Effective Change Management

OAKLIN

Introduction

In business, change is so common that it could – and probably should – be described as 'normal'. As-is processes are constantly being tweaked. Old technology is steadily being replaced. Operating models evolve every two to three years and employee turnover continues to rise. Change is now a constant in the workplace. It has, in effect, become 'business as usual'.

Unfortunately, change is not perceived and accepted as being 'normal'. Understandably, it causes employee, supplier and customer worry, anxiety and stress. It is uncomfortable. It raises difficult internal questions about processes, skillsets, workloads and capabilities. In some cases, it impacts job security and customer experience. Change is so troublesome that Woodrow Wilson – the 28th President of the United States – famously concluded: "if you want to make enemies, try to change something".

Thankfully, fear of change and opposition to change can be avoided. With careful planning, sound communication and the deployment of an effective change management approach, change can be widely embraced rather than rejected.

Stakeholder awareness for change can be strengthened. Company-wide knowledge, desire and ability to change can be enhanced; and complex changes can be successfully reinforced over time.

An effective change management approach helps organisational leaders to introduce and enact *concurrent* changes to future-proof businesses and gain competitive advantage. This is good news for the C-suite and other leaders with high-impact, transformational change agendas. What's more, good change management disciplines are learnable, repeatable and offer a demonstrable return on investment.

"Change management addresses the employee, supplier and customer sides of change"

What is change management?

Change management addresses the employee, supplier and customer sides of change. According to Prosci, a US-based organisation dedicated to change management research, it is a discipline which "guides how we prepare, equip and support individuals to successfully adopt change in order to drive organisational success and outcomes".

In other words, change management is a framework of tools and processes which can be used by an organisation to effectively change individual and corporate behaviours. It uses a range of tools such as sponsor assessment diagrams, resistance management plans and index indices – to name but a few – to methodically assess and engage employees, suppliers and/or customers with the target outcome of helping them to adopt new skills and behaviours. These skills and behaviours are essential for the realisation of anticipated benefits from change initiatives.

Why is change management important?

Without individual and corporate behaviours changing to absorb new ideas, processes or technology, it is unlikely that organisational performance will improve, no matter how much time or money is invested in a particular solution.

Take, for example, a business that introduces a brand-new finance process. If this process is entirely ignored, no benefits will be realised. Change management makes stakeholders aware of planned change and cultivates a desire to adopt it.

Or consider another business that invests in the development of cutting-edge cloud technology. If nobody wants, understands or can use this technology, it is highly unlikely that potential benefits will be realised. Change management ensures that stakeholders are equipped with the desire and ability to use new systems.

Imagine a third company which creates a new business unit as part of a complex reorganisation. This new business unit has amazing job specifications, clear roles and responsibilities and fantastic people… but, after three months, colleagues and suppliers stop using the new unit and return to "doing the job as we were". In this scenario, the reorganisation has not achieved the desired return on investment. Change management helps to ensure that new ideas, processes or technology *stick*.

In short, change management acts as a "bridge between a quality solution and benefit realisation".[1] It does this through an intense focus on the skills and behaviours of employees, suppliers and/or customers and helps them to quickly and efficiently embrace change. This can be extremely complex *internally* given the varying skillsets and backgrounds of employees at different levels in an organisation, and *externally* given the diverse nature of supplier and customer relationships. This is why change management is increasingly recognised as a critical success factor in all forward-thinking organisations.

[1] J. Hiatt and T.J. Creasey, *Change management: the people side of change*, p.1

Communicating change and measuring readiness for maximum impact

Oaklin led the change management programme at a major Out of Home (OOH) media owner. Faced with a seismic change in the marketplace, fuelled by the growth in digital advertising, the client had to embrace a digital marketplace and diversify its commercial routes to market. Oaklin led the change towards new ways of selling and trading, including a reorganisation of one third of the entire business. As part of this, Oaklin ran a series of educational workshops to increase awareness of why and how the commercial process and offering was changing to face into the opportunity and threat of digital advertising. The client successfully transitioned to a new way of selling and trading, and Oaklin ensured they were left with a robust framework for Change Management which will be used to support an ongoing programme of transformation.

