



***INTEGRATING ORGANIZATIONAL CHANGE
MANAGEMENT CONCEPTS WITH PROJECT
MANAGEMENT AND BUSINESS ANALYSIS
FUNCTIONS.***

PMI Pittsburgh PDDay – November 2016

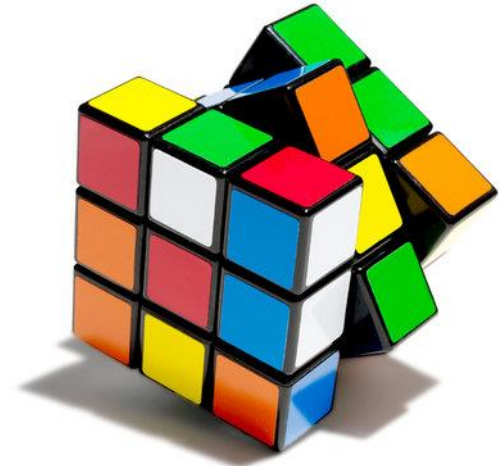
Objectives

- **Leverage a practical OCM framework and understand the key integration points into both the governance process, and project and business analysis lifecycles.**
- **Understand the characteristics between a proactive and a reactive change manager, and its impact on organizational change management**
- **Understand and be able to apply key lessons learned from case studies where OCM concepts played a large role in the successful delivery of those projects.**



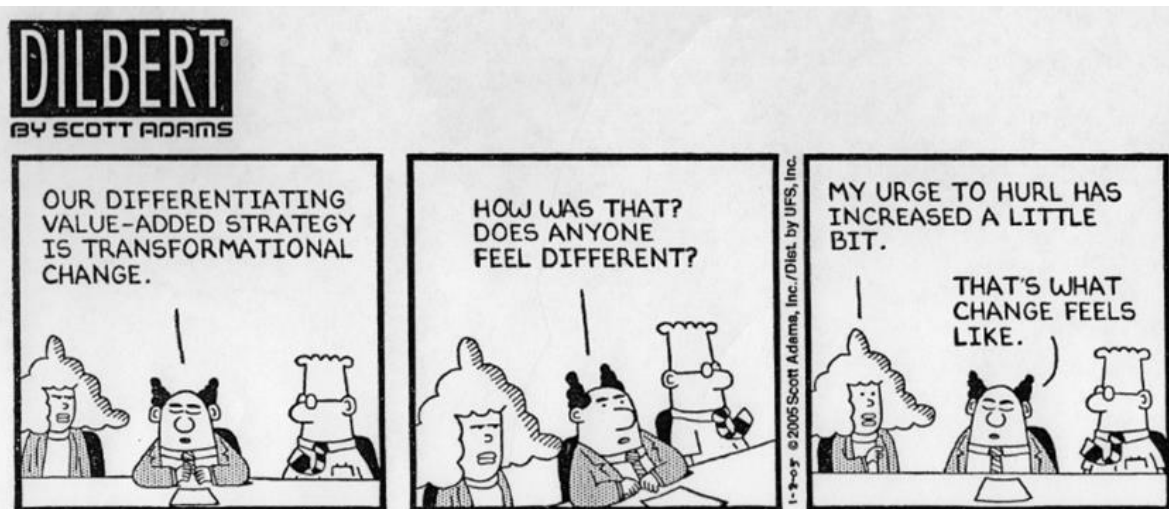
Detailed Agenda

- *What is OCM?*
- *The Change Equation*
- *Types of Organizational Change*
- *Foundations in OCM*
- *OCM Assessment Framework*
- *Key Integration Points within PM Processes*
- *Key Integration Points within BA Processes*
- *Proactive vs. Reactive Change Managers*
- *Case Study # 1 -- Applied OCM Concepts and Lessons Learned*
- *Case Study # 2 – Applied OCM Concepts and Lessons Learned*



