



Project Management | Education | Consultancy | Delivery | Resourcing



**On Target:
Breakfast Seminar Series**

Executing Effective Organisational Change

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1st & 3rd July 2008

- Change Management Overview
- Change Management Life Cycle and Methodologies & Framework
- Stakeholder Management
- Change Readiness
- Benefits Realisation
- Building Organisational Change Capabilities



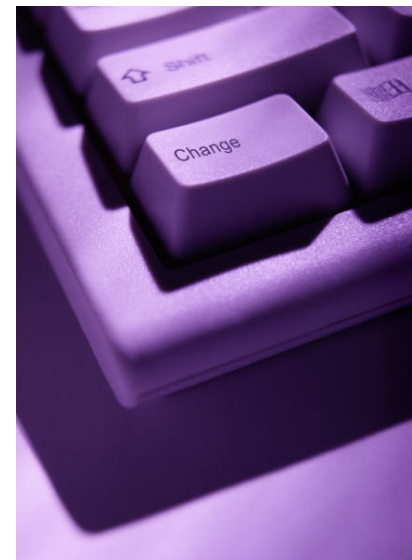
What is Change Management?

Organisational Change Management is managing the realignment of an organisation to:

- take advantage of business opportunities,
- address the challenges of the changing business environment by improvements in customer service, or
- improving the business processes and updating technologies.



- Stakeholder commitment and buy-in
- Minimise impact on productivity, quality, business continuity and customer impacts
- Achieve the desired business outcomes
- Build ongoing change management capabilities
- Increase success rates for major changes



What is driving change?



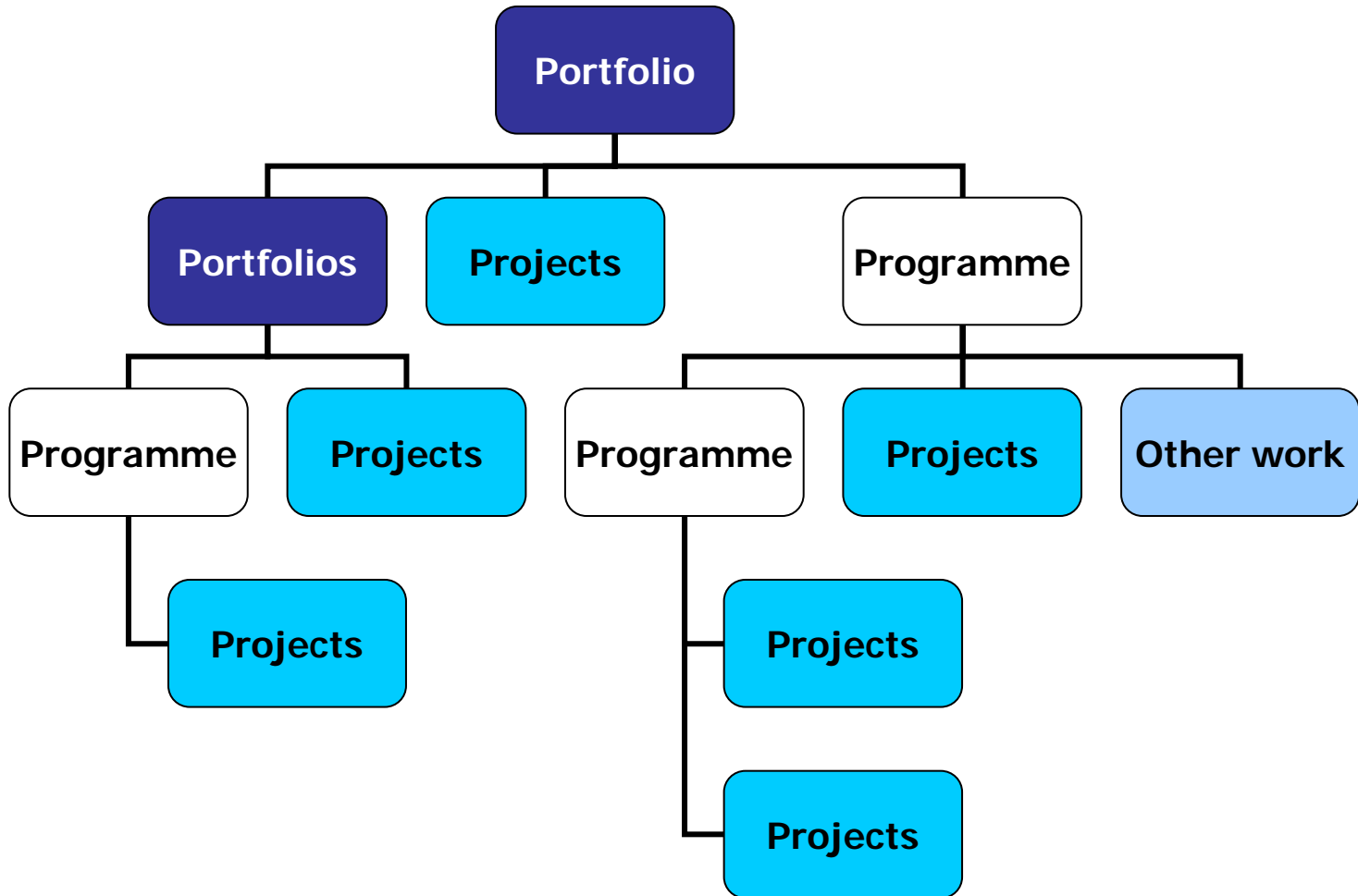
- Disruptive
- Uncertain
- Unpredictable



