



Beyond the Warm and Fuzzy Stuff New Trends and Techniques in Change Management

Presented by
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The challenge of change

Our Services



Facilitation, training, coaching and project support

- Change Management
- Leadership Development
- Team Effectiveness

“People have two fears about the future.
First, that things will never return to normal.
Second, that they already have.” Anonymous

Our client organisations



Australian Government Solicitor



The challenge of change



Outcomes of session

- Why invest in change management?
- New research on impact of Change Management on success of change
- New trends in Change Management
- Assessment of where your organisation is at.



“One doesn’t discover new lands without
consenting to lose sight of the shore
for a very long time.”

Andre Gide, French novelist *The challenge of change*



“Some people change when they see the light,
others when they feel the heat”.

Caroline Schoeder

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“Change is exciting when done by us, but can be threatening when done to us.”

Rosabeth Moss Kanter

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“Change starts with an ending
and ends with a beginning”.

William Bridges

What is Change Management?

What is Change Management?

Communications

Creating
commitment

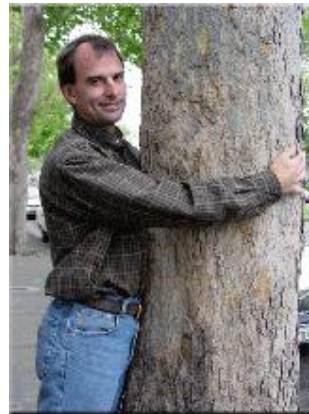
A leadership
capability

Training

Stakeholder
Management

A process
and set of
tools

Change
Process
Control



The challenge of change

What is Change Management?

- Change Management is the people side of change.
- It is complementary to the project or technical side of change.
- It has two elements:
 - Individual change management - assisting individuals to cope with and thrive in the new environment.
 - Organisational change management - the processes, tools and activities to make the change succeed.

Change Management is changing

- Senior managers are recognising importance of people side of change
- New research evidence on ROI of change management
- What are the drivers of change?
 - IT and process improvement projects
 - High \$\$ cost of project failure
 - Better project management practices
 - Employee engagement
 - Change capabilities are a competitive advantage



The challenge of change

Stages of change management adoption

Early stage of Change Management adoption

Mature stage of Change Management adoption

Communication and training

Activities

Full range used

At implementation or at resistance & barriers

When introduced

When technical & project activities start

Different methodologies used

Methodologies used

Capability built in one methodology

Believers and sceptics

Manager commitment

Senior executives committed

Optional for managers & projects

Consistent application

Applied consistently to all change initiatives

Benefit realisation from change initiatives varies widely.

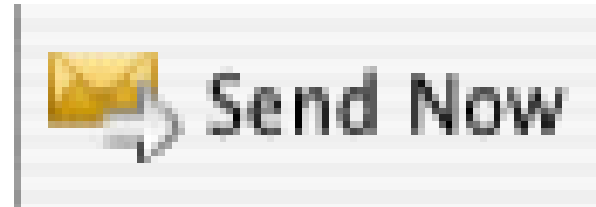
Benefit realisation

Consistently high % benefit realisation

People side of change slows strategy execution

Change Capabilities are a competitive advantage

Or there is always....



