



# NAVIGATING TRANSFORMATION

An Overview of Change Management

# CHANGE MANAGEMENT CONTENTS

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A person with dark hair tied back, wearing a white shirt, is seen from the side, looking at a laptop screen. The screen shows a video conference with two participants: a man with glasses and a striped shirt, and another man in a grey shirt. The background of the image is a blurred office setting with a wall covered in papers or a whiteboard.

# REALITIES OF CHANGE MANAGEMENT

**Change is hard.** When an organization decides to embark on a digital transformation, it asks its employees to adopt and trust an unfamiliar new technology. While the “technology side of change” gets most of the attention, executives often underestimate, and fail to properly account for, the “people side of change”. What is most interesting about this phenomenon is that the data suggests that large technology initiatives do not typically fail for technical reasons; instead, they often fail because the people side of change is not managed well.

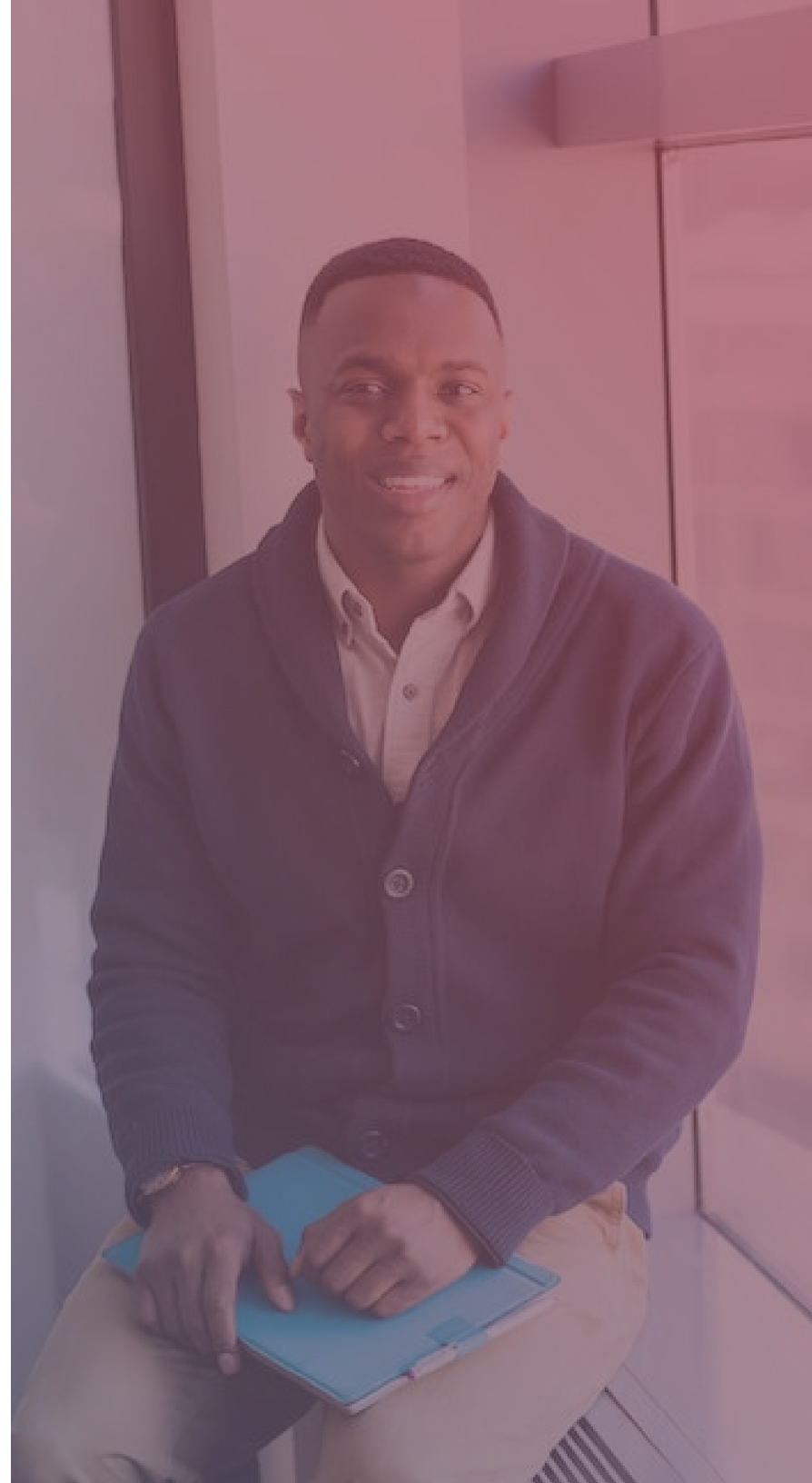
While it is encouraging that some well-informed executives are now beginning to take notice of this data and the importance of Change Management, another alarming phenomenon is beginning to take hold. Instead of engaging specialists in Change Management, technology buyers are tasking the technology vendor with Change Management as an additional “bullet” in the vendor scope. This is problematic on a number of levels, which this paper will explore more fully.