Work with them – not against them!

Integrate these qualities into the change management strategies to achieve success

The Change Management Hierarchy



Definitions of Success at each level

- **Project:**
 - On time, budget, products delivered to specification
- **Programme**
 - ROI, new capabilities, benefit delivery
- **Portfolio**
 - Measured in terms of aggregate performance of portfolio components



How successful are we at change?

- A survey conducted by Kepner-Tregoe revealed that for 11 different types of change initiatives only 20% of employees indicated that these initiatives met or exceeded expectations

Sptizer

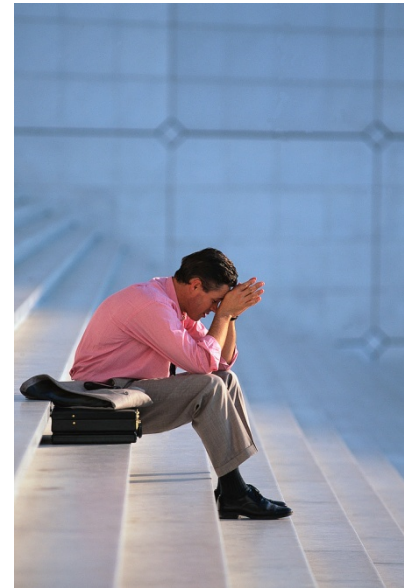
- As many as 50-70% of the organisations that undertake a re-engineering effort do not achieve the dramatic results they intended

Michael Hammer and James Champy



How successful are we at change?

- Kepner-Tregoe study of executive perceptions:
 - Nearly 2 out of 3 executives surveyed believed that employee morale was ‘worse’ or ‘the same’ as result of a change initiative
 - 2 out of 3 executives admitted that their organizations’ internal systems were “worse” or “the same” overall as a result of their change initiatives
 - 60% of these executives rated employees’ reactions to organizational change as neutral, sceptical or actively resistant



Change Initiatives – Why do they fail?

- A lack of urgency
- A lack of shared vision
- An absence of measurable outcomes
- A failure to communicate the vision
- Being surprised at the resistance to a change
- A failure to integrate dissident perspectives