Is there a business case for change management?

Empirical evidence suggests that proactive consideration of change management requirements increases the likelihood of project or programme success.

Prosci has conducted extensive studies which demonstrate how effective change management contributes to project success. Figure 1, for example, shows that corporate objectives are six times more likely to be met when change management investment and effectiveness is high. Research also suggests that projects are more likely to complete on time or ahead of schedule when change management principles are effectively deployed (Figure 2). Finally, there is a direct correlation between financial performance and change management (Figure 3) with projects more likely to be delivered on or below budget when change management is taken seriously.

Objectives are met or exceeded

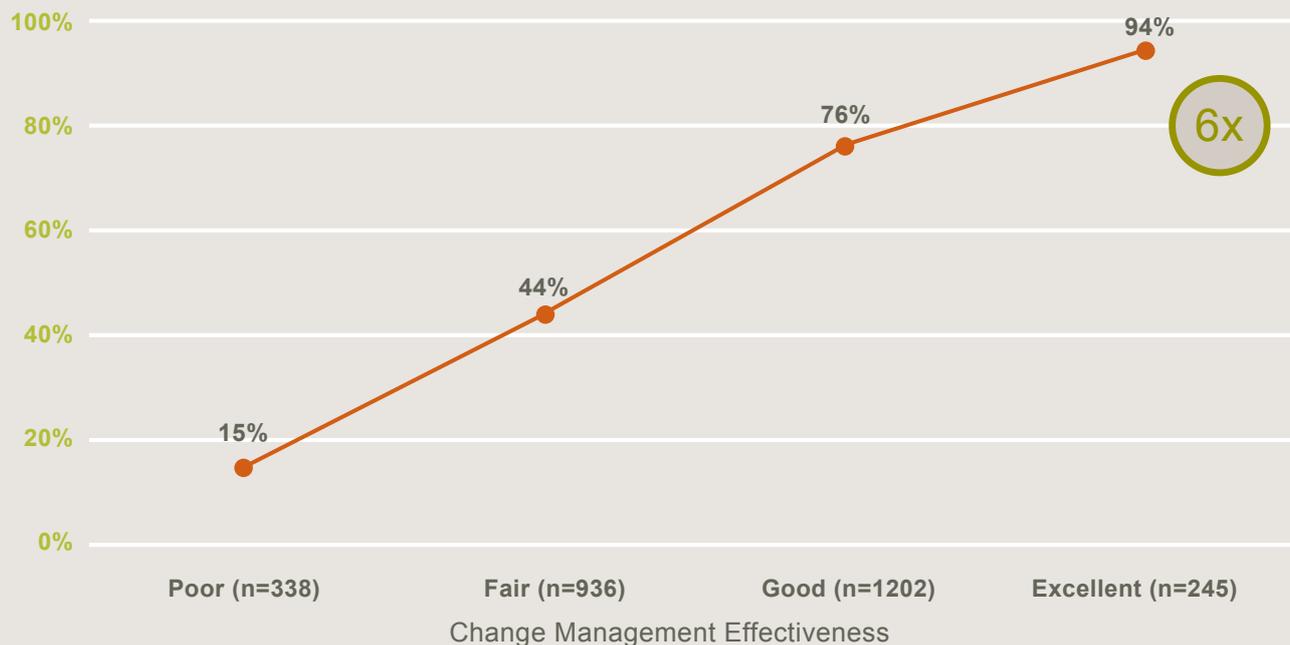**Percent of study participants who met or exceeded objectives**

Figure 1: An objective-based business case for change management (source: Prosci)

Projects are more likely to be completed on schedule

Percent of study participants who were on or ahead of schedule

Figure 2: A schedule-based business case for change management (source: Prosci)

Project is delivered on or below budget

Percent of study participants who were on or below budget

Figure 3: A finance-based business case for change management (source: Prosci)

