds to be deployed to drive business growth, rather than not being utilized
- Simplification of the Trade Spend Model, thru automation which eliminates manual and duplicate data entry improving accuracy, as well as elimination of the rigorous reconciliation of disparate systems improving efficiency
- Standardization of the global platform across one technology

- **The Hard Benefits:**

- More timely and accurate management of \$xxxM in trade spend, anticipating \$xM in annual savings.

Case Study # 1 – TPM Conversion and Implementation

The Project Organizational Structure was critical to the planning and execution of proper Organizational Change Management



Case Study # 1 – TPM Conversion and Implementation

Managing the expectations of the business, their level of involvement, and the necessary alignment to business processes was critical to success.

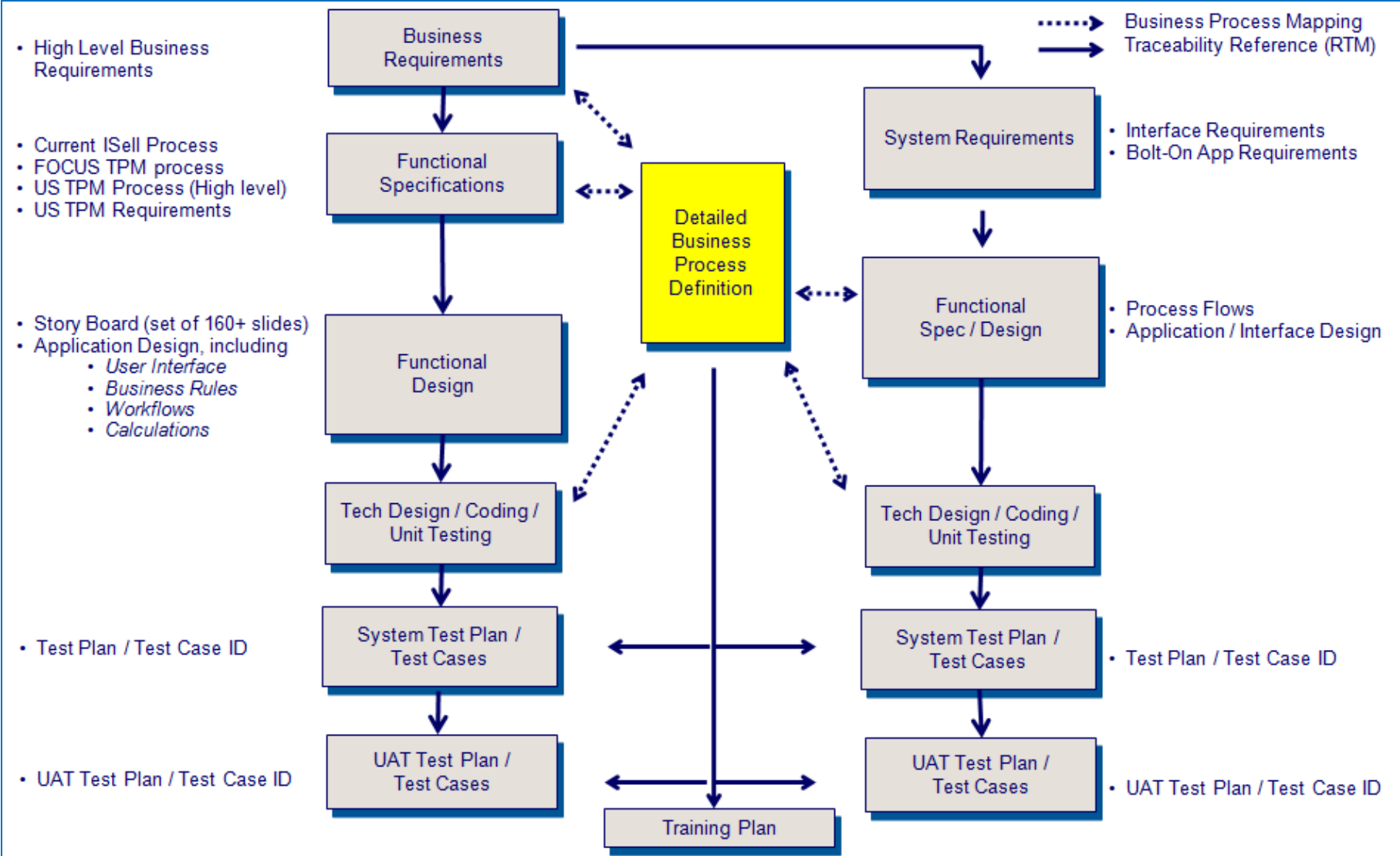
Where is Business Support Needed?

- Process flow review and input (September / October)
- Definition of extended business processes, supporting the primary processes. (October)
- Support for questions around system design and business process alignment (September / October)
- Alignment of business process flows with UAT test scenarios and Training Plans (Q1/Q2)
- Validation of business process flows during User Acceptance Testing (UAT) (May /June)

How will detailed business process definition (flows) be used?

- Used to define core business processes and responsible parties
- Supports planning around system testing, UAT, and Training
- Used as a change management framework to highlight areas of business change and degree of change from current as-is processes
- Used as a framework during UAT and Training, to ensure coverage and validation in all affected business processes
- Supports on-boarding of new employees, helping to improve the learning curve

Business Process Definition Aligns to Everything!