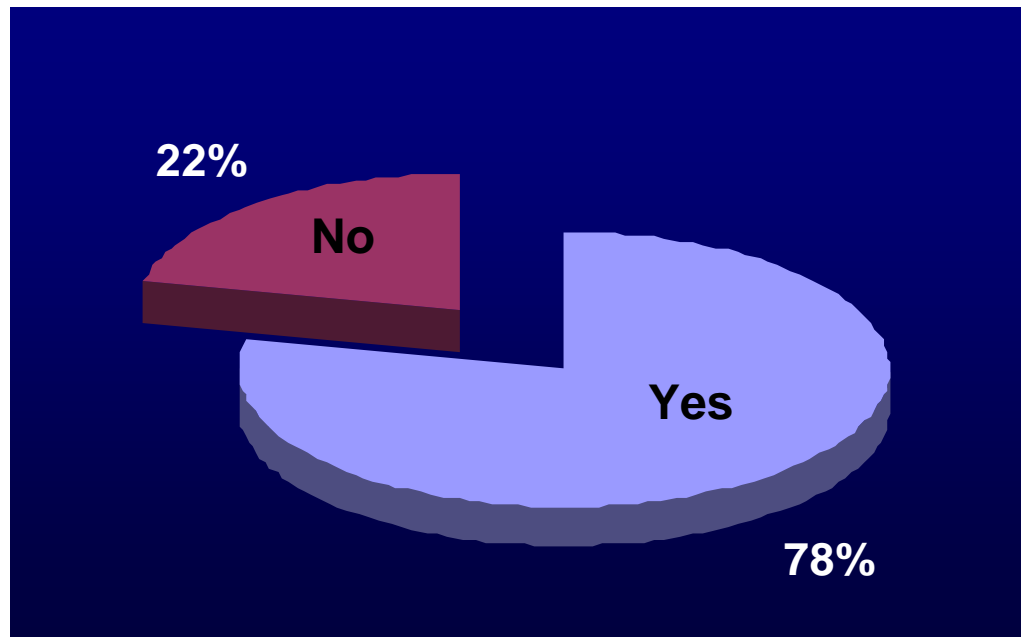
Change Initiatives – Why do they fail?

- Failing to anticipate and confront the obstacles
- A failure to integrate lessons learned
- An ignorance of the organisation's culture
- Failing to establish interim benchmarks of success
- A lack of structural reinforcement to sustain the change
- Lack of leadership



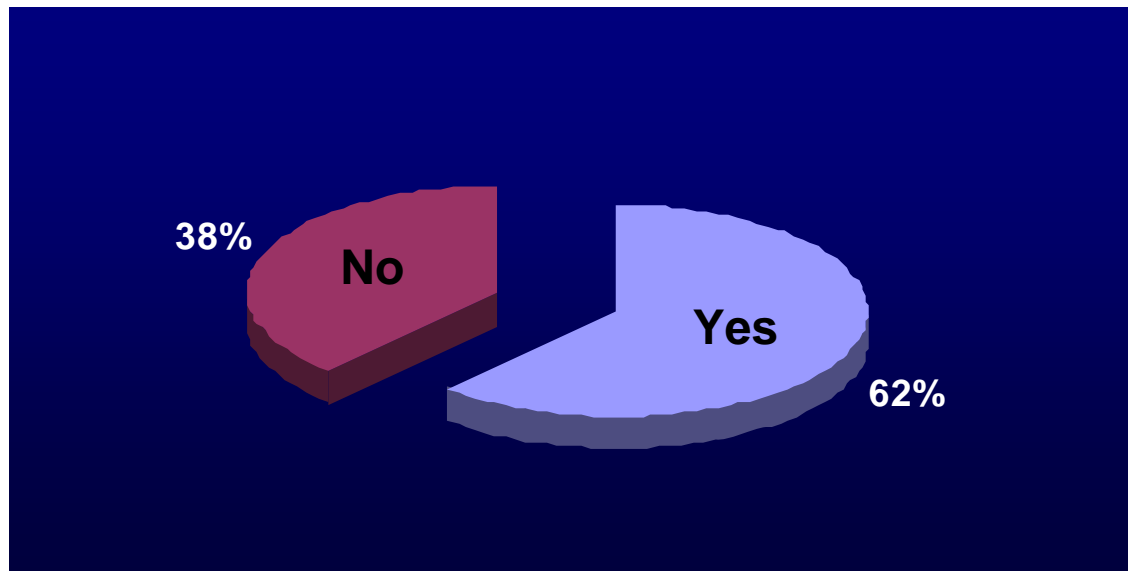
What you told us...