# WHAT IS CHANGE MANAGEMENT?

It may be best to start with a definition of Change Management. ProSci®, the leading Change Management authority, defines Change Management as:

**The discipline that guides how organizations prepare, equip and support individuals to successfully adopt change to drive organizational success and outcomes.**

An important aspect of this definition is the focus on the individual. This is because the barriers to change are experienced and overcome at the individual level. This key point of understanding helps inform the most successful approach to effectively managing “the people side of change”.





## MISCONCEPTIONS ABOUT CHANGE MANAGEMENT

When we start talking to our clients about Change Management, we often hear some misconceptions about what it is and what it is not. We hear things like:

**“We are doing Change Management. We have a communication plan.”**

**“We are doing Change Management. We have a training plan.”**

**“The technology vendor can do Change Management for us.”**

If you take nothing else away from reading this, we hope you will understand Change Management goes well beyond communications and training plans.

While we fully agree these are certainly important things to employ, we would encourage you to develop a deeper understanding of a Change Management model that will deliver on a goal of 100% user adoption. Further, we would like you to challenge the idea that the technology vendor can effectively do Change Management.



"SLOWNESS TO CHANGE  
USUALLY MEANS FEAR  
OF THE NEW." – Philip Crosby

## CHANGE MANAGEMENT MODEL



Although several Change Management Models exist, the most important and prevalent model is ProSci's ADKAR. The ADKAR model theorizes that individuals experience and must overcome barriers to change in a sequential manner. These barriers are:

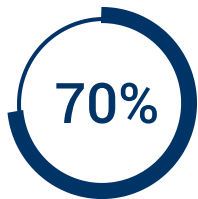
- Awareness** of the need for change
- Desire** to participate in and support the change
- Knowledge** on how to change
- Ability** to implement new skills and behaviors
- Reinforcement** to sustain the change

The model is sequential; so, for example, an individual must become aware of the need for change, prior to experiencing a desire to participate in and support the change.