Increased benefits, delivered more quickly and with less disruption

The business case for change management goes further. Figure 4 represents how effective change management helps organisations to: (1) deliver increased benefits from any project or transformation; (2) reduce disruption during any project or transformation; and (3) return to normal productivity levels more quickly. By reducing stakeholder resistance, changing mindsets and increasing the effectiveness of people-orientated change, change management helps to deliver and absorb more change, and to do so quickly.
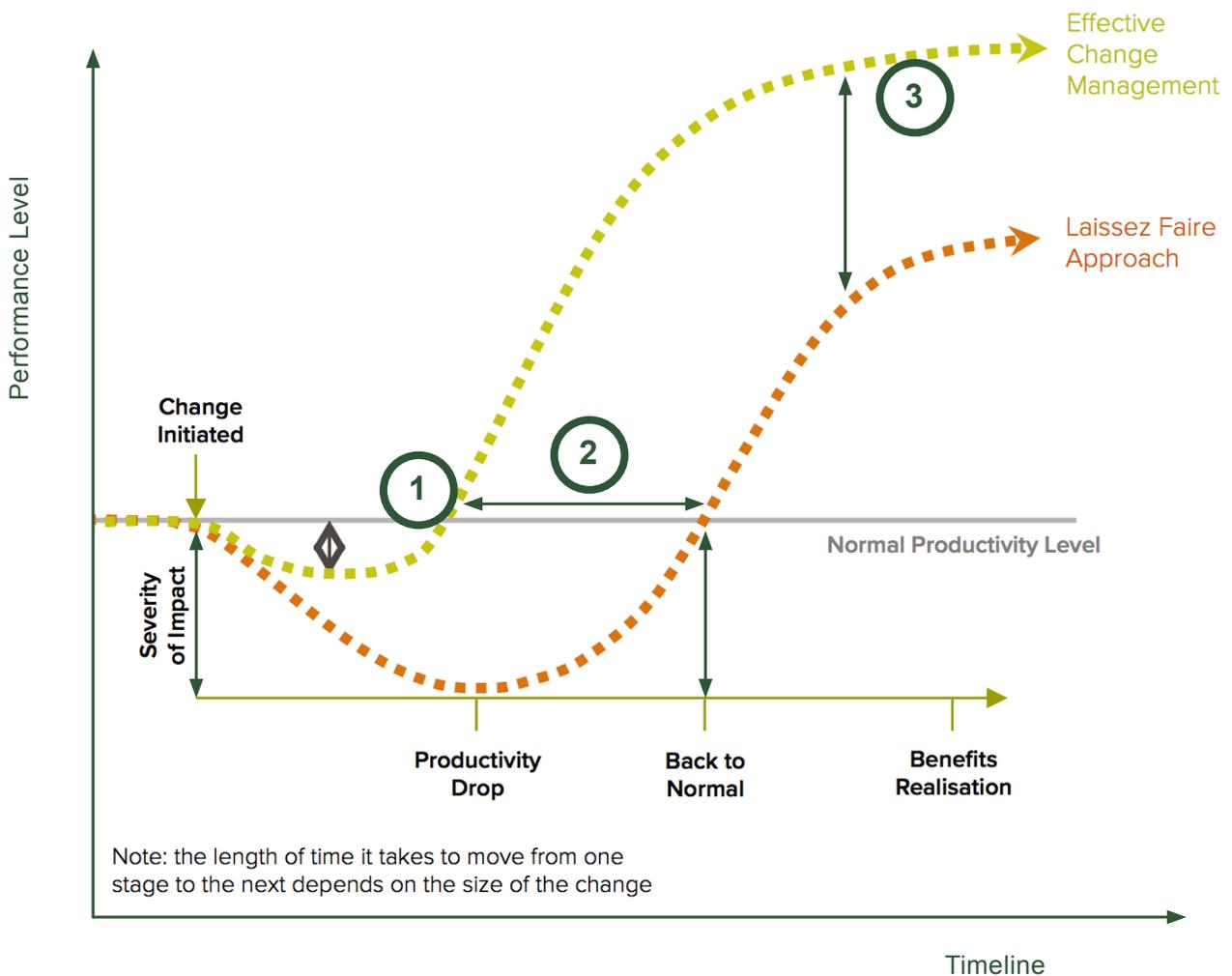

Figure 4: The benefits of effective change management

Where does change management fit within an organisation?