Are organisational strategic initiatives managed in a systematic way using programme and/or project methodologies?



What you told us...

Are the methodologies that are in place to address organisational change effective?



- A change methodology structured around a change life cycle ensures effective planning and control of change initiatives
- The tools of the methodology must be useful to the organisation – not ‘one size fits all’

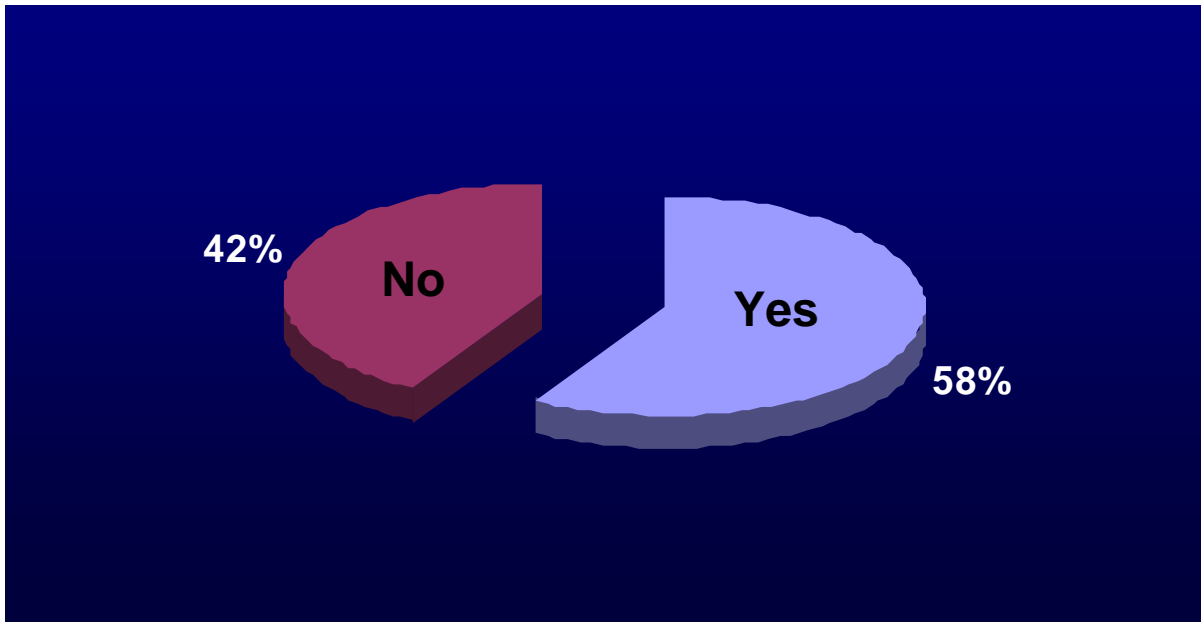


- Vision Statement
- Business Case
- Organisational Structure & Role Definitions
- Project/Programme Plan
- Benefits Realisation Plan
- Completion Report

