

REDUCING RISK THROUGH CHANGE MANAGEMENT

Change management is more than glorified HR: it's a way project managers can reduce risks and enhance project success, writes **Catherine Smithson**

1. "The project started well with strong project management and change management, but the sponsor and leadership team moved on to other priorities and the project has been competing for resources and attention."
2. "The managers and teams were enthusiastic about the change and saw the benefits, but the solution that was delivered was late and fell far short of expectations."
3. "The project delivered on time and on budget, but the end-users were slow to change the way they work, which has reduced the expected benefits of the change."

How often have you heard these comments when project teams, managers and staff discuss troubled projects? Successful implementation of change depends on three factors being managed effectively throughout the project lifecycle: Leadership/Sponsorship, (statement 1) Project Management (statement 2) and Change Management (statement 3).

Based on 10 years of international research, Prosci, a leading international change management research organisation, identified these three key success factors for change. Prosci's Change Triangle is a simple yet powerful model that defines the three critical elements of project success and describes how they must each function effectively and integrate to reduce project risk and position projects for success.

It is also a diagnostic and planning tool that enables change leaders to quantify overall project risk, assess strengths and weaknesses in each of the three critical elements, and identify actions that sponsors and project teams can take to reduce risk and improve the likelihood of project success.

LEADERSHIP/SPONSORSHIP

Prosci defines leadership and sponsorship as "the responsibility of executives and senior managers in the organisation who authorise, fund and charter the top-down organisational changes that end up as projects or initiatives". Effective sponsorship is more than authorisation and delegation. Most of us have experienced the negative impact on projects of remote, inaccessible sponsors, who are not visible advocates of change with managers and employees. Sponsors must be active and visible throughout the entire project, build coalitions of sponsorship among key business leaders and communicate directly with employees about why change is needed.

PROJECT MANAGEMENT

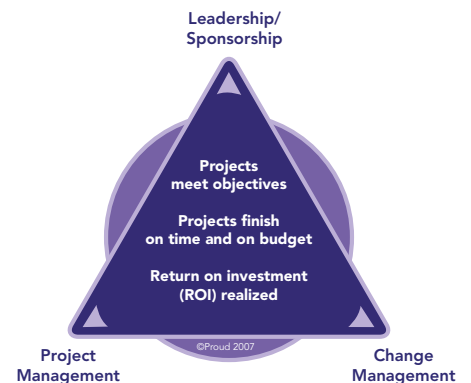
Prosci defines project management as "the set of processes and tools applied to business problems or opportunities to develop and implement a solution. It involves understanding the trade-off between the time, cost and scope of change that can be

achieved". In the strict sense, project management is the application of a structured approach for managing tasks, resources, and budget in order to achieve a defined deliverable.

CHANGE MANAGEMENT

Prosci defines change management as "the set of processes, tools and practices that are used to manage the people side of a change to achieve the desired business outcomes". It is the bridge between implementing a solution and an organisation ultimately realising the benefits associated with the change.

Change management is a systematic process of helping employees transition from the current state to the future state minimising productivity loss, negative customer impact and employee turnover, while maximising the speed of adoption and utilisation of the change throughout the organisation.



The Prosci Change Triangle (www.prosci.com)



A NEW PARTNERSHIP

In my 16 years experience, I have encountered many project managers who are suspicious of change management. Descriptions like 'warm and fuzzy HR stuff' are common and reflect project managers' concerns that change managers hinder the delivery of projects, which conflicts the latest research showing that projects that effectively integrate change management are five times more likely to achieve their project objectives.

On the other side, I have met change managers who perceive project managers as too technical, which disconnects them from the end-users, organisational culture and politics. They are seen as having little accountability for how the change will be used or sustained after they leave.

I have seen many large projects in which the project managers and change managers have little contact and communication. In a recent consultation, in my client's organisation

the communications team could not get regular project updates from the project team: the grapevine was the only source of project information, which created disengagement and cynicism among managers and staff towards the project.

This mutual misunderstanding stems from the very different maturity levels of project management and change management and the different professional backgrounds of practitioners. Project management is well established internationally; by contrast, change management is still emerging. Until recently, most organisations used ad hoc, crisis-driven approaches to change management.

The majority of organisations now use a structured, consistent methodology for the people side of change, according to Prosci's *Best Practices in Change Management Benchmarking Report 2007*. However, it's clear that most organisations are still in the early stages of maturity with change management: for many, it's not yet on the radar.

Finally, change managers and project managers have very different professional backgrounds. Change managers typically come from the disciplines of HR, organisational development, executive coaching, communications and training, whereas project managers generally have technical qualifications in engineering, IT, or finance combined with project management qualifications and specialisations.

These differences should not divide us: together, project managers and change managers can design and deliver the right solution that people own and adopt, to realise the benefits of change. By working in partnership, sponsors/leaders, project and change managers can reduce project risk and deliver successful change. ♦

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