Change management is not simply a project-related function. Rather, it should interact with a wide range of business capabilities (for example, Finance, HR and IT) and a wide range of project types (for example, introducing new technology, launching new products or services and streamlining existing processes).

This is because, like project management, change management supports the movement of an organisation from a low-performing current state – via a transition state – to a high-performing future state. While project management focuses primarily on driving the design, development and implementation of *solutions* to achieve this movement, change management prepares *people* to understand, adopt and benefit from these solutions. For this reason, the two are related but independent capabilities.

Change management techniques should, therefore, be actively considered and deployed by a broad range of business areas, not just major projects. If an organisation is developing a new IT strategy, for example, it should have a supporting change management roadmap. If a business is refining its debt collections processes, it should produce training, coaching and communications plans. If a department is being reorganised, opposition should be pre-empted through the creation of a resistance management plan. In short, wherever change is designed, delivered or enabled, a change management framework must be present to fully realise intended outcomes.

Oaklin's principles for effective change management

At Oaklin, we keep five primary principles at the heart of how we help organisations with change management:

1 Best in class

We have lots of practical change management experience from a range of industries and clients. This is supported by theoretical experience from various global change bodies, accreditors and change academics. We have consciously distilled this into our own change management approach, which draws upon the best features of each change philosophy and is proven through our experience in the real world.

CASE STUDY

Turning strategy into effective change delivery

Oaklin was engaged on a strategy project by the CEO of a global plumbing and heating supplier. The primary goal of this project was to cut costs, modernise sales channels and improve profitability. However, this couldn't be achieved in isolation without complementary organisational, process and system changes within regional and functional business units. Oaklin, therefore, developed a change strategy and change roadmap to complement the wider corporate strategy. Without this, the strategy would have been far less effective and impactful and would have taken several more months to implement.

2 Tailored

We refer to our change management proposition as an 'approach' rather than a 'methodology'. This is because we don't always advocate using all aspects of this approach. Every situation is different, every organisation is different, and every individual is different. We prefer to take our principles and tailor these to the specific change management challenge that we are faced with.

4 Sustainable

Part of any Oaklin change management engagement involves helping internal staff to understand and learn the change management approach that we have defined alongside your organisation. This is essential to ensure that the adoption of change management practices and the realisation of change benefits does not stall as soon as our involvement ends.

3 Pragmatic

The scope of change management is vast and there are many different tools and processes that could be used. This means that change management can, at times, seem onerous. At Oaklin, we are highly flexible and pragmatic. We only perform tasks and create deliverables that materially add value, and we constantly challenge ourselves to minimise complexity.

5 Emotive

When considered from the human perspective, it's important to understand the neurological and physiological implications of change. We understand that to enable the people impacted to accept the change into their day to day lives, there must be an emotional pull to do so. It is not enough to simply communicate the change (say at a company briefing) – every individual will require the opportunity to build a lasting understanding of the new ways of working.

Focusing on individual change journeys

It is worth exploring our second change management principle – 'tailored' – in more detail. This principle is critical because it not only recognises that different clients require different solutions; it simultaneously acknowledges that individual employees, suppliers and customers have their own *distinct* worries, anxieties and stresses. All stakeholders have different strengths, weaknesses, knowledge, skillsets, workloads and capabilities. This means that every stakeholder is on their own *personalised* change journey with different start and end points.