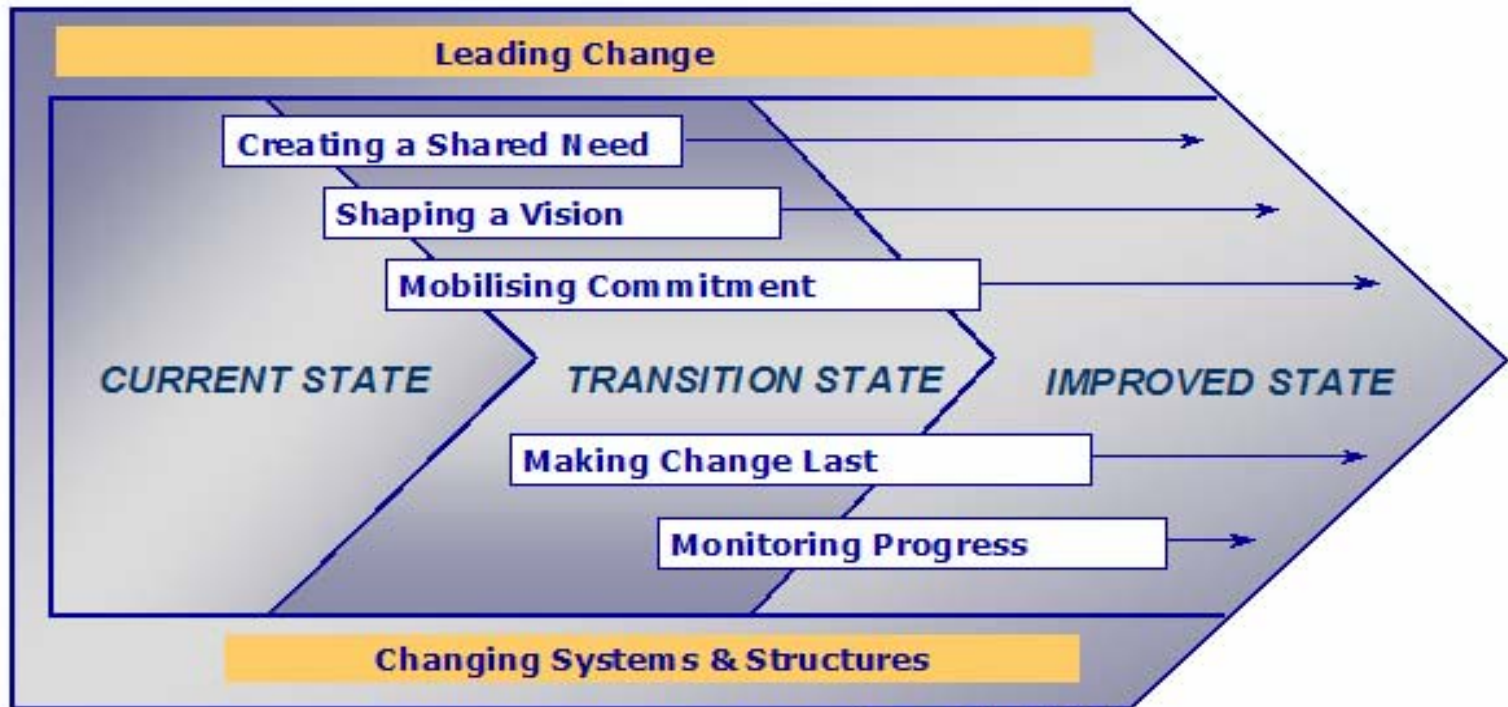


What you told us...

Is due consideration given to the 'people' aspects of the change and are they managed effectively?