Takeaway From Case Study # 1

Targeted Questions used to coach the business thru the OCM impacts within business process definition, re-engineering, and improvement efforts:

- When preparing business process diagrams, what questions do you want to ask?
 - What are the primary steps executed in this activity?
 - What optional or parallel steps may be executed?
 - What key decision steps are part of this process?
 - What key approval steps are part of this process?
 - Who executes these steps?
 - What “extended” business processes are needed to support any of these steps? (Either as predecessors, during execution, or as successors?). And who executes these steps?
 - What are the inputs into these processes, and what user/system actions are required to produce these inputs?
 - What are the outputs of these processes, who will use them, and how will they use them?
- Using Business process flows as a Change Management tool, the following questions should be asked:
 - Which processes/steps are different from the current as-is process, and what is the degree of change – LOW, MED, HIGH?)
 - What groups or persons will be impacted by these changes, and what can be done to minimize the effect of the change?
 - What additional training and/or testing can be done to minimize impact of MED and HIGH changes?
 - What standards/guidelines need to be implemented as part of the processes defined above?
 - Who needs to signoff and/or approve the process changes, as well as the standards definition?

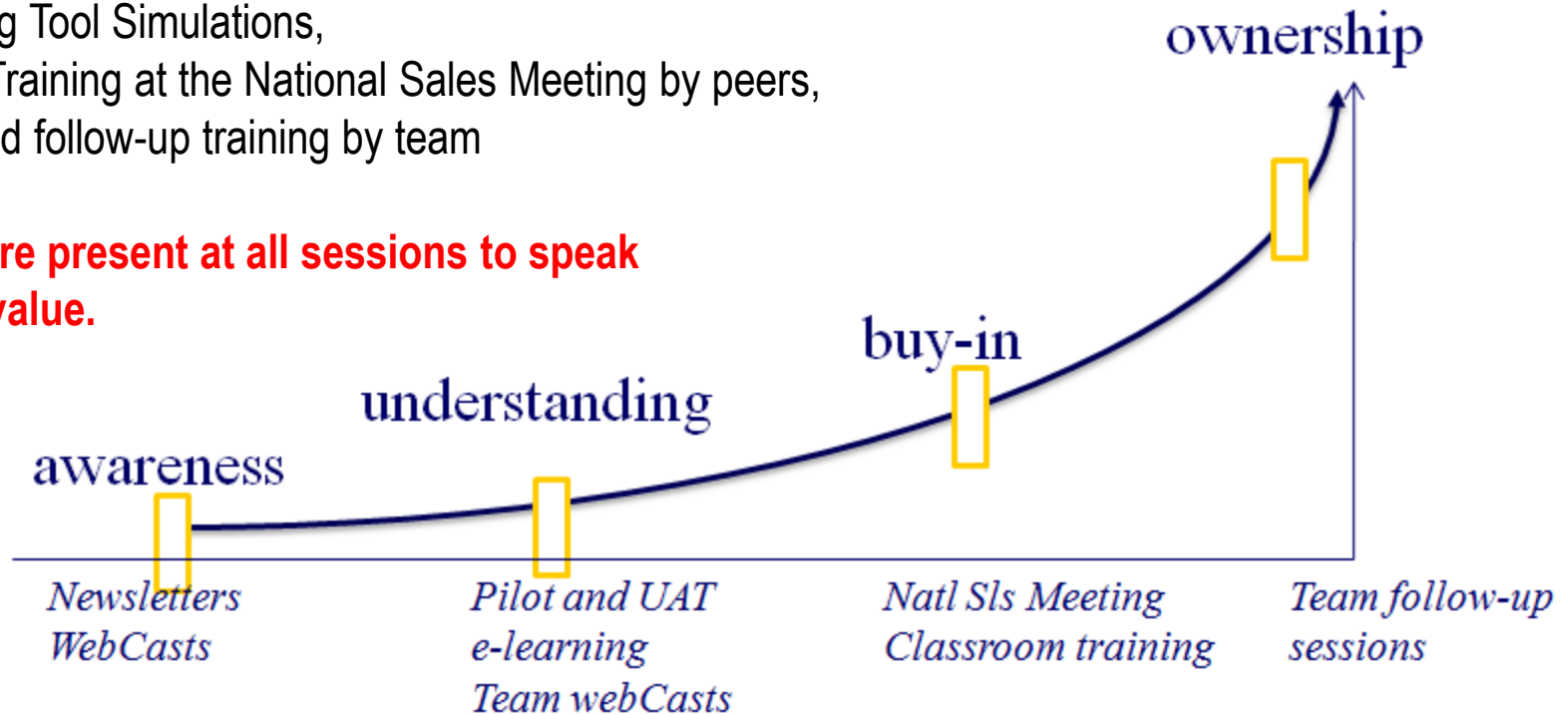
Case Study # 1 – TPM Conversion and Implementation

Comprehensive awareness and ownership within the business were critical to success

Comprehensive training program before, during and after project launch, which included:

- Newsletters,
- Pre-Training Web Casts (National and Team specific),
- Pre-Training Tool Simulations,
- Hands on Training at the National Sales Meeting by peers,
- And focused follow-up training by team

BA Leads were present at all sessions to speak to business value.



Case Study # 1 – TPM Conversion and Implementation

Other “proactive” OCM Concepts were applied (which also serve as Early Alert Mechanisms):

Core System Implementation and Interfaces

- Key business owners and leads involved early in all phases of the requirements and design process.
- Business Process flows were validated against DESIGN specifications, and also reviewed with key business users.
- Monthly quality checkpoints occurred with Vendor to inspect the coding progress (thru system demos)
- Key business and BA leads from client, third party implementation consultant, and Business were granted early access into development system to test pilot portions of the app.
- Early validation of data files and early interface testing conducted PRIOR TO the project’s system test phase to find and resolve any major issues.

Reporting

- Key business owners and leads (R&A, Sales Finance, etc) involved early in all phases of the requirements and design process.
- Business Owners and BA Leads led the efforts for the simplification and reduction of reports and provided final signoff on final report design.
- Business Process flows will be validated against REPORT specifications, and also reviewed with key business users.