Successes and setbacks in change

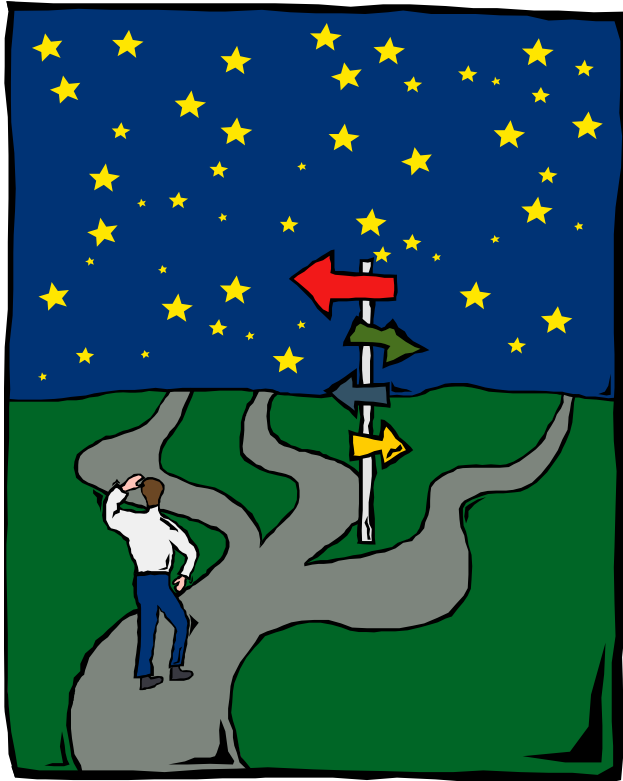


243 cases of change in Australia
Dennis Turner and Michael Crawford, 1998.

The
98%
expectation
of cases executives believed the
intended changes were right

92%
of executives thought their
organisation was capable of
achieving the changes

Successes and setbacks in change



243 cases of change in Australia
Dennis Turner and Michael Crawford, 1998.

The reality

33%

of change initiatives achieved
partial or complete success

67%

of companies surveyed had at
least one major setback

47 %

had two setbacks

29%

had three setbacks

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Common setbacks

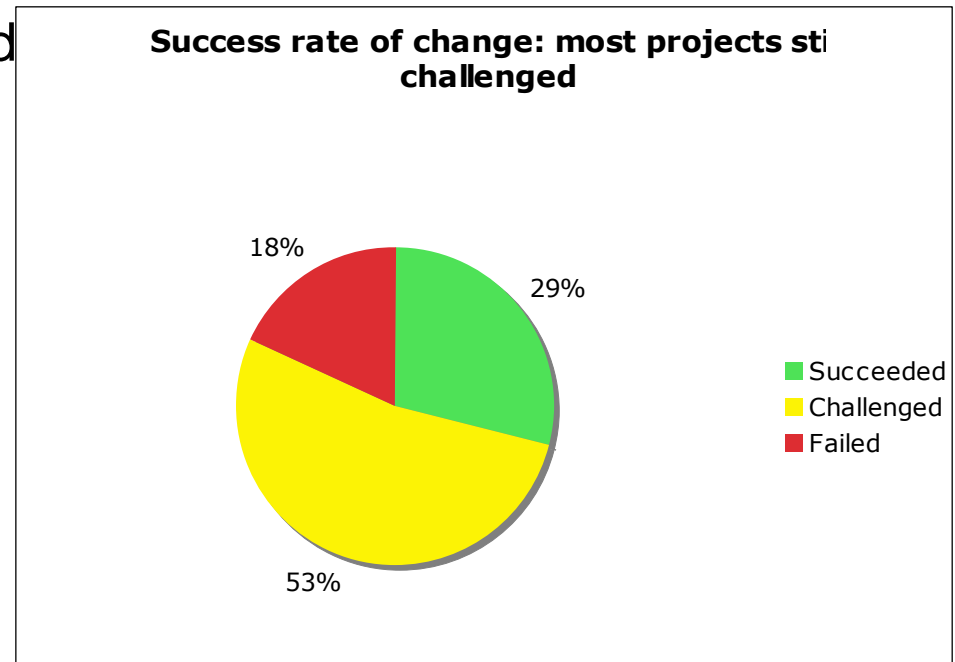


- Speed of change
- Focus on technical aspects
- Lack of attention to people aspects
- Multiple changes & change fatigue
- Middle managers not supported
 - change implementors
 - squashed tomatoes
- “The lone ranger” syndrome
- HR systems lagging behind

Your experiences?

Success rates of change: 10,000 projects worldwide

- Study of 10,000 change projects worldwide in the United States and Europe.
- Fortune 500 to small companies.
- Succeeded: On time, on budget, with required features & functions
- Challenged: Late, over budget and /or delivered less than required.
- Failed: Cancelled or delivered and never used.