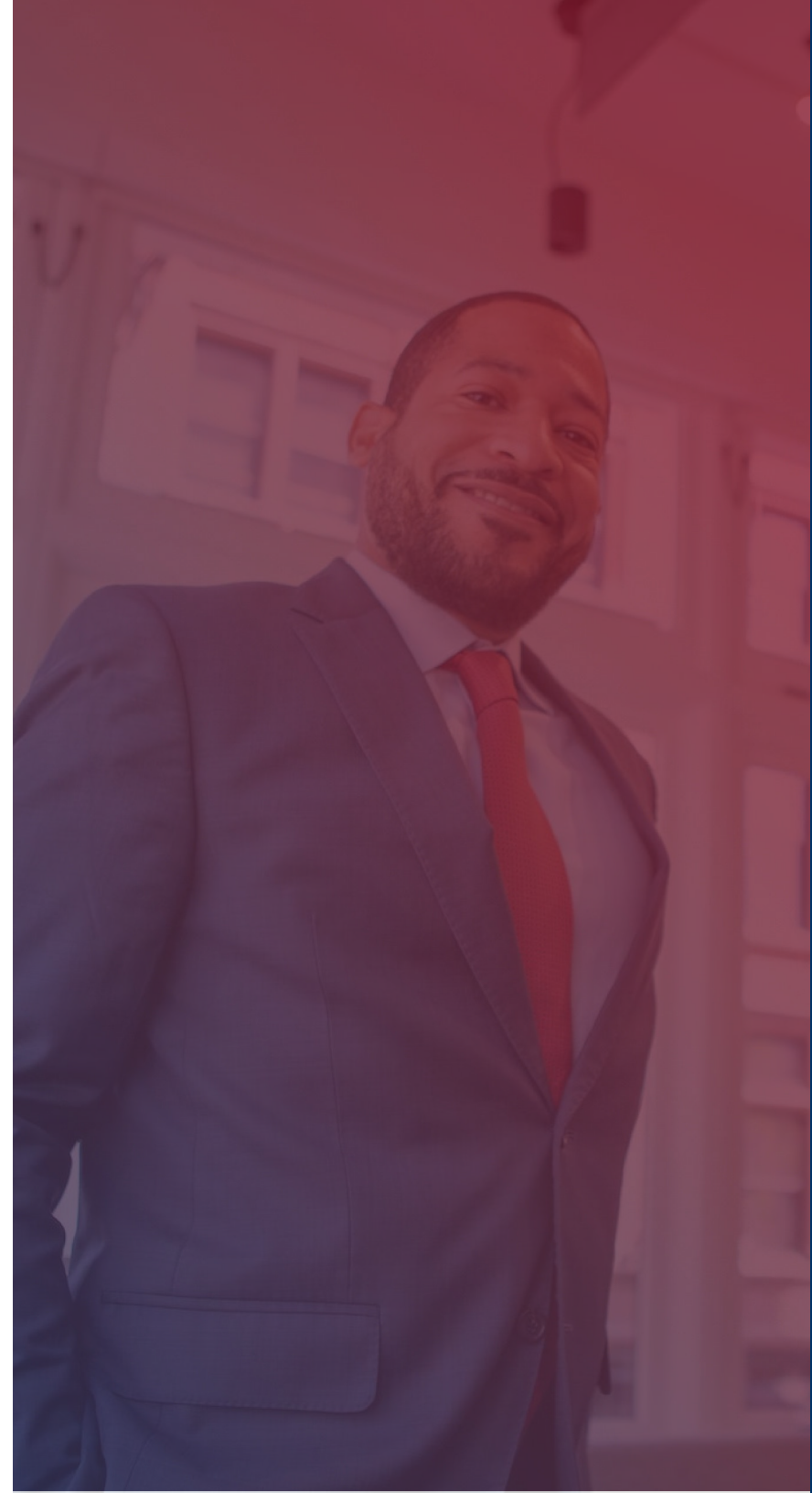
# AN ORGANIZATION'S COMPETENCY FOR CHANGE

As you look to apply the model at the organizational level, it becomes apparent that you must also look at the organization's change leadership to understand the overall organizational competency for change.

Organizational change leadership is a factor of subject matter expertise, capacity, and competency. Where there is a shortfall in any of these factors, the organization's competency for change is negatively impacted.



**70%** of all change programs fail due to employee resistance and lack of support from the management, according to McKinsey.





## APPLYING CHANGE MANAGEMENT AT THE ORGANIZATIONAL LEVEL

In the **ASSESS** step, we encourage our clients to better understand their overall change readiness. Does the organization have a good understanding of WHO is impacted? and HOW are they impacted? Some typical activities recommended during this phase include:

1. Develop high-level Change Management timeline,
2. Assess organizational hierarchy,
3. Assess current state,
4. Define future vision,
5. Assess experience and risk,
6. Gap assessment, and
7. Develop roadmap strategy.