Case Study # 2 – WMS Suite Implementation

Challenge -- A leading, global pharmaceutical and consumer package goods company needed to strategically upgrade and transform its supply chain execution (SCE) capability in its network of Regional Distribution Centers (RDCs) in order to responsively and cost-effectively meet increasing customer demands, improve operational capabilities, and respond to industry competition. The company's distribution network was supported by a 25-year-old inventory management and order fulfillment system, DCS/Logistics. **While the legacy system had supported the business well over a long period of time, it was batch-oriented, missing key functionality and features, and based on older IBM mainframe technologies.**

Solution --The scope of this strategic initiative included:

- Implementing all three core modules of RedPrairie's new WMS suite of products – Warehouse Management (WMS), Transportation Management (TMS), and Workforce Management (WFM);
- Fully integrating TMS, WMS, and WFM – a complex, and unprecedented full-suite integration;
- Transformation of the business processes and organization from a de-centralized approach to a centralized and standardized approach that included the creation of a new Transportation Operations Center of Excellence (TOC) to more cost-effectively manage all distribution center network shipping and carriers;
- Extensive new system validation testing and documentation to meet the highest FDA standards;
- A rapid rollout of the new system across the TOC and the three distribution centers over a five-month period.

Case Study # 2 – WMS Suite Implementation

Lessons Learned

- New WMS business requirements around the Transportation Operations Center (TOC) were not well-defined prior to the start of the project as this new organization and business process were still in a pilot evaluation phase during the early stages of the implementation.
- A detailed assessment of what business processes needed to be included in the validation testing was not performed early enough in the project, leading to more processes going through more detailed and time-consuming testing than required for validated system compliance.
- The attempted merger of the Client and software vendor system implementation work plans did not go well. A single project work plan, resource plan, and schedule should have been settled prior to the kick-off of the implementation effort.

Case Study # 2 – WMS Suite Implementation

Lessons confirmed

- Business Analyst Lead, Business Lead, and Change Management Roles were defined that served to align key areas of business involvement (Requirements, Process Design, Training, UAT, Mock Go live, etc.)
- A well thought out approach and template for leveraging test case/scenario development to support system test, UAT, SOP, and training needs, reduced project resource requirements.
- The heavy utilization of Business lead / BA lead partnership in as many project tasks as possible, coupled with a dedicated user training system, created the enthusiasm and new system knowledge required to drive a very effective change management program.

Review of Objectives

- **Leverage a practical OCM framework and understand the key integration points into both the governance process, and project and business analysis lifecycles.**
- **Understand the characteristics between a proactive and a reactive change manager, and its impact on organizational change management**
- **Understand and be able to apply key lessons learned from case studies where OCM concepts played a large role in the successful delivery of those projects.**





For other key takeaways, including:

- Other OCM Models
- Pitfalls that will impact your ability to implement change successfully
- Common causes for resistance to change
- Common reasons people will support change
- The importance of “quick wins”
- More information on Newton Consulting and our services

**Please leave me your business card or contact information,
or email john.catlos@newtonconsulting.com**

John Catlos, PMP

Director, PMO Practice

p(US): +1 (412) 897-5913

John.catlos@newtonconsulting.com

www.newtonconsulting.com

NEWTON
CONSULTING
— *Vision Implementers* —



APPENDICES:
Supporting Information & Other Models

John Catlos, PMP
Director, PMO Practice
p(US): +1 (412) 897-5913
John.catlos@newtonconsulting.com
www.newtonconsulting.com

NEWTON
CONSULTING
— *Vision Implementers* —

Foundations in OCM

Pitfalls that will impact your ability to implement change successfully:

- **Ineffective or missing business case:** Managers communicate a case for change that is unrealistic or incomplete; it isn't readily understood. Here is one of many areas where a robust, concise business case document is invaluable.
- **Costs not recognized:** The costs of implementing and supporting change are not planned for or adequately acknowledged. Resources need to be allocated, workloads adjusted, and responsibilities reassigned.
- **Systems not aligned:** Existing processes and systems (e.g., rewards, training, and information) don't support the new model. Change ripples across many areas and functions, and these need to be aligned with the new direction.
- **Limited and one-directional communication:** Leaders expect to persuade and inform by one-way communication. Audiences have limited opportunity to ask questions, offer ideas, or engage in discussion about the changes.
- **Line management support not built:** Line managers don't support the direction and approach. They share the uncertainty and concerns of employees and need to be informed, persuaded, and engaged.
- **Lack of insight into stakeholder issues:** Leaders assume they know what people think. They fail to identify key concerns and obstacles. They need to listen informally, and at an institutional level, to the questions and concerns of stakeholders and (most importantly) to their ideas.
- **Minimal involvement:** Input, questions, and ideas aren't recorded and documented. As a result, responses and tactics don't reflect the needs. A continually revised FAQ document, available online, can be of great value.
- **Success assumed:** Leaders make a premature assumption of success and fail to follow up, support, and drive continuing change.

(Source: Change Making, by Richard Bevan. 2011)

Foundations in OCM

Common causes for resistance to change:

- Comfort with the status quo. – I like my present office
- Threat to security – how am I going to pay my mortgage?
- Loss of control – this is being done to me, no one asked me about it, and I can't influence it.
- Shifted expectations – they told us we would be getting new furniture, and they just brought over the old stuff
- Failure to convince - I've got a better idea
- Lack of trust or negative history they said that the last time. Same old story.
- Concern about results – my customers are not going to like this, and I agree with them.
- Work pressure – I just can't take on anything else
- Discomfort with learning new skills – we have always done it this way. I do not know how to do it differently.
- Lack of familiarity – why did they move the copier?