This is why the ADKAR model, developed by Prosci, underpins Oaklin's change management approach. This results-orientated model clearly documents the behavioural state of stakeholders who are impacted by change, from the point that a change is introduced ("awareness") to the eventual consolidation of change ("reinforcement"). Between these points, there are three clear steps: desire, knowledge and ability, all of which help to establish a mindset and readiness for change. Each step on the ADKAR journey is explained in more detail on Figure 5, and all activities performed within each phase of Oaklin's change management approach can be directly mapped back to this behavioural change model.
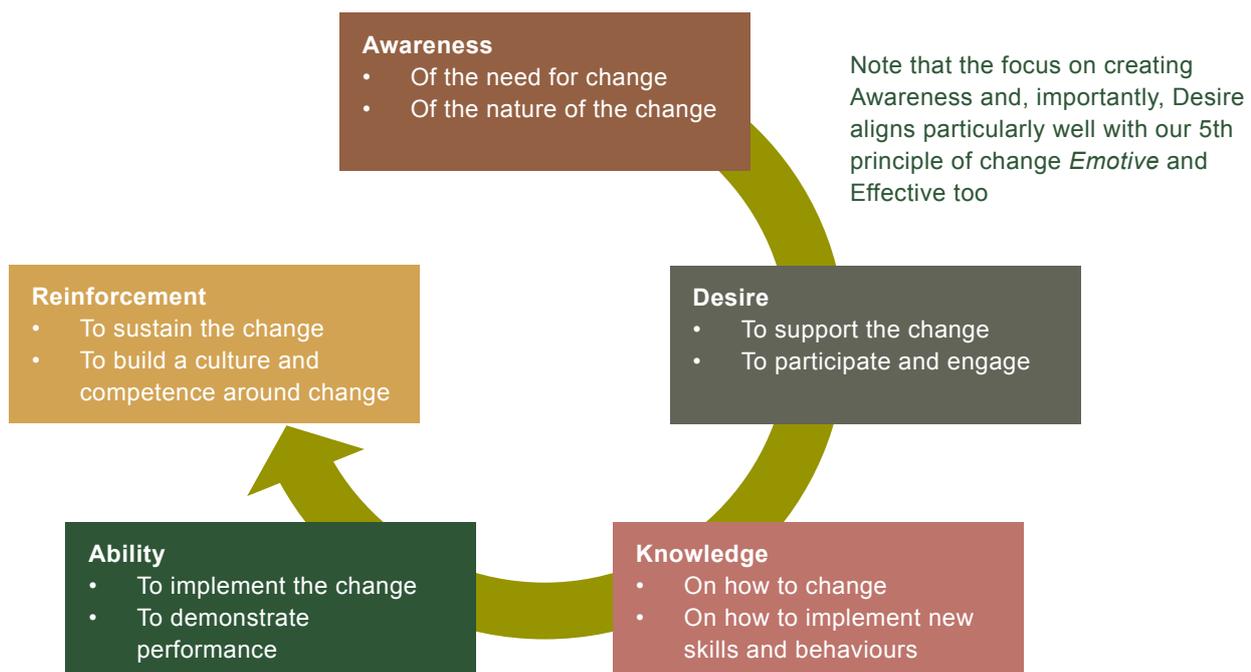
Awareness
- Of the need for change
- Of the nature of the change

Note that the focus on creating Awareness and, importantly, Desire aligns particularly well with our 5th principle of change *Emotive* and *Effective* too

Reinforcement
- To sustain the change
- To build a culture and competence around change

Desire
- To support the change
- To participate and engage

Ability
- To implement the change
- To demonstrate performance

Knowledge
- On how to change
- On how to implement new skills and behaviours

Figure 5: Prosci's ADKAR model

Designing a new, effective organisation

Oaklin was a core part of a major UK government programme to replace a mission-critical communications network. This complex change programme will impact the work of front-line emergency services, introducing significant changes to ways of working as well as the technology used. Oaklin was responsible for the internal people aspects of the programme – including the definition and implementation of programme organisation design, managing the transition to a new programme organisation, embedding new collaborative ways of working, and coaching programme leaders in effective performance management techniques.

Oaklin's change management approach

Oaklin's change management approach consists of five phases which are broken down into distinct sets of activities, deliverables and target outcomes. These phases are represented on Figure 6 and consist of:

1. **Scope** – This phase involves creating a compelling vision for the change and making the case for why it's needed (i.e. creating the 'burning platform') as well as articulating its anticipated business benefits. At this stage creating a united leadership team who will act as 'ambassadors' for the change is key.

