

**Accelerated Results
with Change Management**

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MNASQ
March 10, 2015

Agenda

- Evolution of Quality
- Why Change Management
- Change Management: Organizational Perspective
- Change Management: Individual Perspective
- Success Factors
- Accelerated Results

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Evolution of Quality

- Cannot take quality for granted
- Quality is the competitive advantage

	Then	Next
Goal	Prevention	Perfection
Quality of	Product	Enterprise
Philosophy	Processes	Community
Sector	Manufacturing	Every
Waste	Tolerable	Abhorrent
Focus	Product/Service	Experience
Methodology	Control/ Improvement	Change/Transformation

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Why Change Management?



- Connects to business results
- Increases probability of project success
- Translates to financial performance

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Why Change Management?

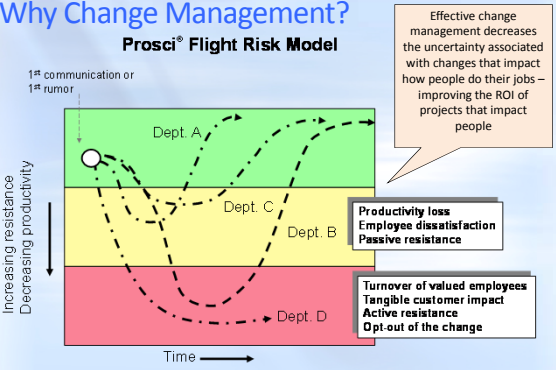
- Mitigates negative consequences
- Manages employee resistance to change
- Builds change competency
 - Increasingly important as we deal with increasing rate of change



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Why Change Management?

Prosci® Flight Risk Model



1st communication or 1st rumor

Increasing resistance
Decreasing productivity

Time

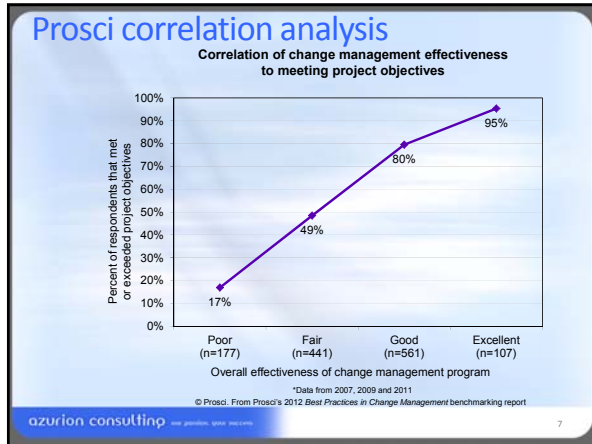
Effective change management decreases the uncertainty associated with changes that impact how people do their jobs – improving the ROI of projects that impact people

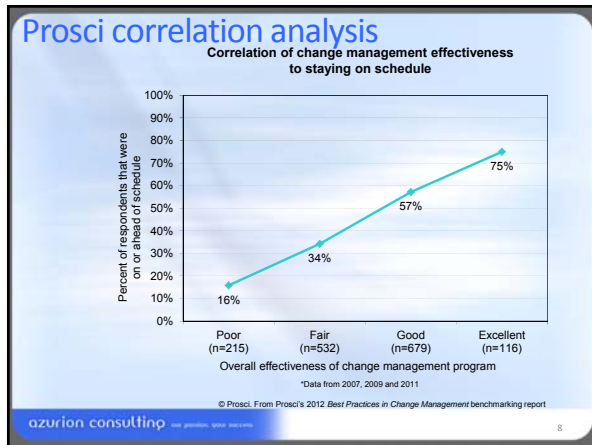
Productivity loss
Employee dissatisfaction
Passive resistance