Common reasons people will support change:

- Personal growth – I can learn from this
- Ambition – I want a career here, so I will make the move
- Loyalty, trust, commitment – I believe them. I want to help make it work. I want us to succeed.
- Personal gain – I am going to be able to earn more
- Self preservation – I need to do this if I want to keep my job
- Conviction – I know what is happening out there; we have to do this to keep up with the competition
- Involvement – It is my idea, and I am going to make it work
- Adventure – this could be fun

(Source: Change Making, by Richard Bevan. 2011)

The Importance of “Quick Wins”

Quick wins:

- Provide evidence that sacrifices are worth it
- Reward change agents with a pat on the back
- Help fine-tune the vision and strategies
- Undermine cynics and self-serving resisters
- Keep bosses on board
- Build momentum, transitioning more resources to change agents
- Stop the rumor mill

Foundations in OCM

KOTTER's 8 Stage Process for Creating Major Change

- 1. Establish sense of urgency**
 - Examining the market and competitive realities
 - Identifying and discussing crises, potential crises, and major opportunities
- 2. Create the guiding coalition**
 - Putting together a group with enough power to lead the change
 - Getting the group to work together like a team
- 3. Developing vision and strategy**
 - Creating a vision to help direct the change effort
 - Developing strategies for achieving that vision
- 4. Communicating the change vision**
 - Using every vehicle possible to constantly communicate the new vision and strategies
 - Having the guiding coalition role model the behavior expected of employees
- 5. Empowering broad based action**
 - Getting rid of obstacles
 - Changing systems or structures that undermine the change vision
 - Encouraging risk taking and nontraditional ideas, activities, and actions
- 6. Generating short term wins**
 - Planning for visible improvements in performance, or “wins”
 - Creating those wins
 - Visibly recognizing and rewarding people who made the wins possible
- 7. Consolidating gains and producing more change**
 - Using increased credibility to change all systems, structures, and policies that don't fit together and don't fit the transformational vision.
 - Hiring, promoting, and developing the people who can implement the change vision
 - Reinvigorating the process with new projects, themes, and change agents
- 8. Anchoring new approaches in the culture**
 - Creating better performance through customer- and productivity-oriented behavior, more and better leadership, and more effective management
 - Articulating the connections between new behaviors and organizational success
 - Developing means to ensure leadership development and succession

(Source: Leading Change, by John Kotter)