Source: The Standish Group, Chaos Study Research, 2004

New research

The ROI of Change Management

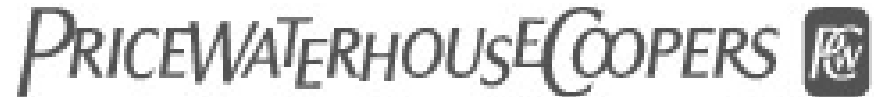
McKinsey &

“Companies with the highest benefit realisation had strong change management capabilities”. 2002 study of 40 companies.



AUSTRALIAN
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“The three capabilities needed for successful change are Engagement, Performance Management and Development of individuals and organisational systems.” Turner and Crawford, 1998 study of 240 cases of change.



“There is a clear link between the use of change management, organisations that function at peak performance and a high project management maturity level”. 2004 study of 200 companies worldwide.



“The ability to meet business objectives directly correlates with change management effectiveness”. 2005 study of 250 companies.

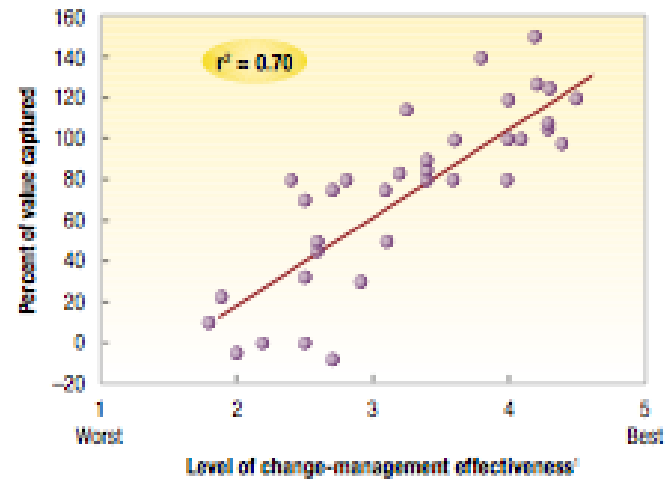
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McKinsey Research: Change management and benefit realisation

- Companies with poor change management capabilities had the lowest returns from change.
- Companies with strong change management capabilities realised the biggest returns.
- When all 3 levels of management have Change Management capabilities, organisations achieve highest benefit realisation

EXHIBIT 2

Effective change management pays

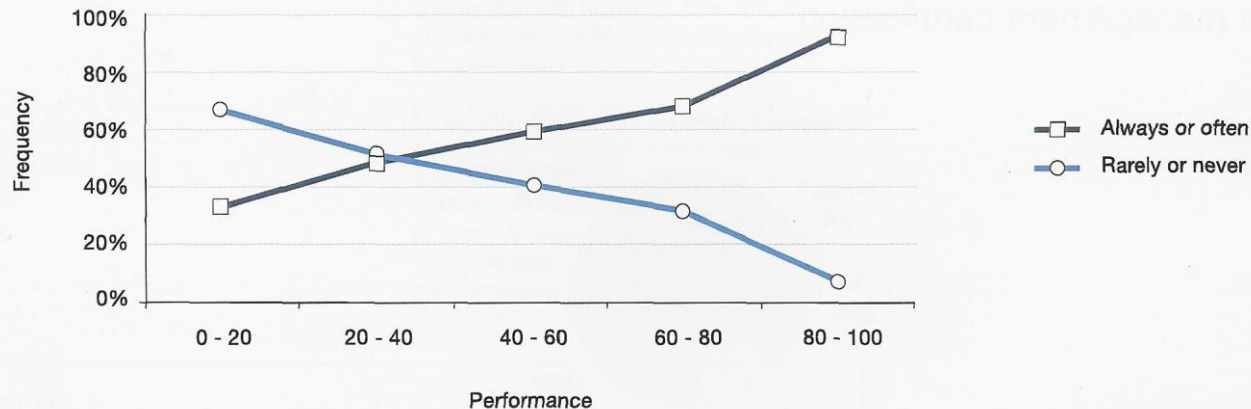


Source: "Helping Employees Embrace Change" McKinsey Quarterly, 2002, Number 4

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PWC Research: Change Management and Project Performance