2. **Define** – At this point the change team will formally mobilise. The team will then define and articulate the level of impact and the type of change, define the readiness approach and start working with affected teams to bring them on the change journey early in the initiative's lifecycle.

3. **Build** – This phase involves the creation of an organisation which is ready to adopt the change. This can be achieved by nominating change 'champions' and by empowering individuals to contribute to the outcomes. In addition, this phase involves enhancing impacted teams' knowledge of the change and measuring readiness to adapt to the 'new world', as well as handling any resistance which may arise.

CASE STUDY

Delivering maximum impact with targeted communications

A global aerospace and manufacturing company asked Oaklin to lead a 'multi-channel' communications programme that would remedy the problem of their strategic suppliers not understanding the diversity of their business. Communications ranged from printed 'operating guides', to a series of high impact films explaining the nature of the aerospace and marine businesses and the central part played by each supplier. The work culminated in a global supplier event attended by leaders and managers from every business unit and all of the participating suppliers. The supplier event and films transformed the understanding and attitudes of the suppliers towards their work. The films were so successful they were used extensively including presentation to Board.

4. **Execute** – Once the change organisation has been created, this phase is about making impacted teams ready to work in the new world via initiatives such as training, comms and demonstration. Once teams are ready, the change is brought in and adoption is championed and supported by the change team.

5. **Measure and refine** – Finally, the change is consolidated by measuring its adoption and quickly rectifying any issues as they arise. It is important to correct any errors and celebrate success during this 'bedding in' phase to ensure that, after the change team has left, the new behaviours and practices are followed and have become second nature.

A change is planned which will impact the way your business operates; project ROI carries inherent risk associated with lack of adoption, usage etc.

1. Scope
2. Define
3. Build
4. Execute
5. Measure and refine

Individuals embrace and utilise change; project benefits are fully realised.
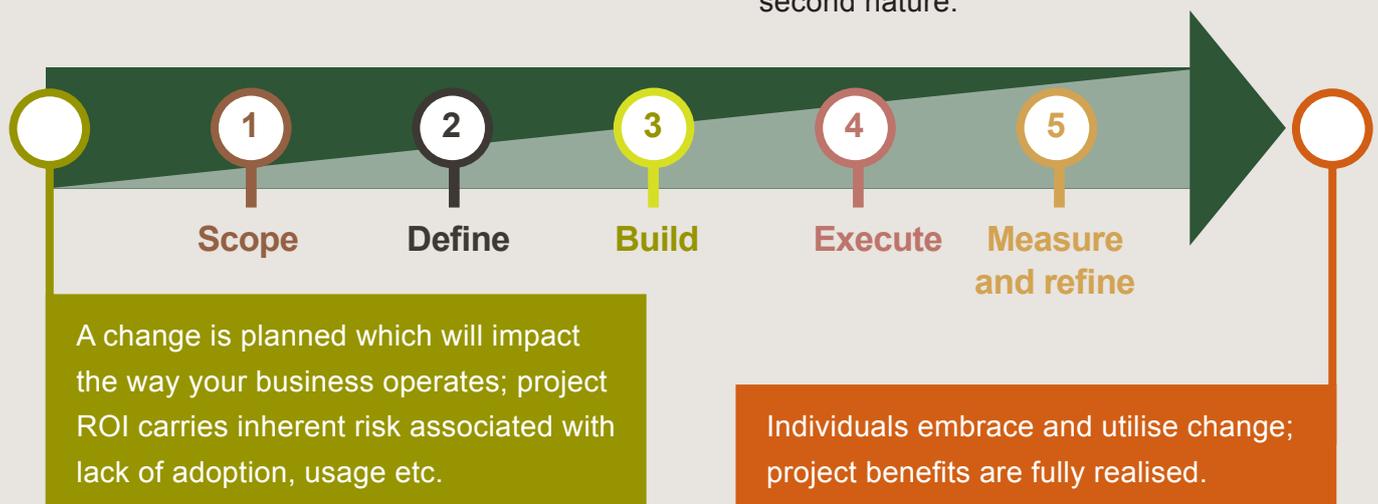
Figure 6: The five phases of Oaklin's change management approach

This five-phase approach has recently been successfully deployed at one of the UK's biggest government departments as part of a major programme to replace a mission-critical infrastructure. As part of this engagement, Oaklin helped to identify and understand a structural deficiency in the programme, defined and prepared for the implementation a new programme structure, and executed a swift transition to the new structure. This involved embedding new collaborative ways of working with colleagues, suppliers and end-users, and coaching programme leaders in effective performance management techniques. These techniques are now being measured and refined by the department itself following training by the Oaklin team.