Underlying Themes

- Project Managers are “strategic change managers”.
- Business Analysts are “change analysts”. (Analyze transition from current to future state.)
- Operations = what you are today. Projects = what you will become = change.
- Failure to plan for and mitigate risk surrounding the organizational change can result in:
 - Failed or cancelled projects
 - Customer dissatisfaction
 - Failure of your delivery organization to be seen as a strategic asset and partner



Organization leaders must often ‘change the business’ while they ‘run the business’

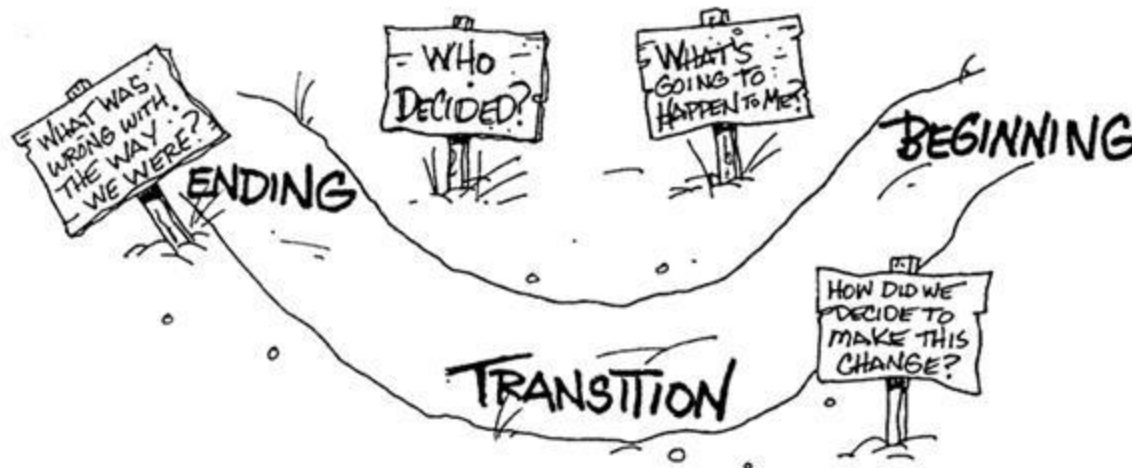


SOURCE: www.newyorkdailynews.com, Tuesday, February 19, 2013

“Saudi Arabian duo drives Hyundai on two wheels while changing tires in viral YouTube clip.”

What is Organizational Change Management?

- Organizational change occurs when a company makes a transition from its current state to some desired future state. Managing organizational change is the process of planning and implementing change in organizations in such a way as to **minimize employee resistance and cost to the organization while simultaneously maximizing the effectiveness of the change effort**. (Source: Inc.com)
- Organizational change management (OCM) is a framework for managing the effect of **new business processes, changes in organizational structure or cultural changes** within an enterprise. Simply put, OCM addresses the people side of change management. A systematic approach to OCM is beneficial when change requires people throughout an organization to learn new behaviors and skills. **By formally setting expectations, employing tools to improve communication and proactively seeking ways to reduce misinformation**, stakeholders are more likely to buy into a change initially and remain committed to the change throughout any discomfort associated with it. (Source: SearchCIO.com)



How Can OCM Help A Project or Program?

Effective application of OCM techniques can increase the return on investment and the change acceptance through:

- Effective **sponsorship and governance**
- Effective **visioning, branding, and alignment to culture** (or redefinition of desired culture)
- **Process redesign** / efficiencies
- Sufficient **training and education** of all stakeholders on new culture, processes, systems, tools, policies, procedures, etc. to ensure they are effective in their new roles
- Helping stakeholders understand, **accept and OWN the change** through **benefits realization and WIIFM**
- A well-planned and thoroughly executed **communication strategy and plan** that ensures that all impacted parties feel connected throughout the project
- Establish a governing body to **sustain the positive momentum post go-live** and track and monitor the ROI and benefits realization through quantitative metrics

The Change Equation

$$\text{CHANGE} = \text{FUTURE} \times \text{NOW} \times \text{PLAN} > \text{RESISTANCE}$$