Figure 17
Change management versus project performance

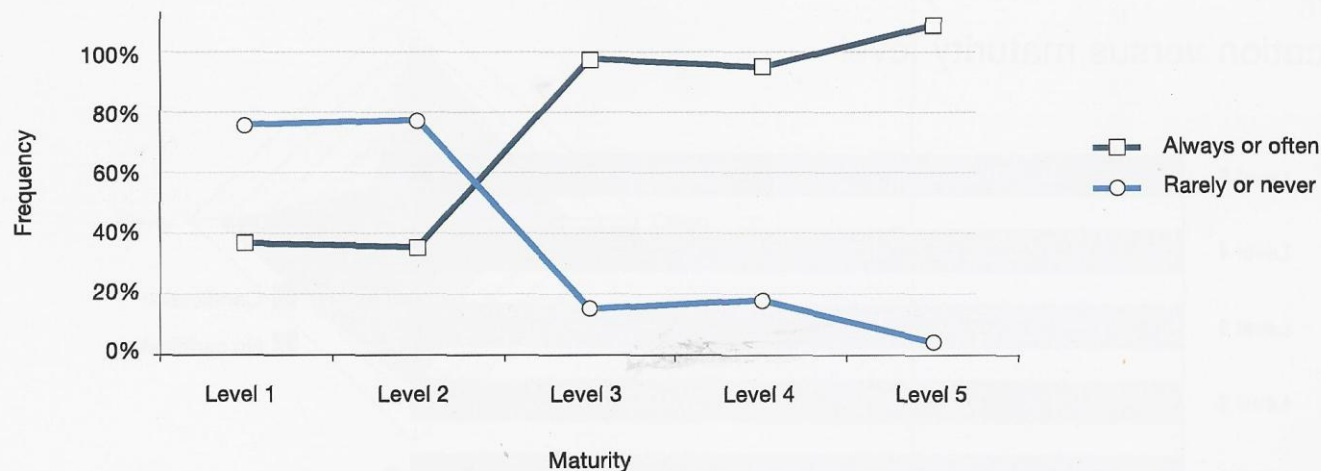


“There is a clear link between change management and the best performing organisations. Out of the 27 companies that score the highest in performance, 26 always or often use change management...”

Source: “Boosting Business Performance through Programme and Project Management”, Antonio Nieto-Rodriguez, Pricewaterhouse-Coopers, 2004.