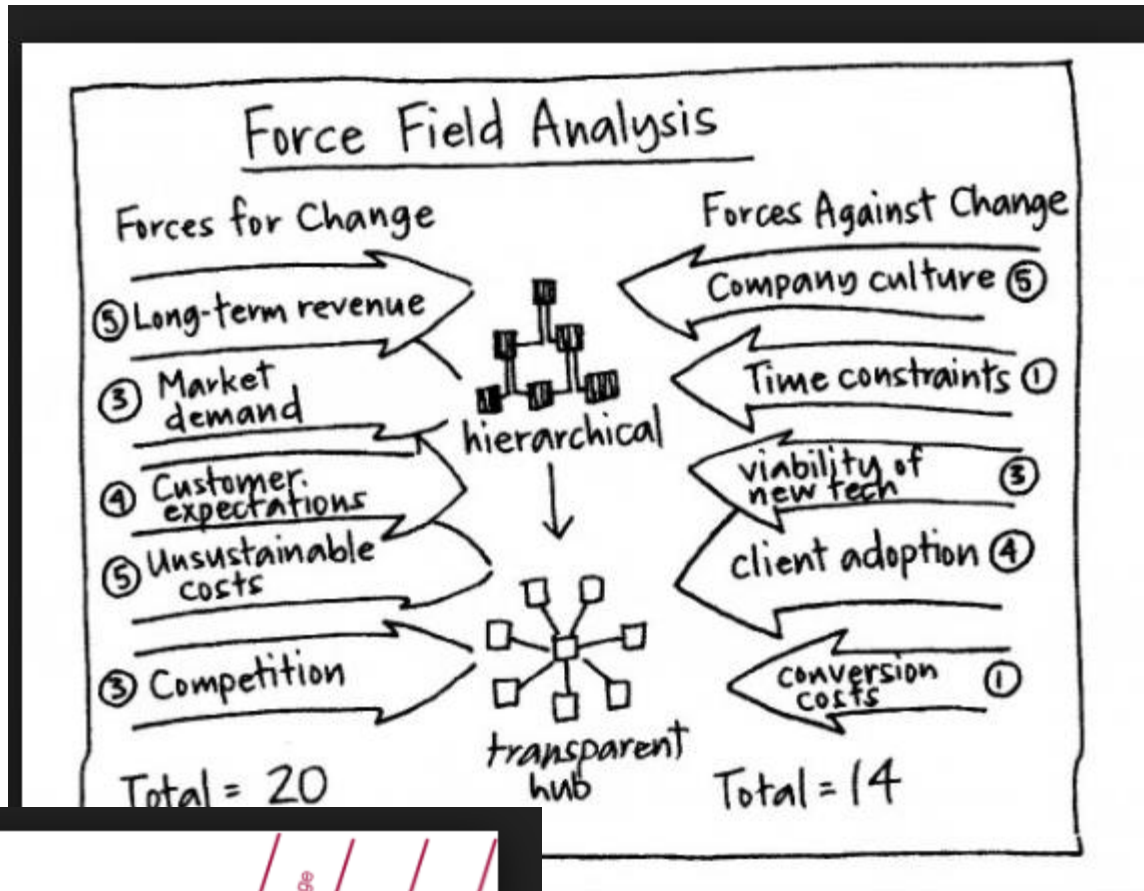
Foundations in OCM

BEVAN's 7 Core Factors for Successful Change Management

- **Clarity.** Are the purpose, direction, and approach defined and documented clearly? Are these understood and accepted by key stakeholder groups?
- **Engagement.** Have you engaged individuals and groups who can influence the outcome by involving them in the process? If so, have you acknowledged their input and ideas and applied them to planning and action?
- **Resources.** Are needed resources (e.g., financial, human, and technical) in place and available? Is a strong and effective team ready to lead and guide the change process?
- **Alignment.** Alignment. Do systems and processes (e.g., rewards, information, accounting, communication, and training) support the change? Have you identified, developed, and implemented needed changes to these systems?
- **Leadership.** Leadership. Are leaders at all levels of the organization involved in and committed to the change? Do leaders and managers follow up on issues, provide guidance and support, and proactively manage the process?
- **Communication.** Is clear, timely, and complete information available to stakeholders involved in and/or affected by the change? Do these groups and individuals have access to information and a way of providing input and feedback?
- **Tracking:** Are systems in place to assess progress and identify issues to address? Are adjustments implemented as necessary and is information continuing to flow?

(Source: Change Making, by Richard Bevan. 2011.)

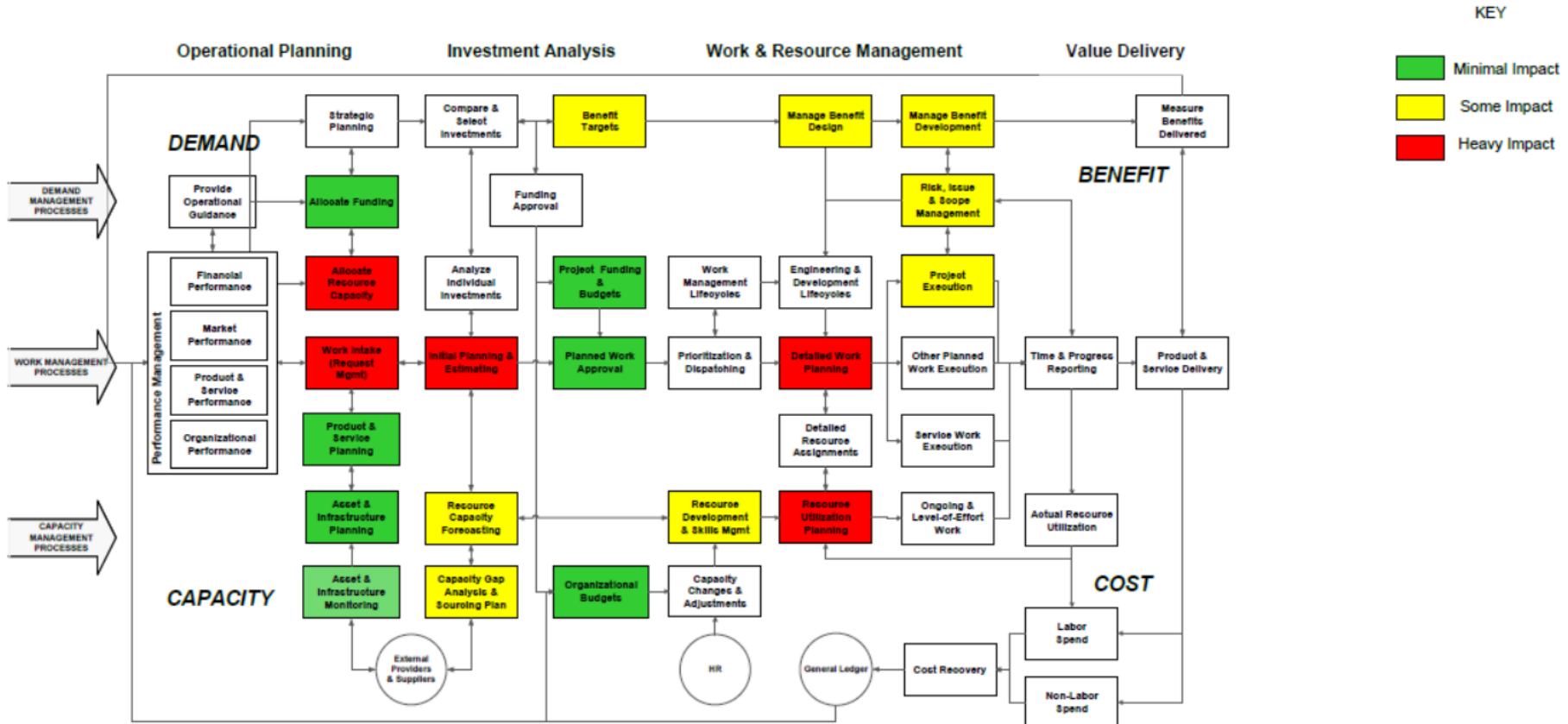
Force Field Analysis



Total	Impact	Ease of Change	+ Forces (Helping) → ← - Forces (Hindering)		Ease of Change	Impact	Total
6	3	3	Communication	Fear for future	2	3	5
4	2	2	Traning	Lack of trust	2	3	5
6	3	3	Employees of desire to be involved	Communication	2	2	4
5	3	2	Competition/CCT	Poor Cordination	2	3	5
				Lack of confidence	2	2	4

