

MANAGING CHANGE:

Three truths every executive needs to know to deliver superior ERP and technology implementation results.

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RECENTLY,

I met with an organization to discuss change management for a large-scale technology project. The executive proudly announced: “We’re going live in four months. We need your help with some communication support. And maybe some training.”

Every year, I see organizations like this one leave change management planning until the implementation phase of the project. While this practice is common, it results in lower adoption rates for the new technology and diminishes the organization’s return on investment.

The latest industry research has identified the things that successful projects have in common. These top performers do these critical things:

- Engage change management and communications early;
- Understand the impact of the change on various segments of the employee population; and
- Pay careful attention to people.

Emulating the success of top performers is easier than most organizations know. It comes down to three simple truths.

TRUTH # 1

An impact assessment is the heart of a great change plan

At the heart of every great change management plan is an impact assessment. In fact, assessing the impacts is as vital to change management planning as blueprinting is to system design.

Top performers engage change management early — during the planning phase — for good reason. The impact assessment evaluates culture and readiness, as well as process and technology impacts by role. Early engagement permits the lead time to gauge the effects of a change, at both a high and granular level.

By understanding the impacts of change, an organization can deploy the critical levers and customization imperative for engagement, adoption and superior results. Without an impact assessment, organizations must rely on vanilla tools and are less likely to achieve long-term success.

HR Transformations employs a five-point approach to assessing impacts. See the sidebar: **A five-point approach to assessing change impacts.** This proven method pinpoints key impacts and core needs within segments of the employee population. The process engages the project team, leadership and front-line employees in a collaborative approach to uncover opportunities and challenges.

“...Employee engagement early in the planning process emerges as a key success factor [of transformations]... Collaboration and cocreation are also important: nearly a quarter of the extremely successful transformations were planned by groups of 50 or more, compared with just 6 percent of unsuccessful transformations.”

What successful transformations

TRUTH #2

A customized change plan mitigates people issues to deliver superior results

Most organizations have yet to realize that upfront assessment, customization and planning increase the likelihood of success for the entire project. For example, in the 2015 ERP Report, the majority of organizations said they experienced a material disruption to their operations during go live. It is one reason why 58 per cent of ERPs exceed planned budgets.

About 55 per cent of all disruptions that lasted a month or more were attributed to organizational (people) issues — insufficient skill or knowledge, employee resistance, lack of leadership and low system use.

A customized change management plan mitigates the risk of people issues in three ways. First, it is built with an understanding of how the change impacts across the organization. Second, it focuses on the most important impacts or issues within each segment of the employee population. Third, it deploys the critical levers and customizes the right tactics to address the needs of each employee segment.

Three ways customized change management plans enable success:

- People receive the right level of training for their role through the right method delivered at the right time.
- Organizational structure and performance management programs work together to drive adoption of key behaviours and reward performance tied to the organization's goals.
- Leaders and front-line employees engage and take ownership of the change.

See how a travel industry leader put these truths to work on a technology project that aimed to transform customer service. Download the **Business Case: A Customized Change Management Plan Delivers Results Beyond Expectation.**

“...When leaders ensure that frontline staff members feel a sense of ownership, the results show a 70 percent success rate for transformations. When frontline employees take the initiative to drive change, transformations have a 71 percent success rate. When both principles are used, the success rate rises to 79 percent.”

What successful transformations share – McKinsey Global Survey

TRUTH #3

Smart customization balances efficiency with high-impact efficacy

A major system with core-work process changes forces organizations to alter many aspects of their operations. It is easy to fall into the trap of applying the same level of investment to all change tactics at the same time. However, a “smart” customized change management plan balances efficiency with high-impact efficacy to drive success.

Focusing on the most important impacts, issues and levers is critical. Where it makes sense, a smart change plan uses existing levers, vanilla tools and strategic customization. The goal is to focus effort on needed tools and customize to overcome challenges and issues. Success hinges on the careful attention to people found in the impact assessment.

The following tip sheets outline the parts of an integrated change management plan, as well as objectives and vanilla tools. Each tip sheet also offers tricks for avoiding the pitfalls when customizing tools.

- [Communication and Engagement Plan](#)
- [Skills Training Plan](#)
- [Organization and Performance Re-design Plan](#)

“Companies that are most effective at change management are four and a half times as likely to involve change and internal communication professionals at the earliest stage of planning...”

2013-2014 Change and Communication ROI Study

A five-point approach to assessing change impacts

1

Culture Assessment: evaluates the culture from many angles such as engagement, values, tenure on the job, language, multicultural values, organization structure, leadership, technology comfort levels, communication preferences.