PWC Research: Change Management and Project Maturity Levels

Figure 18
Change management versus maturity level



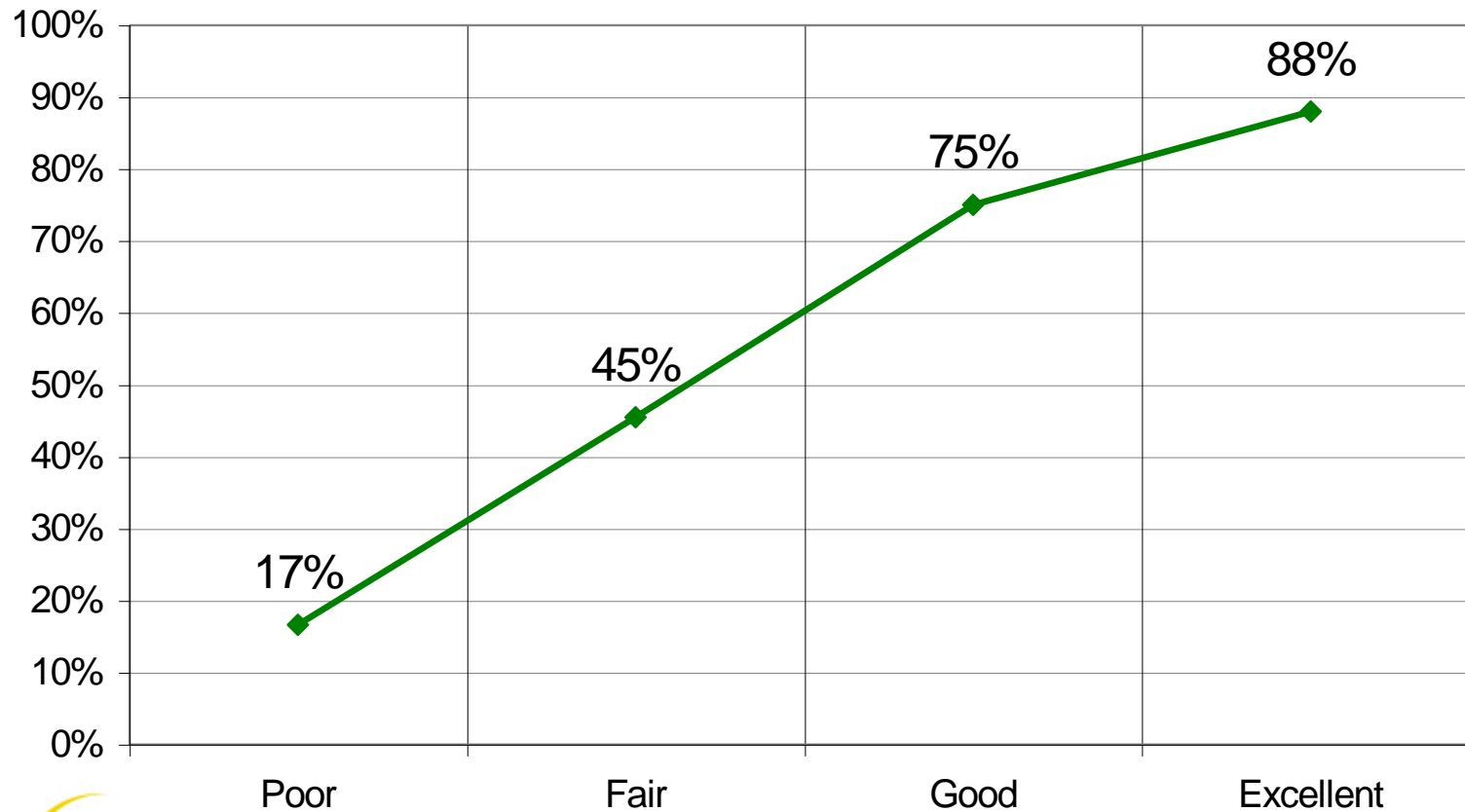
“The same goes for those companies that reached the highest maturity levels. Out of the 25 companies that reached maturity Level 5, 24 always or often used change management in their projects.”

Source: “Boosting Business Performance through Programme and Project Management”, Antonio Nieto-Rodriguez, PricewaterhouseCoopers, 2004.