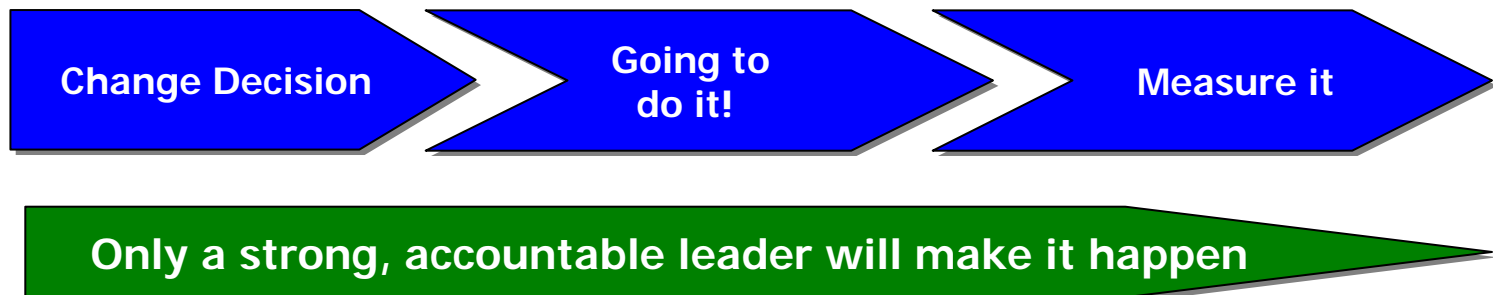


Change Framework



Source: David Ulrich

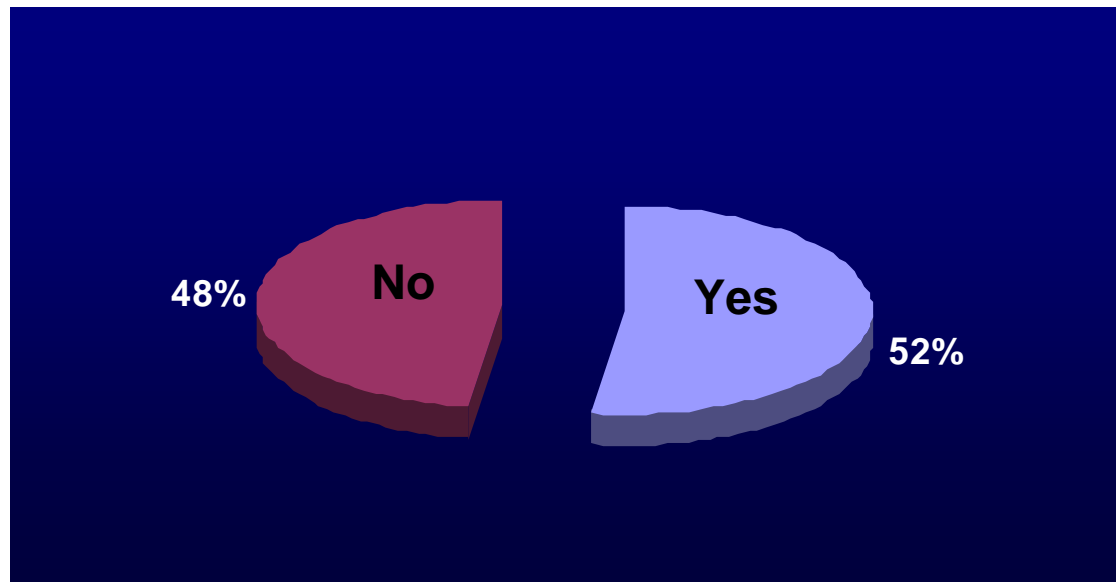
- In order for success, a change must have:
 - An owner who will ‘champion’ the change
 - Active decision-making roles
 - Appropriate level of authority of key roles



- Stakeholder Commitment / Impact Assessments
- Communications Plan
- Communications Effectiveness Audits
- Leading people through the 'change curve':
 - Denial
 - Resistance
 - Exploration
 - Commitment



Is the organisation's readiness for change assessed properly prior to the transition?



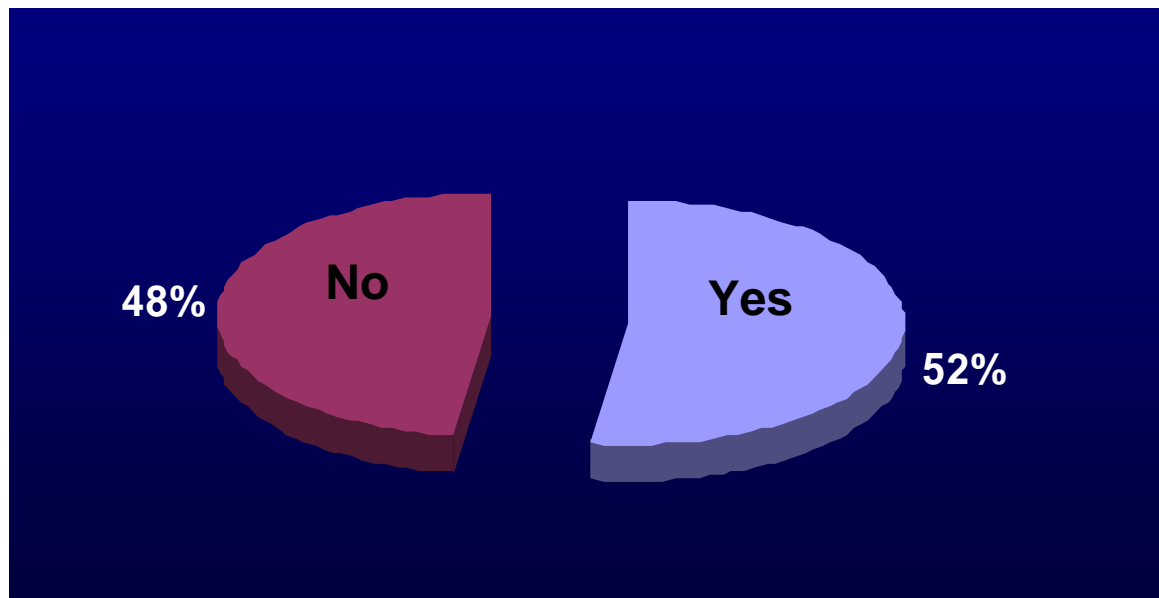
- Occurs when organisational members have positive attitudes, beliefs and intentions towards the change.
- Review both the individuals and the whole organisation