In the **PLAN** step, you will want to define: WHAT are you going to do to get people ready? Some typical activities include:

1. Define detailed audience and change impacts,
2. Develop detailed change plans,
3. Develop readiness scorecards,
4. Identify core change team, and
5. Plan the change agent and super user network.

In the **ENGAGE** step, you will be executing against your Change Management plans. Some typical activities include:

1. Engage the change agent and super user network,
2. Develop the engagement tracker,
3. Execute and monitor Change Management plans,
4. Business readiness assessments, and
5. Training evaluations and assessment.

In the **SUPPORT** step, you will want to provide for user adoption support and design for program sustainability. Some typical activities include:

1. Monitor and measure adoption and usage,
2. Conduct ad-hoc coaching sessions and workshops,
3. Conduct program effectiveness evaluation (minimum 30-days after go-live), and
4. Knowledge transfer.





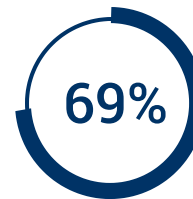


## APPLYING CHANGE MANAGEMENT AT THE ORGANIZATIONAL LEVEL

Depending on the organization and the specific initiative, sometimes Training and Communication fall under the broad umbrella of Change Management and sometimes they do not.

We approach Training as a separate, but necessary and complementary, discipline to Change Management with activities occurring in close collaboration. For Communication activities we leverage Change Management resources as the manager and quarterback of communications – not the developer.

As a result, Change Management teams typically work directly with Subject Matter Experts to facilitate the development and coordinate the transmission of critical project communications.



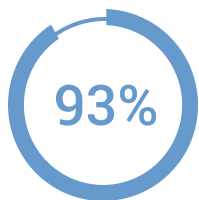
According to Google, 69% of successful change programs reported offering training before and after go-live.

# NEGATIVE IMPACTS OF POOR CHANGE MANAGEMENT

Failure to adequately manage the “people side of change” can quickly lead to your own employees undermining the business changes you are seeking.

We have seen these “people issues” range from low knowledge levels and incorrect usage of the new technology to reversion to old processes, poor accountability and ownership, all the way to active resistance of the technology itself.

**What is the net impact to the organization?** It can be devastating! Think about the costs of implementation delays, expensive re-work and change orders, and even having to cancel the project mid-stream.



**93% of companies with excellent change management strategies met/exceeded objectives as compared to 15% of companies with poor change management strategies, per Prosci.**





# WHY TECHNOLOGY VENDORS ARE ILL-SUITED TO DELIVER CHANGE MANAGEMENT

There are many factors that make a technology vendor ill-suited to lead the Change Management efforts of a digital transformation. Here are a few of the most notable:

**Vendor Self-Awareness.** Simply put, technology vendors can't see themselves from a new user's perspective. This is because they are intimately familiar with the technology they are developing (or implementing). The customer (or customer's third-party consultant) is in a much better position to see the challenges that moving to the new technology will involve and how to help the organization best assimilate the changes.

**Margin Optimization.** In fixed bid projects, technology vendors are financially incentivized to deliver the technology as quickly (and with the lowest labor costs) as possible. In these cases, a natural candidate for cutting costs and optimizing project profitability is Change Management. Vendors will naturally tend to push as much of the Change Management work as possible back on to the client.

**Accountability.** Both your organization and the technology vendor will have responsibilities. When

uncertainty shows its ugly head, you can be certain that your technology vendor will struggle to hold themselves internally accountable as delays can impact their profitability. Likewise, because of the client-vendor relationship, they will also struggle to hold your organization accountable for any shortcomings in meeting your obligations.

**Skillset and Bandwidth.** Change Management is typically not a technology vendor's core competency. When a client wants the vendor to include Change Management in vendor scope, we often see these responsibilities added as additional bullets to the project manager's role, or alternatively, given to a low-level or part-time subordinate. In most cases, the PM doesn't have the requisite knowledge, background, skillset, or experience to deliver effective Change Management. Additionally, we usually see the PM is already stretched so thin, that she doesn't have the bandwidth to dedicate the appropriate amount of rigor to Change Management.