How Oaklin delivers great change management

Using our robust five-phase approach, Oaklin delivers high-impact change management projects of varying lengths and sizes. An example high-level change plan can be seen in Figure 7.

As part of each project, we work closely with business sponsors to avoid common pitfalls that undermine change initiatives and help them to determine critical success factors for effective change management. These include:

1. **Ongoing sponsor engagement** – There is a temptation for sponsors to start change initiatives, to finish them… but to do very little in between. For change to be delivered successfully across an organisation, the sponsor must be active and visible throughout. We work closely with change sponsors to help them to fully understand their role and to execute it effectively.
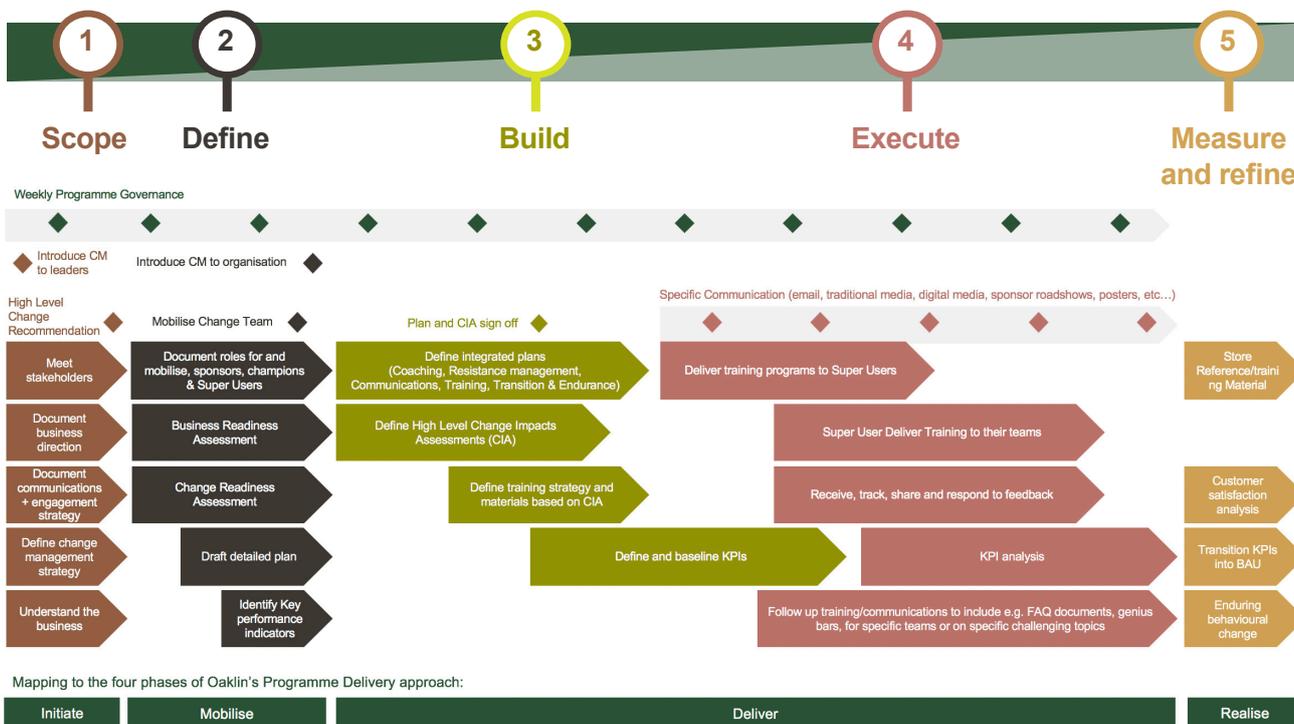

Figure 7: An example integrated change plan

2. **Cultural awareness and understanding**
    – Attempts to deliver change in a manner which ignore or belittle organisational culture, beliefs and ways of working will fail. Change will only stick if the change management approach carefully considers the culture of the organisation where change needs to be embedded. We always perform change and business readiness assessments as part of the scoping phase of our change projects.