2

Readiness Assessment: assesses an organization's historical reaction to change and how it likes change served up, plus its readiness for this particular change.

3

High Level Impact Assessment: explores how senior leadership sees the impacts of the change on the people.

4

Process Workshops: explore participant (usually project team members, subject matter experts and system vendors) thoughts around the impact of new processes — the pain points and the wins.

5

Change Impact Workshops: walk employees directly impacted by the change through the new processes, systems, and transactions and capture their ideas about how the change impacts their role and what they need to be successful.

Communication & Engagement Plan

What it does:

The communication and engagement plan's primary objective is to inform and engage critical roles in the change. The plan targets front-line roles and their managers impacted by the system and core work process changes.

Vanilla tools: A starting point

There are a variety of possible tools, many may already be in use in your organization, including:

- Town Halls, group meetings/events and manager led meetings;
- Regular communication and updates such as newsletters, intranets and emails; and
- Webinars, conference calls and group chats.

Customizing tools: A blueprint for delivering results

The goal of customizing is to engender deep understanding among people in impacted roles and their managers. Ultimately, you want to help employees to become owners and leaders of the change and the desired results. To avoid the pitfalls, consider the following when customizing communication and engagement tactics.

- Identify the critical few resistance and support insights such as human barriers you are likely to face from people in adopting the change or taking accountability for the desired results.
- Determine the most important positive driver people require to support the change.
- Develop messages that resonate and identify the most compelling forums to engage people.
- Discover who your thought leaders are and figure out how to get them up to speed and on-board with the change.
- Ascertain your organization's culture and values and align your tools accordingly. For example, regular written updates are out of alignment with a high-touch culture that craves face-to-face conversations.

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Skills Training Plan

What it does:

The skills training plan's primary objective is to help employees acquire the skills and knowledge to be successful. The plan:

- Ensures employees have the technical skills and process knowledge to perform their jobs at go live.
- Mandates ongoing activities that over time reinforce key behaviours and perfect technical skills and knowledge of core work process introduced during training.
- Embeds training into ongoing onboarding activities, and also establishes the people and processes to capture and share best practices.

Vanilla tools: A starting point

Tools within the skills training plan use approaches both low and high tech in nature.

Low Tech Tools

Job shadowing
Train-the-trainer sessions
Job aides, reference guides & policies
Workshops

High Tech Tools

Online learning
Webinars
How-to videos
On-the-job with beta versions

Customizing tools: A blueprint for delivering results

Unskilled employees pose the greatest risk to the organization in terms of business interruption. Employees unable to perform routine tasks – for example completing customer sales or shipping products – can bring an organization crashing to its knees. To avoid the pitfalls:

- Zero in on the critical skills front-line employees need.
- Determine the most effective and efficient training method and identify how much time employees need for training, including the best time to deliver training for optimal effectiveness.
- Identify and institute a method of reinforcing learning, e.g., safety recertification every year or two.

Organization & Performance Redesign Plan

What it does:

The organization and performance redesign plan's primary objective is to support adoption. It focuses the change team's work and resources on the levers that deliver 80 per cent of the benefits. The plan:

- Ensures you have the right people in the right role;
- Focuses your people on the behaviours that drive results; and
- Aligns compensation, rewards and recognition with those two to three results that support the strategic business goal.

Vanilla tools: A starting point

Tools within the organization and performance redesign plan focus on HR processes, documents, templates, policies, programs and systems related to:

- Role descriptions, reporting and management structure;
- Performance measurement, compensation and recognition; and
- Redesigned role profiles, including tasks, responsibilities and skill sets required for roles impacted by system and core work process changes.

Customizing tools: A blueprint for delivering results

Major system and core work process changes force organizations to change many aspects of their operations. Avoid falling into the trap of applying the same level of investment to all changes, and instead focus customization efforts in these three areas:

- Staff people in critical leadership and/or thought leader roles who have the skills, aptitude and attitude to lead the change;
- Embed in role descriptions, critical behaviours for system operations and work process integrity; and
- Modify compensation and recognition programs to focus people on one to three behaviours that drive the two to three results linked to your strategic business goal. For example, making a deep customer connection on a call (behaviour) is critical to a customer awarding an agent a high "Recommend to a Friend" (RTF) score (result) on a service survey. RTF scores are linked to the organization's strategic goal to increase its competitiveness in its industry.

ABOUT HR TRANSFORMATIONS

Founded in 2007, Bellwether Transformations is a leader in helping organizations plan, manage and implement change that endures. Their experienced, multidisciplinary consulting team delivers meaningful results and ROI through a broad range of customized services and solutions in organizational development and design, change management, facilitation and training.

Learn more at www.bellwethertransformations.com

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