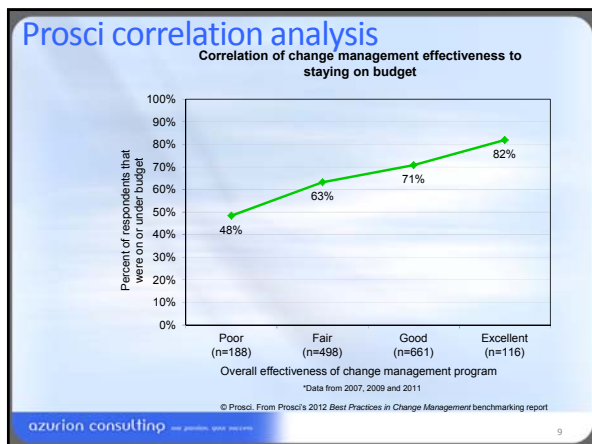
Turnover of valued employees
Tangible customer impact
Active resistance
Opt-out of the change

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Change is a process...



Current State → Transition → Future State

Not an event.

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Five Tenets of Change Management

- #1 We change for a reason.
- #2 Organizational change requires individual change.
- #3 Organizational outcomes are the collective result of individual change.
- #4 Change management is an enabling framework for managing the people side of change.
- #5 The application of change management helps to realize the benefits and desired outcomes of change.

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Prosci® 3-Phase Organizational Change Management Process

Input: A change to how the organization operates and does work

- ERP
- Strategic plan
- IT system
- Online HR benefits system
- Merger or acquisition
- New product
- Process improvement initiative

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

Output: Individuals making changes to how they do work – from their own current state to their own future state

Benefits to the organization realized

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Phase 1 – Preparing for Change

Phase 1 - Preparing for change

- Define your change management strategy
- Prepare your change management team
- Develop your sponsorship model

- Understanding the nature of the change
- Understanding the groups being changed
- Creating the right sponsorship model and coalition
- Identifying risks
- Developing special tactics

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Phase 2 – Managing Change

Phase 2 - Managing change

- Develop change management plans
- Take action and implement plans

- Communication plan
- Sponsor roadmap
- Training plan
- Coaching plan
- Resistance management plan

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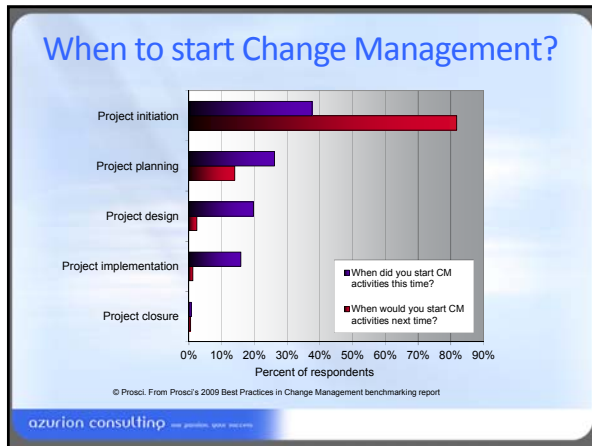
Phase 3 – Reinforcing change

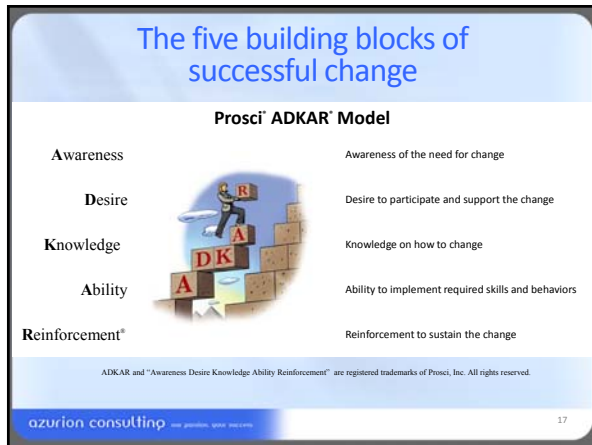
Phase 3 - Reinforcing change

- Collect and analyze feedback
- Diagnose gaps and manage resistance
- Implement corrective actions and celebrate successes

- Compliance audit reports and employee feedback
- Corrective action plans
- After action review
- Transition management

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ADKAR Model

- Represents the 5 elements of change that must be achieved for change to be a success.
- Developed by PROSCI after studying change patterns of more than 700 organizations.
- An effective tool for managing change at an individual level and guides activities at the organizational level.