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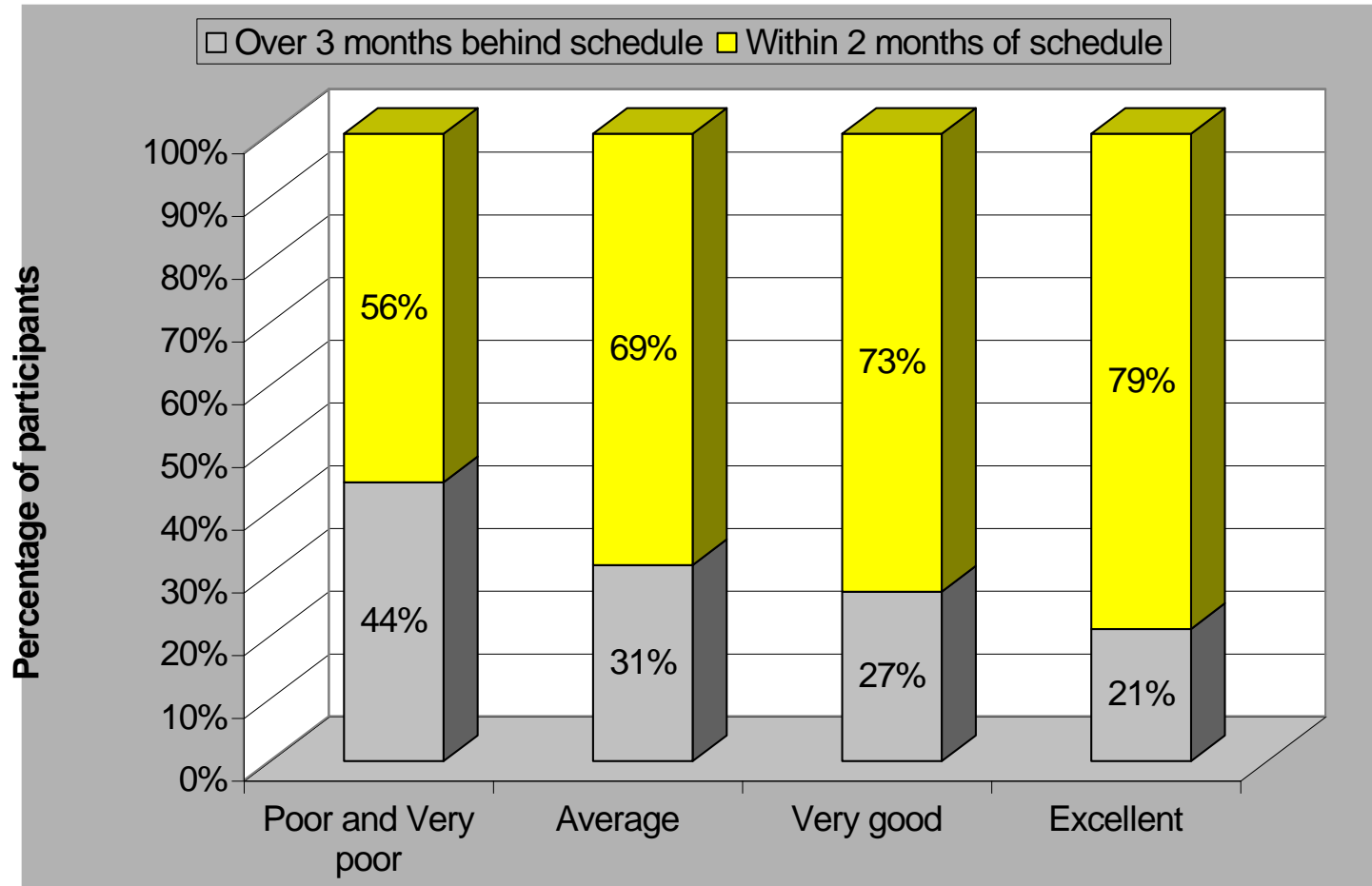
Prosci Research: Change management and meeting objectives

Participants who met or exceeded objectives



Overall effectiveness of change management program *The challenge of change*
Prosci Best Practices in Change Management Report 2007
in production. Data from 430 companies