Process Impact Heat Map

Process Impact Analysis – Heat Map



Lewin Model of Change

Unfreeze

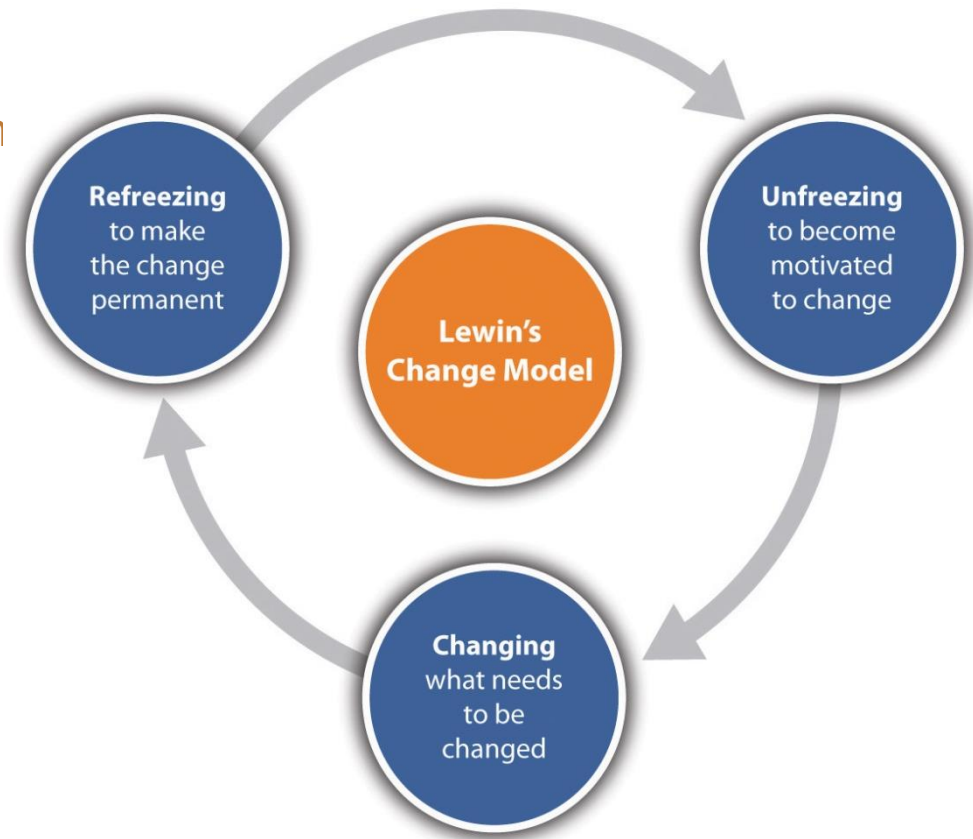
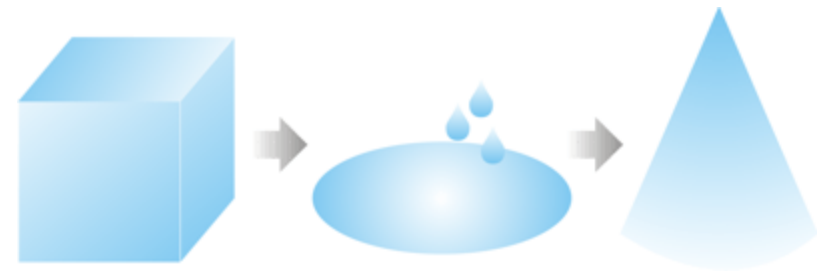
1. Determine what needs to change
2. Ensure strong support from mgmt
3. Create need for change
4. Manage and understand doubts/concern