# TOP RECOMMENDATIONS FOR EXECUTIVE SPONSORS

## **Engage a 3rd Party for the Change Management Role**

As noted, your technology vendor is ill-suited for the Change Management role in a major transformation initiative. Additionally, it is often impractical (or not cost effective) for an organization to rapidly build or scale its own internal Change Management resources when preparing for a digital transformation. Instead, the best option is to bring in an expert consultant to help guide and facilitate the efforts of the internal team.

## **Active and Visible Executive Sponsorship**

There is substantial data pointing to the most important critical success factor for any major technology initiative: active and visible executive sponsorship. We recommend a sponsor roadmap to help keep the sponsor active and visible throughout.

## **Allocate Budget**

We often see some budget for training, but rarely see budget for Change Management. Change Management is an afterthought as opposed to an integrated discipline. Plan for dedicated resources when creating the project budget.

## **Employ a Structured Approach**

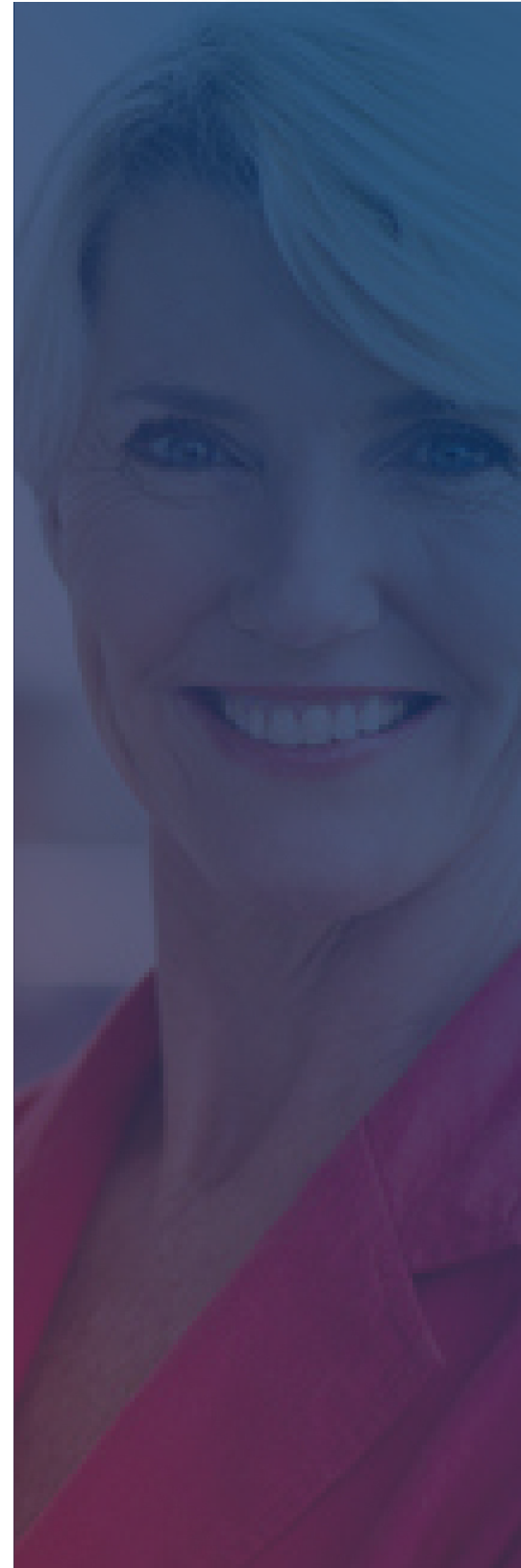
A structured, time-proven approach is always preferred to “shooting from the hip”. Although this seems obvious, we constantly come across organizations that do not have an integrated plan and have disjointed resources operating in silos. The Change Management Team should work closely with project management, and activities should be integrated in the overall project plan.