- **FUTURE** = Desired Future State (Vision)
 - Show the benefits of the change as well as what will be preserved. (Value +, Deficits -)
- **NOW** = Current State / Situation
 - Create dissatisfaction with the present situation and create an awareness of a need for change.
- **PLAN** = The Plan to move from current state to future state (Clear, Realistic, Non-Disruptive)
 - The change effort plan should include the following elements:
 - ✓ **Description of the “NOW” & “FUTURE”**
 - ✓ **Communications Plan**
 - ✓ **Recognition Plan**
 - ✓ **Guidelines (process, roles, etc.) to reduce conflict and potential power struggles**
 - ✓ **Measurements**
- **REISISTANCE** = Potential resistance to the change (or perceived loss)
 - Overcoming potential resistance or perceived loss. Involve those who will be impacted by the change. (Ownership)

(Sources: Original Change Equation by Richard Beckhard and Reuben Harris; and “Managing the Change Equation”, by Robert Swaim.)

MORE OFTEN THAN NOT, BUSINESS CHANGE PROGRAMS DO NOT DELIVER EXPECTED RESULTS

*Saw an Elmo Cake
On Pinterest*



Nailed It !!!



A recipe is a start, but it doesn't guarantee a good finish.

SOURCE: www.emgn.com/entertainment/these-20-fails-definitely-did-not-nail-it

Types of Organizational Change

Structural Changes

- Typically involve company wide or department wide changes
- Usually transformational in nature
- May include major shifts in technology
- Typically include changes to organizational or team based structure and reporting hierarchy.

Strategic Changes

- Driven by need to adapt to external factors
- Usually Transformational in nature
- Shifts in Business or IT strategy
- May force realignment of projects and change efforts to strategy

Dimensions of Change

Will the change be organizational wide or affect only a subset of the organization?

Will the change represent major transformation, or seek to enact change in phases or incrementally?

Is the change required to remedy a certain condition or situation, or is it developmental in nature?

Is the desired change in response to an unplanned trigger or a planned trigger?

People Changes

- Usually involve changes in roles
- May be large-scale or incremental
- Can impact employee attitudes, behaviors and performances
- Often tied to HR initiatives

Process Changes

- Attempt to improve workflow efficiency and productivity
- May include technology changes
- More successful when employee input is obtained and utilized.
- Best rolled out in stages or phases.
- Usually includes a need for training

Foundations in OCM

KOTTER's 8 Stage Process for Creating Major Change

1. Establish sense of urgency
2. Create the guiding coalition
3. Developing vision and strategy
4. Communicating the change vision
5. Empowering broad based action
6. Generating short term wins
7. Consolidating gains and producing more change
8. Anchoring new approaches in the culture

(Source: Leading Change, by John Kotter)

BEVAN's 7 Core Factors for Successful Change Management

Clarity
Engagement
Resources
Alignment
Leadership
Communication
Tracking

(Source: Change Making, by Richard Bevan. 2011.)