Change

1. Communicate often
2. Dispel rumors
3. Empower action
4. Involve people in the process

Refreeze

1. Anchor changes into the culture
2. Develop ways to sustain change
3. Provide support & training
4. Celebrate success!



To improve is to change; to be perfect is to change often. Winston Churchill

Confidential Information
Copyright © Newton Consulting, LLC

Action Research Model

Working through the Cycle

1. Identify

- *Define the issue*

2. Design and implement

- *Plan action*
- *Take action*

3. Collect data

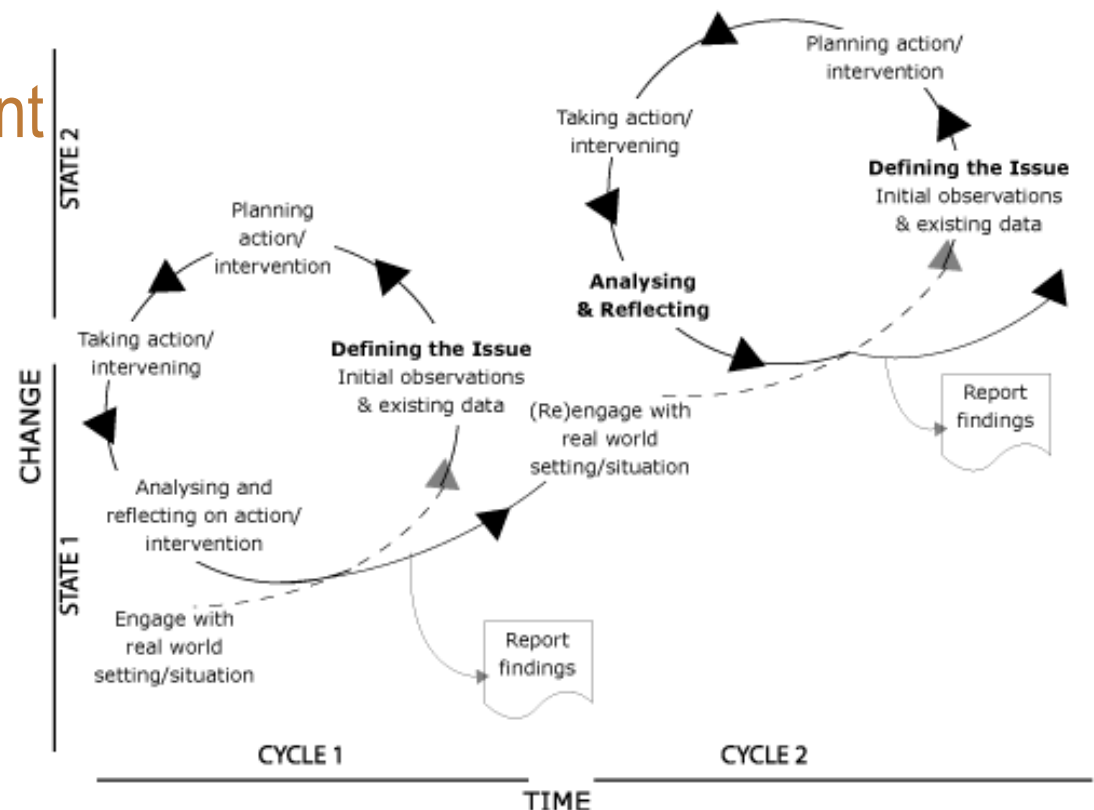
4. Analyze

5. Reflect

- *Report findings*

6. Revise & repeat

Action Research Cycle



McKinsey 7-S Model

Hard Elements

Strategy – plan devised to maintain and build competitive advantage over competitors

Structure – way organization is structured; who reports to whom

Systems – daily activities and procedures that staff engage in to get the work done

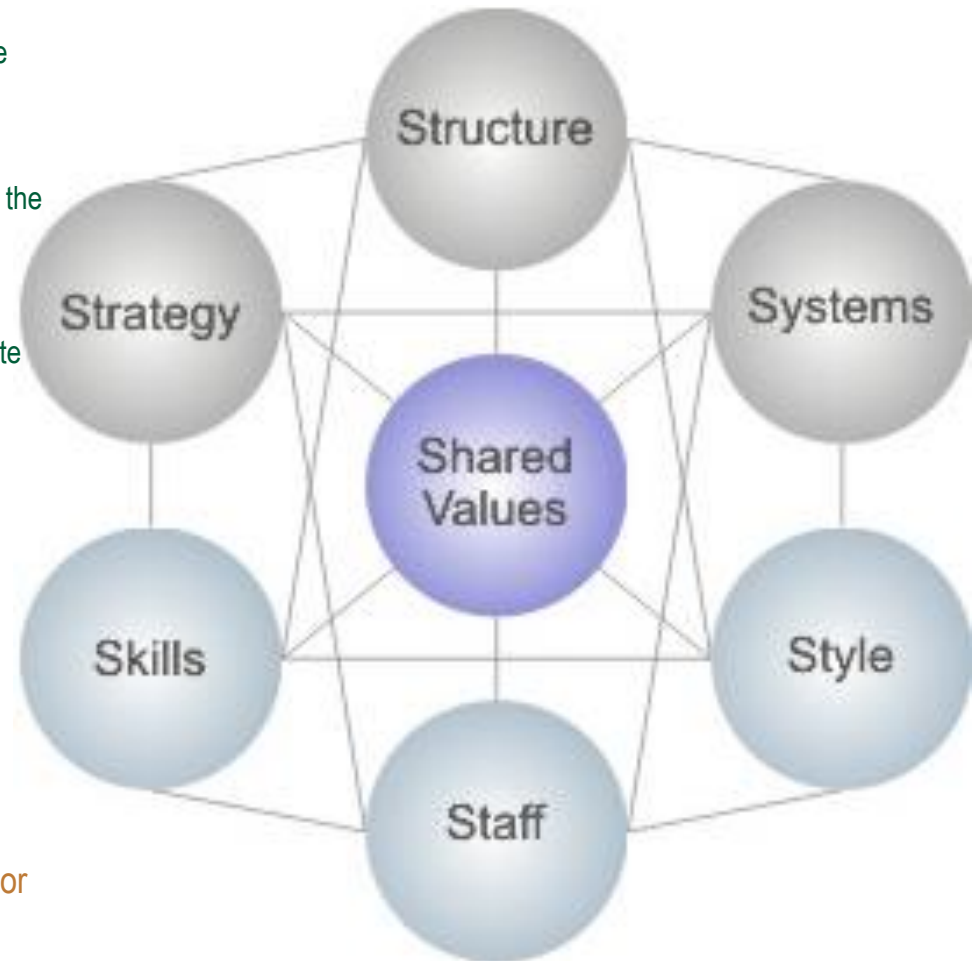
Soft Elements

Shared Values – core values of company that are found in corporate culture and general work ethic

Skills – actual skills and competencies of employees working for company

Staff – employees and their general capabilities

Style – style of leadership within organization



Where can this model be used?

- To help improve performance
- Examine likely effects of future changes
- Align departments and processes during a merger or acquisition
- Determine how best to implement a proposed strategy

McKinsey 7-S Model – Checklist Questions

Strategy:

- What is our strategy?
- How do we intend to achieve our objectives?
- How do we deal with competitive pressure?
- How are changes in customer demands dealt with?
- How is strategy adjusted for environmental issues?

Structure:

- How is the company/team divided?
- What is the hierarchy?
- How do the various departments coordinate activities?
- How do the team members organize and align themselves?
- Is decision making and controlling centralized or decentralized? Is this as it should be, given what we're doing?
- Where are the lines of communication? Explicit and implicit?

Systems:

- What are the main systems that run the organization? Consider financial and HR systems as well as communications and document storage.
- Where are the controls and how are they monitored and evaluated?
- What internal rules and processes does the team use to keep on track?

Shared Values:

- What are the core values?
- What is the corporate/team culture?
- How strong are the values?
- What are the fundamental values that the company/team was built on?

Style:

- How participative is the management/leadership style?
- How effective is that leadership?
- Do employees/team members tend to be competitive or cooperative?
- Are there real teams functioning within the organization or are they just nominal groups?