Prosci Research: Change Management and staying on schedule



New trends in Change Management

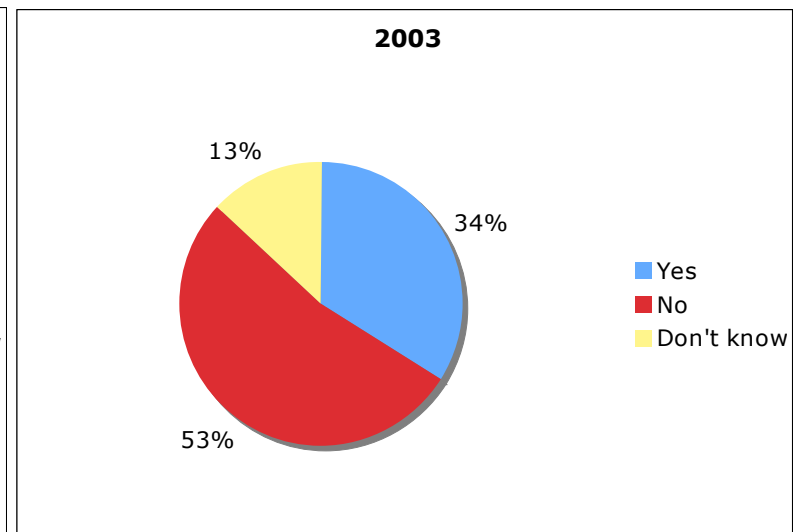
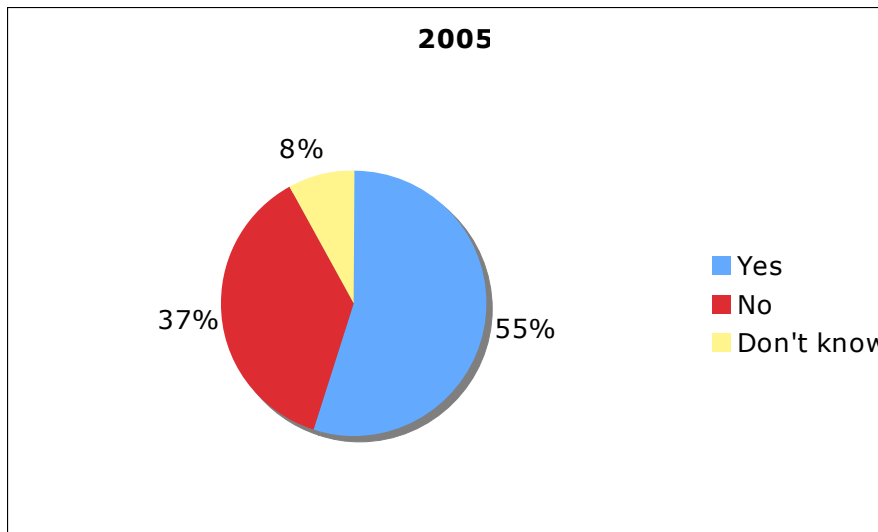
*A consistent
Change Management
methodology*



The challenge of change

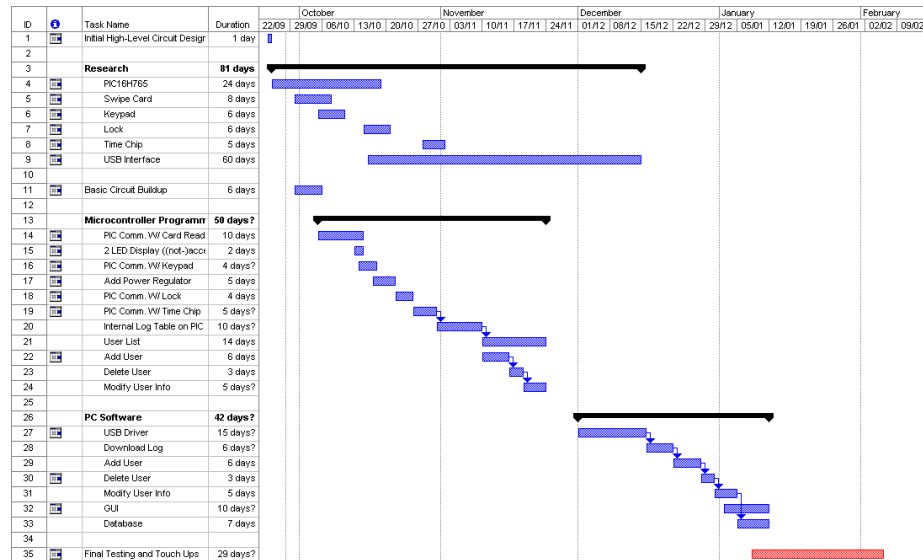
Prosci Best Practices in Change Management Report

A majority of organisations now uses a change management methodology instead of ad hoc approaches.



New trends in Change Management

Integrate with project management



The Prosci Change Triangle



New trends in Change Management

*Scaleable and
customised*



Prosci Change Management Process

Phase 1 – Preparing for change

Define your change management strategy

Prepare your change management team

Develop your sponsorship model



Phase 2 – Managing change

Develop change management plans

Take action and implement plans



Phase 3 – Reinforcing change

Collect and analyze feedback

Diagnose gaps and manage resistance

Implement corrective actions and celebrate successes

The challenge of change

New trends in Change Management

*Build internal
capabilities*



New trends in Change Management

Manage individual & organisational change



Change Managers as coaches



Beyond communications and training



Enterprise change management

The challenge of change