- Consider the magnitude of the change:
 - Geographic impact
 - Business areas impacted
 - Flow on effects
 - Simultaneous changes being made e.g. to process, systems, structure etc?
 - Legal implications
 - No. of employees impacted
 - Changes of a similar size have been implemented successfully

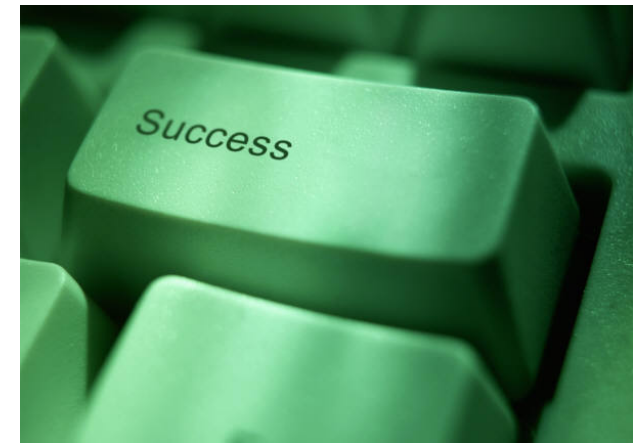


Are the benefits of the change identified upfront and monitored and tracked through to their ultimate realisation?



Why is it important?

- What is the point of undertaking an initiative if it is not expected to deliver benefits to the organisation?
- Many change initiatives deliver the outputs, but do not go on to identify whether those outputs have delivered the anticipated benefits to the organisation.



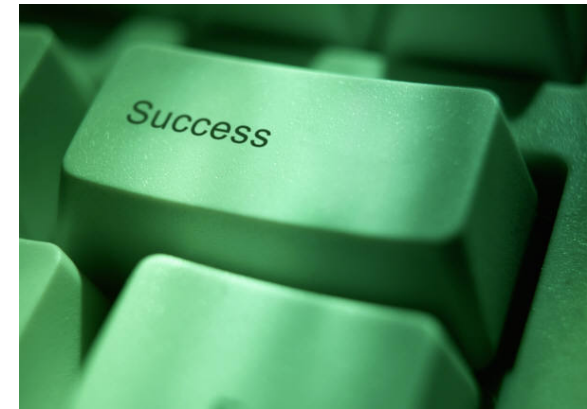
Realising the agreed business benefits requires two key and inter-related activities:

- Identify the person who is ultimately responsible for ensuring the outputs are used to generate the business benefits, and
- Create a Benefits Realisation Plan to document, agree and monitor the benefits through to conclusion.