## **Develop Change Metrics**

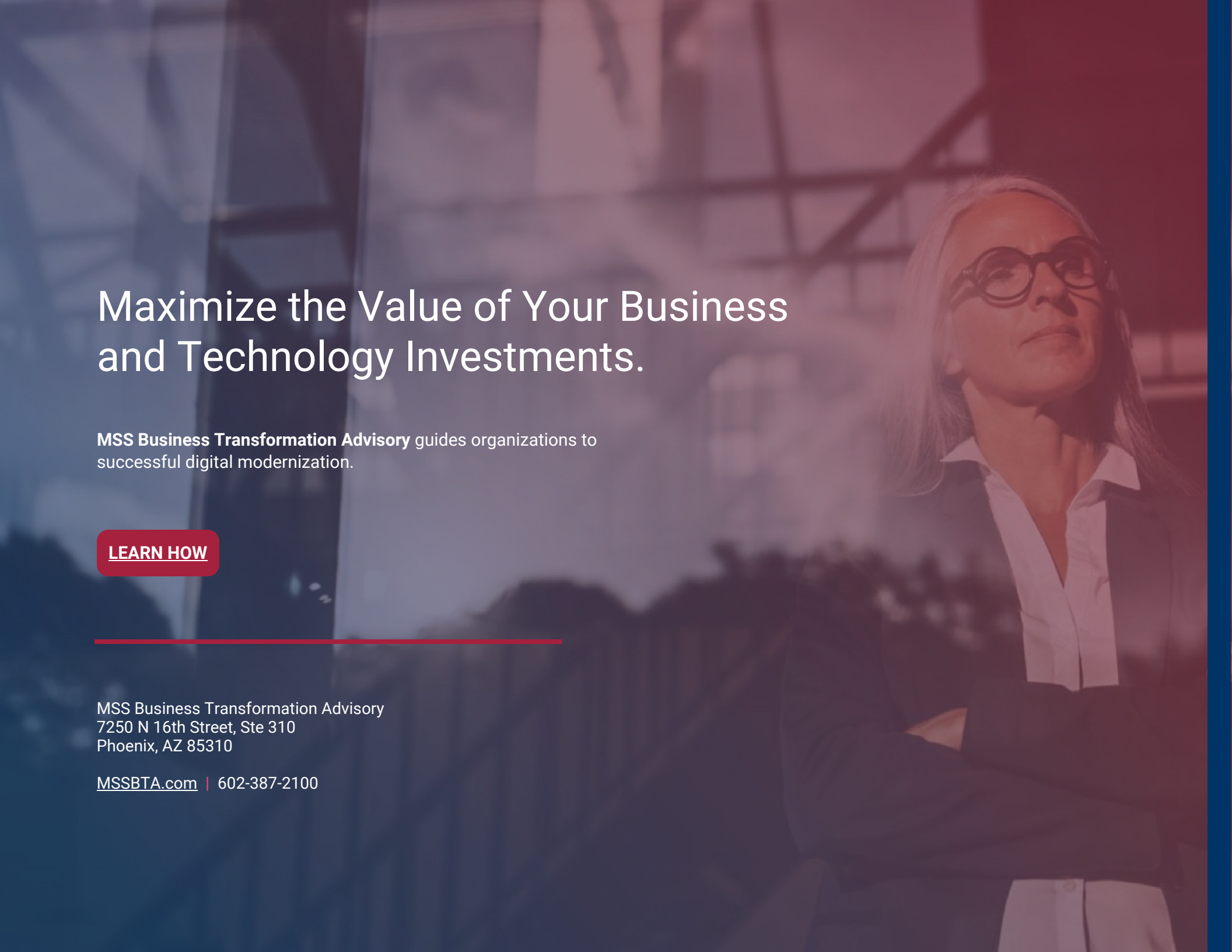
User adoption rate should be one of the primary measures used to judge the success of the technology initiative. Other transitional metrics such as those captured during employee surveys and training can help drive visibility of how well the organization is receiving the change.

## **Build a Change Agent Network.**

Especially in large organizations, spread out across many locations, it is essential to understand who the change agents are and how they will support one another. Build and empower a Change Agent Network to help foster broad adoption.







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