Staff:

- What positions or specializations are represented within the team?
- What positions need to be filled?
- Are there gaps in required competencies?

Skills:

- What are the strongest skills represented within the company/team?
- Are there any skills gaps?
- What is the company/team known for doing well?
- Do the current employees/team members have the ability to do the job?
- How are skills monitored and assessed?

SWOT Analysis

Where can this model be used?

- Explore possibilities for new efforts or solutions to problems
- Make decisions about the best path for your initiative
- Identifying your opportunities for success in context of threats to success can clarify directions and choices
- Determine where change is possible. If you are at a juncture or turning point, an inventory of your strengths and weaknesses can reveal priorities as well as possibilities.
- Adjust and refine plans mid-course. A new opportunity might open wider avenues, while a new threat could close a path that once existed.



ADKAR Model

Things do not change; we change.

Henry David Thoreau

A	Awareness of the need for change
D	Desire to support and participate in the change
K	Knowledge of how to change
A	Ability to implement the change
R	Reinforcement to sustain the change

www.change-management-coach.com

1. **AWARENESS of the need for change.**

Understanding **why** change is necessary is the first key aspect of successful change. This step explains the reasoning and thought that underlies a required change. Planned communication is essential. When this step is successfully completed the individual (employee) will fully understand why change is necessary.

2. **DESIRE to participate in and support the change.**

In this step the individual is able to reach a point where they make a personal decision to support the change and participate in the change. Naturally a desire to support and be part of the change can only happen after full awareness of the need for change is established. Building desire is partly achieved by addressing incentives for the individual and creating a desire to be a part of the change.

3. **KNOWLEDGE on how to change.**

The third building block of the model, providing knowledge about the change, can be achieved through normal training and education methods. Other methods of transferring knowledge, such as coaching, forums and mentoring, are equally useful, so don't limit this process to formal training. Two types of knowledge need to be addressed: knowledge on how to change (what to do during the transition) and knowledge on how to perform once the change is implemented.

4. **ABILITY to implement required skills and behaviors.**

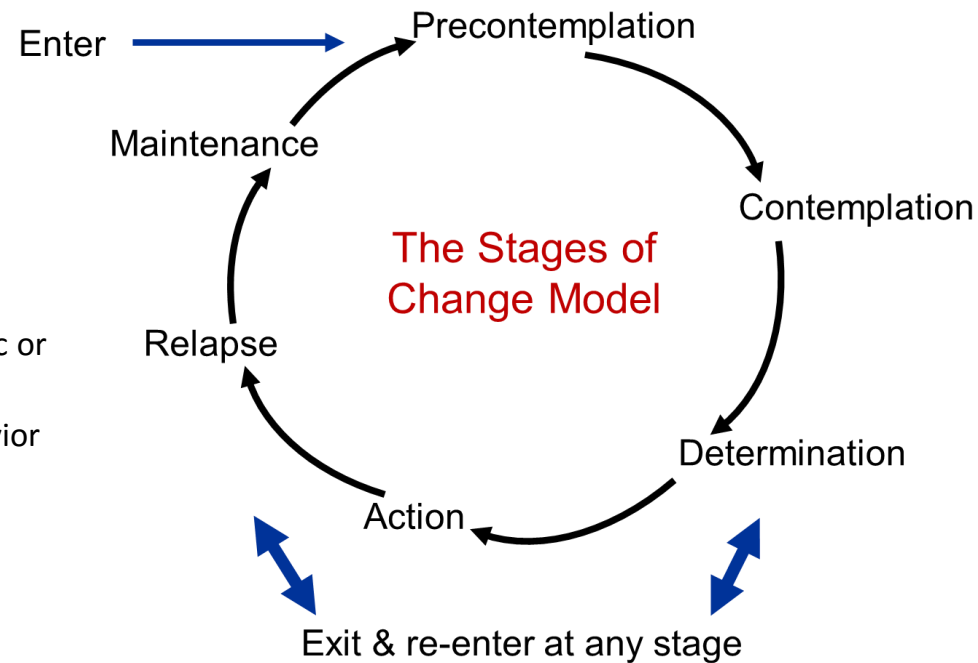
In this model Ability is understood to be the difference between theory and practice. Once knowledge on how to change is in place (theory) the practice, or actual performance of the individual, needs to be supported. This can take some time and can be achieved through practice, coaching and feedback.

5. **REINFORCEMENT to sustain the change.**

This final stage of the model is an essential component in which efforts to sustain the change are emphasized. Ensuring that changes stay in place and that individuals do not revert to old ways can be achieved through positive feedback, rewards, recognition, measuring performance and taking corrective actions.

Transtheoretical Model (TTM)

- **Precontemplation**
 - Do not intend to take action in the foreseeable future (defined as within the next 6 months)
 - Often unaware that their behavior is problematic or produces negative consequences
 - Often underestimate the pros of changing behavior and place too much emphasis on the cons of changing behavior
- **Contemplation**
 - Intending to start the healthy behavior in the foreseeable future (defined as within the next 6 months)
 - Recognize that their behavior may be problematic, and a more thoughtful and practical consideration of the pros and cons of changing the behavior takes place, with equal emphasis placed on both
 - May still feel ambivalent toward changing their behavior
- **Determination**
 - Ready to take action within the next 30 days
 - Start to take small steps toward the behavior change
 - Believe changing their behavior can lead to a healthier life



- **Action**
 - Recently changed their behavior (defined as within the last 6 months) and intend to keep moving forward with that behavior change
 - May exhibit this by modifying their problem behavior or acquiring new healthy behaviors
- **Maintenance**
 - Have sustained their behavior change for a while (defined as more than 6 months) and intend to maintain the behavior change going forward. People in this stage work to prevent relapse to earlier stages.