Changes to processes and systems to consider in benefits realisation are:

- Organisational structure
- Physical infrastructure and environment
- Employee career performance guidance systems
- Business performance measurement systems
- Information systems
- System upgrades
- Industrial relations agreements

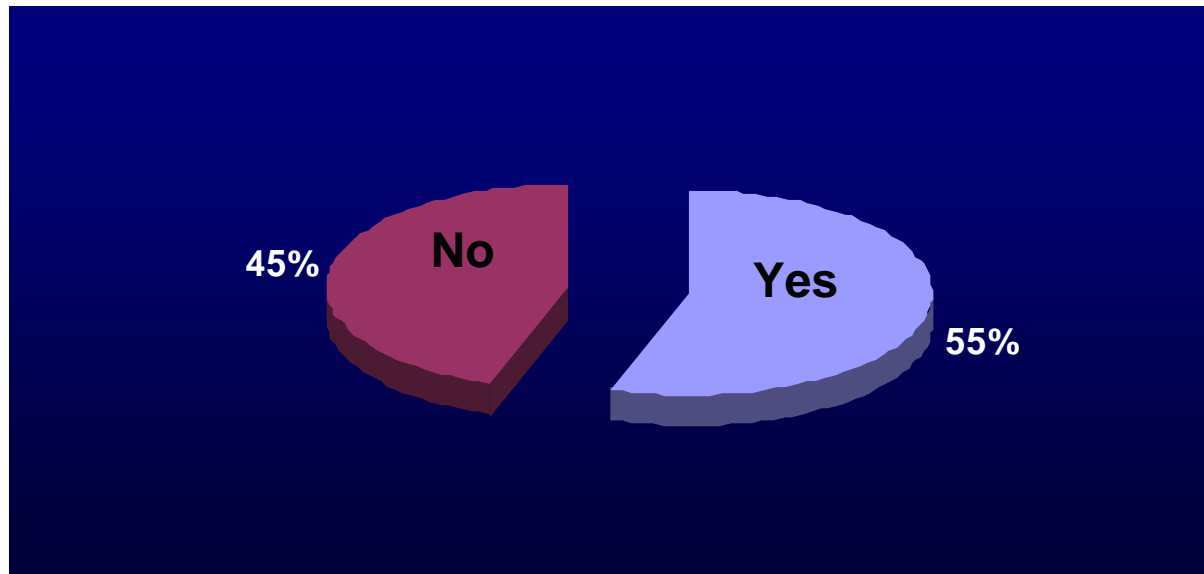




Using Benefits to Close the Program



Does the organisation take lessons from past change endeavours to improve?



Means developing the ability to:

- Maintaining competitive advantage
- Strengthen company brands
- Identify and take advantage of internal and external synergies that arise from teamwork
- Innovation and fresh thinking



Project Management Maturity Models

Key benefits:

- Improves maturity of project management, leading to meeting organisational objectives
- Projects also considered at programme and portfolio level
- Improve the change capability of the organisation for the future to increase success



A Change Organisation

*“Truly adaptive firms..
Are awesome competitive machines.
They produce superb products and
services faster and better.
They run circles around bloated
bureaucracies.
Even when they have far fewer
resources and patents or less market
share, they compete and win again
and again...”*

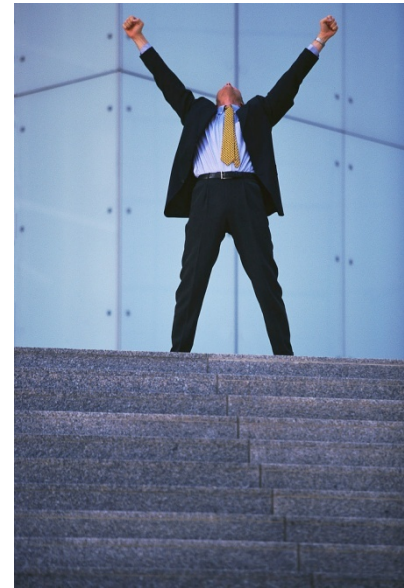
John P. Kotter, *Leading Change*, 1996



A Change Organisation

Living and winning in that environment can be fun, because you feel like you're doing something worthwhile.. It's challenging. It's never boring... and for most of us, making a real contribution is pleasing to the soul."

John P. Kotter, *Leading Change*, 1996



- Change needs to be managed using a structured framework
- Strong Leadership
- Manage and inform stakeholders
- Realise the benefits
- Build change management capabilities within the organisation



Thank You!



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