3. **Commitment to overcommunication**
    – No matter how succinct or well-worded they may be, change-related communications are subject to high levels of subjectivity and scrutiny, with individual and/or corporate agendas being superimposed onto core messages. We recognise that personal interpretation is inevitable and are, therefore, committed to repeatedly reinforcing key messages using a range of media and communication techniques. Leveraging every opportunity to position the rationale for the change, in a compelling and appropriate manner, is key to all communications efforts.

4. **Early preparation for resistance**
    – Change is a journey for most people. Some journeys are quick; others are long. At Oaklin, we have observed hundreds of reactions to change. We always prepare a detailed resistance management plan to manage anxiety, fear, opposition and other natural reactions. We plan for resistance in advance, thereby reducing the amount of time spent firefighting and increasing the speed of adoption.

5. **Consistent emotive reinforcement**
    – Change acceptance is not a linear process like delivering a project. Rather, stakeholder behaviour may change over time for many different reasons. Organisations need to constantly revisit, reinforce, repeat and renew change initiatives, using an emotive message tailored to the needs (and worries) of the specific audience – potentially on dozens of occasions – before employees, suppliers and customers successfully adopt target skills and behaviours. In our experience, the reinforcement phase is too often neglected and/or forgotten, so we make this a critical part of our change management approach.

Summary

Change management is a critical business discipline, bringing together a range of different ideas from public relations, communications, psychology, management and other schools of thought. It has one simple goal: to ensure project, transformation and/or business success. It is critical for the realisation of cost, time and quality objectives; and without adequate investment in this space, organisations are likely to feel 'change fatigue' very quickly.

In worst-case scenarios, change fatigue leads to poor customer and supplier experiences, high staff attrition and unhappy work cultures – all of which impact organisational performance. Effective change management helps individual stakeholders to develop a change mindset, to quickly adapt to changing environments and ensures that changes within an organisation deliver genuine value over the long-term.

Underpinned by a blend of several leading change management philosophies, Oaklin's approach to change management is robust. It has been tried and tested in a range of industries and environments, from strategy projects and programme turnaround scenarios to complex transformation programmes. We believe that it is essential for business leaders to champion and deploy effective change management to ensure individual and corporate success; and would love to support you on your journey to implement long-term, high-impact change.

About Oaklin

Oaklin is an independent management consultancy firm. We focus on understanding and solving our clients' biggest challenges. We specialise in placing small teams of experts who typically work alongside our clients' teams, bringing the capability or capacity enhancements that are needed.

Our clients value our versatility and practical expertise, underpinned by our core principles of trust, integrity and openness. As a result, over 90% of our work comes from repeat business at existing clients and referrals into new clients.

We specialise in taking a select number of high-impact roles that make a real difference to an organisation. We do not seek to take over or deploy large pyramids of juniors. We have no internal targets or commercial alliances. As a result, we are frequently trusted by our clients to help select, negotiate with, and manage other third parties, including global systems integrators.

We advise leaders, shape transformation and lead delivery, connecting strategy with execution and translating aspiration into reality. We are always happy to stand by our advice. We believe in our recommendations and are willing to implement them if asked. We recognise that you engage consultants for when things are hard, not for when they are easy. Oaklin will stand with you to understand and help resolve your biggest challenges.

Get in touch

Please contact us if you would like to
discuss the issues raised in this insight,
or how Oaklin could deliver lasting
change in your business.

enquiries@oaklin.com
+44 (0)20 3574 4038
www.oaklin.com