A “Simple” OCM Framework

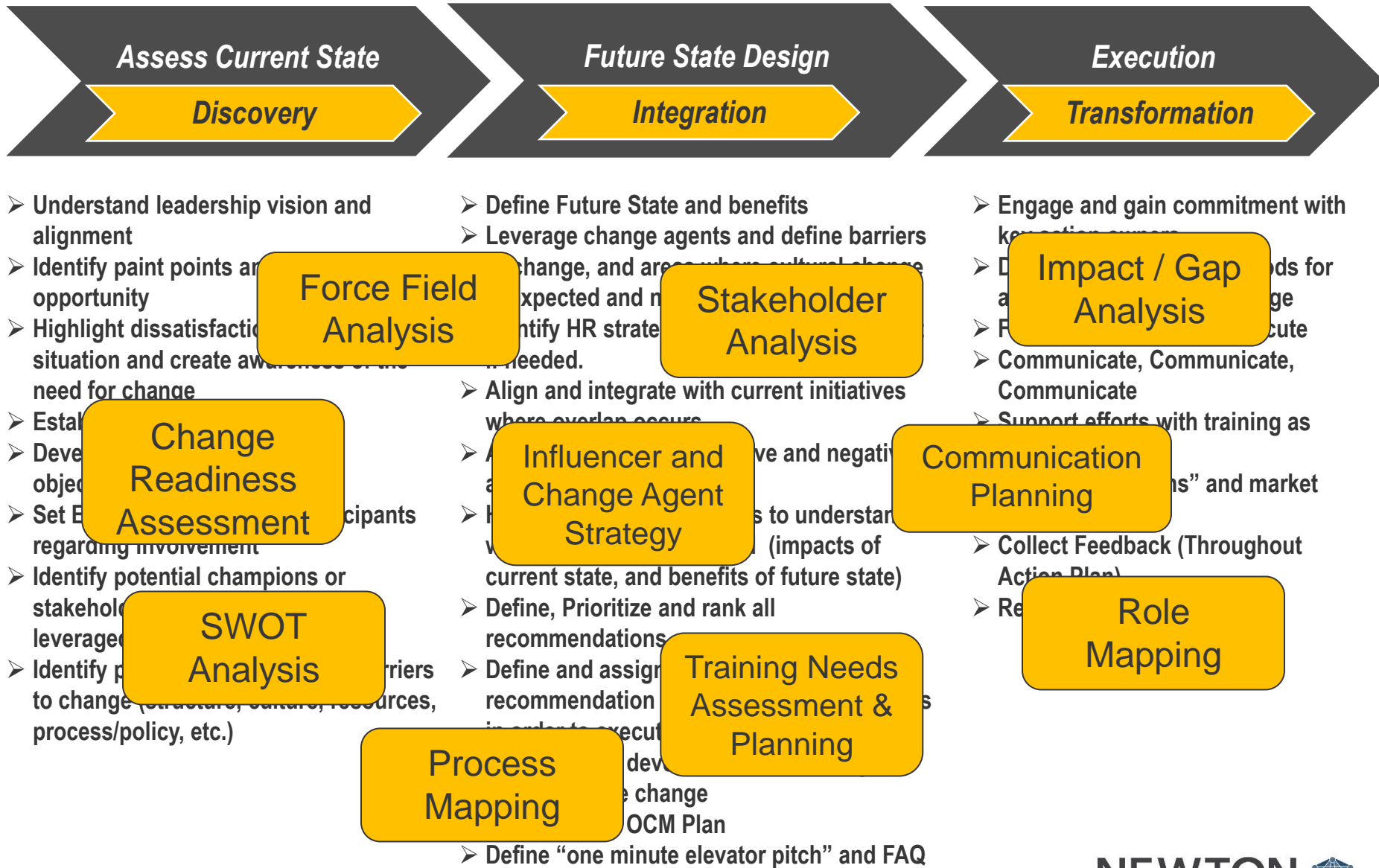


- Understand leadership vision and alignment
- Identify pain points and areas of opportunity
- Highlight dissatisfaction with present situation and create awareness of the need for change
- Establish a sense of urgency
- Develop Initial Communication objectives
- Set Expectations with key participants regarding involvement
- Identify potential champions or stakeholder groups that can be leveraged (training, etc.)
- Identify potential organizational barriers to change (structure, culture, resources, process/policy, etc.)