You cannot manage change at an organizational level until you know how to manage change with a single individual.

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Awareness

Change begins with understanding why.

- What is the nature of the change?
- Why is the change needed?
- What is the risk of not changing?

People don't buy what you do, they buy why you do it.
~Simon Sinek


- Resistance to change is the norm.
- Lack of awareness is the most common reason for resistance

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Desire

Change involves personal decisions

- A personal choice
- A decision to engage & participate
- Awareness ≠ Desire
- Often considered most difficult step to achieve




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Knowledge

Change requires knowing how

- Understanding how to change
- Training on processes & tools
- Learning new skills



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Ability

Change requires action in the right direction


- The demonstrated capability to implement the change
- Achievement of the desired change in performance or behavior
- Knowledge ≠ Ability

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Reinforcement

Change must be reinforced to be sustained

- Actions that increase the likelihood that a change will be continued
- Recognition & rewards that sustain the change



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Connecting individual and organizational change management

Change management tools	Individual phases of change (ADKAR [®])
Communications	Awareness
Sponsor roadmap	Desire
Coaching	Knowledge
Resistance management	Ability
Training	Reinforcement [™]

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Success Factors

In all studies, sponsorship was #1

1) Sponsorship

- 2) Communications
- 3) Approach
- 4) Resources and funding
- 5) Employee engagement
- 6) Manager engagement

Top contributors to success from Prosci's 2012 edition of *Best Practices in Change Management*

2014 addition: Engagement & integration with project management

Success Factors - Sponsorship

- Active, visible, engaged sponsorship
 - Talk about it – formally & informally
 - Communicate directly with employees at all levels
 - Demonstrate commitment – in words & actions
 - Build a coalition of sponsorship
 - Employees evaluate importance of change based on what they see & hear from senior leaders
 - Involvement, Commitment, Action
 - Sponsor is a verb – not a title

Success Factors - Sponsorship

- What are some of the things you can do to create active & engaged sponsors?

Project teams ranked over 50% of their sponsors as having a moderate to low understanding of their role in managing the people side of change and graded them "average to poor" in terms of sponsorship activities.

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Success Factors - Sponsorship

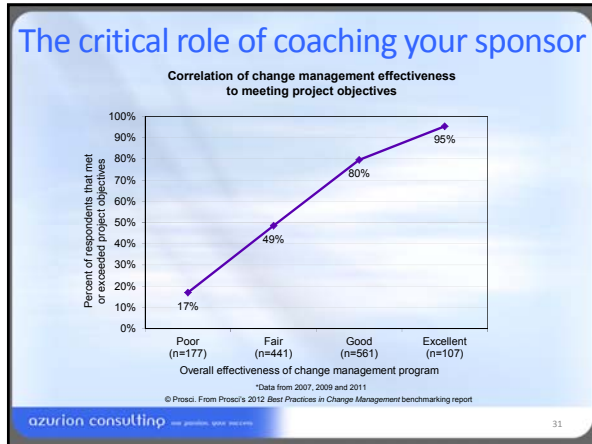
- Assess sponsor competencies
 - Is the sponsor at the right level?
 - Does sponsor support the change?
 - What is sponsors track record?
 - What is sponsors communication style?
- Prepare the sponsor
 - Training
 - Assistance
 - Clear responsibilities
 - Examples of good sponsorship activities
 - Examples of common mistakes

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Success Factors - Sponsorship

- Plans
 - Sponsor Roadmap
 - Communication Plan
 - Coaching Plan
- Regular meetings with sponsor
- Hold sponsor accountable

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- ### Success Factors – Communication
- Employees often do not hear or internalize key messages from managers, despite efforts to create the most complete & clear communications.
 - Often must hear a message 5 to 7 times before they internalize the message.
 - Preferred senders of change messages
 - Sponsor / CEO
 - Immediate Supervisor/Manager
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- ### Success Factors – Communication
- Send the right message
 - To the right audience
 - At the right time
 - From the right sender
 - Through the right channel
- How much communication do you need?
More Communication was #1 "do differently next time suggestion."
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Success Factors - Approach

Change with one person

Or five people...

Or twenty people...

Or 1000 people...

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Success Factors – PM Integration

Project management

Current state Transition state Future state

Change management

Solution is designed, developed and delivered effectively (Technical side)

+

Solution is embraced, adopted and utilized effectively (People side)

= Success

Project management and change management have a joint value proposition oriented toward business results.

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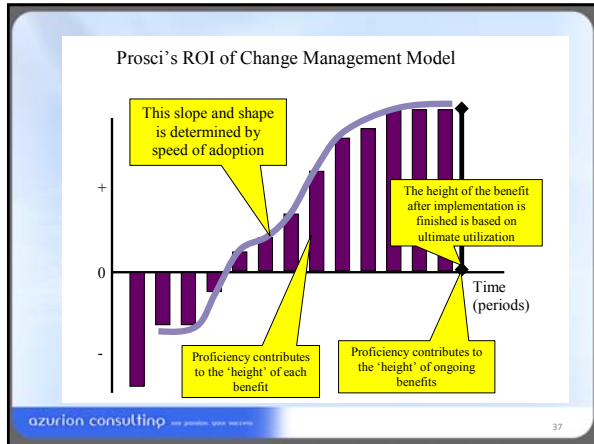
Success Factors – PM Integration

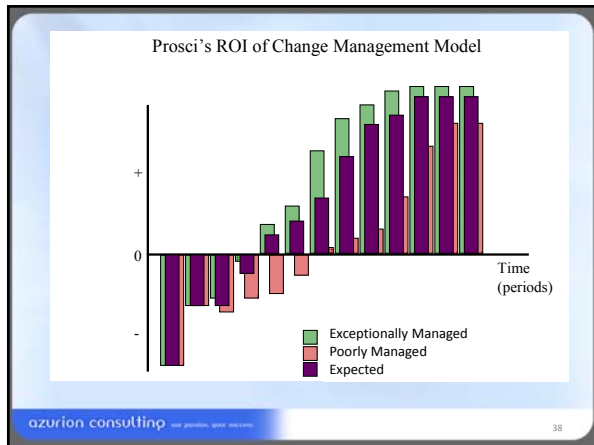
- Project management
 - Initiation
 - Planning
 - Executing
 - Monitoring and controlling
 - Closing
- Change management
 - Organizational:
 - Preparing for change
 - Managing change
 - Reinforcing change™
 - Individual:
 - Awareness
 - Desire
 - Knowledge
 - Ability
 - Reinforcement*

• Process groups defined in the Project Management Institute's PMBOK

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Open through the end of March

— NOW OPEN —

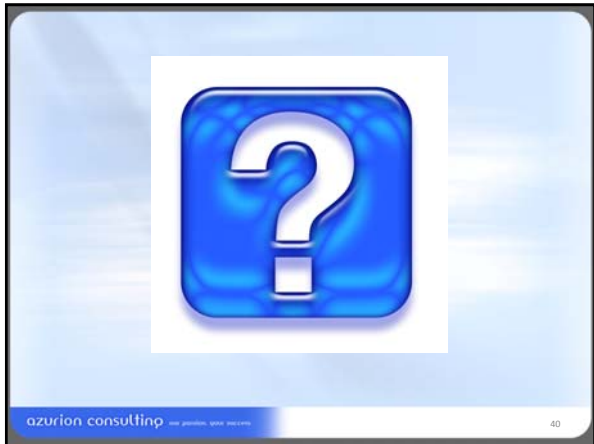
2015 Benchmarking Study

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