- Define Future State and benefits
- Leverage change agents and define barriers to change, and areas where cultural change is expected and needs to be communicated
- Identify HR strategy, tie-in, and involvement if needed.
- Align and integrate with current initiatives where overlap occurs
- Assess Impact (both positive and negative) and Level of Effort .
- Help key stakeholder teams to understand why the bar is being raised (impacts of current state, and benefits of future state)
- Define, Prioritize and rank all recommendations
- Define and assign key roles for each recommendation or set of recommendations in order to execute change successfully
- Define and/or develop tools necessary to implement the change
- Develop draft OCM Plan
- Define “one minute elevator pitch” and FAQ

- Engage and gain commitment with key action owners
- Define measurement methods for assessing success of change
- Finalize OCM plan and execute
- Communicate, Communicate, Communicate
- Support efforts with training as needed.
- Obtain “quick wins” and market those wins.
- Collect Feedback (Throughout Action Plan)
- Reward and Recognition

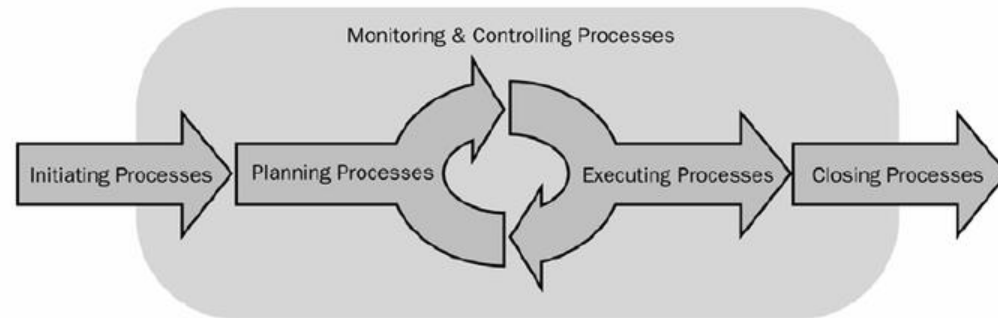
A “Simple” OCM Framework



OCM Integration Points within Governance and PM Processes

Initiation

- Identify degree of change
- Plan change roles and budget accordingly



Planning

- Engage all stakeholders in kickoff, and include the following key elements
 - Vision, Objectives, Benefits, and Scope (including what is NOT in scope)
 - Impacts (and impacted areas)
 - Identify when stakeholder groups are needed (by system and business area),
 - Team structure, governance, roles and responsibilities, communication plan
 - Importance of business process definition and its linkages to all other aspects.
- Requirements – Engage stakeholders and gather input
- Project plan – Create fully integrated plan (Business, IT, Vendor, OCM).
- Business Process linkage -- Understand linkage between business process and almost everything else

OCM Integration Points within Governance and PM Processes

Execution

- Training – Engage stakeholders, ask for input, identify customer & client variances, and utilize train the trainer approach (encourages investment and loyalty)
- Testing – Engage business or client to write UAT test cases, and ensure onsite stakeholder participation in one room
- Business Process should support UAT test case creation.

Monitor and Control

- Plan regular meetings with executive sponsors – NO SURPRISES
- Gather data on “before-and-after” that is relevant to your “change” objectives
- Recognize and reward examples of the desired new behaviors
- Coach and Influence

Closing

- Engage operations / support resources and IT administrators early in project
- Include post production support planning and knowledge transfer in project plan

Elevating The BA Role

Elevating the role of a Business Analyst to a strategic leader on business transformation and innovation projects requires application of OCM concepts within all phases.

- Focus more on the business value/outcomes of the project rather than on the new technology
- Validate project justification and requirements against the business strategy and vision
- Encourage collaboration with business representatives to develop and define options and recommendations.
- Change the way the business interacts with the technical team, encouraging an increased amount of business resources / expertise dedicated to the project
- Prepare an organization to accept new business solutions and to operate them more efficiently

Key Integration Points within BA Processes

Discovery / planning

- Understand vision, scope and benefits
- Align organizational strategy with IT project direction
- Define business problems and identifying new business opportunities to achieve the strategic vision

Requirements

- Understand the business need and impacts of the proposed solution on all areas of business
- Maintain a fierce focus on the value the project is expected to bring to the enterprise
- Ensure the as-is and to-be business processes are visible for all to see, understand, and validate
- Translate the business objectives into business capabilities / requirements, ensuring prioritization

Design / Build / Test

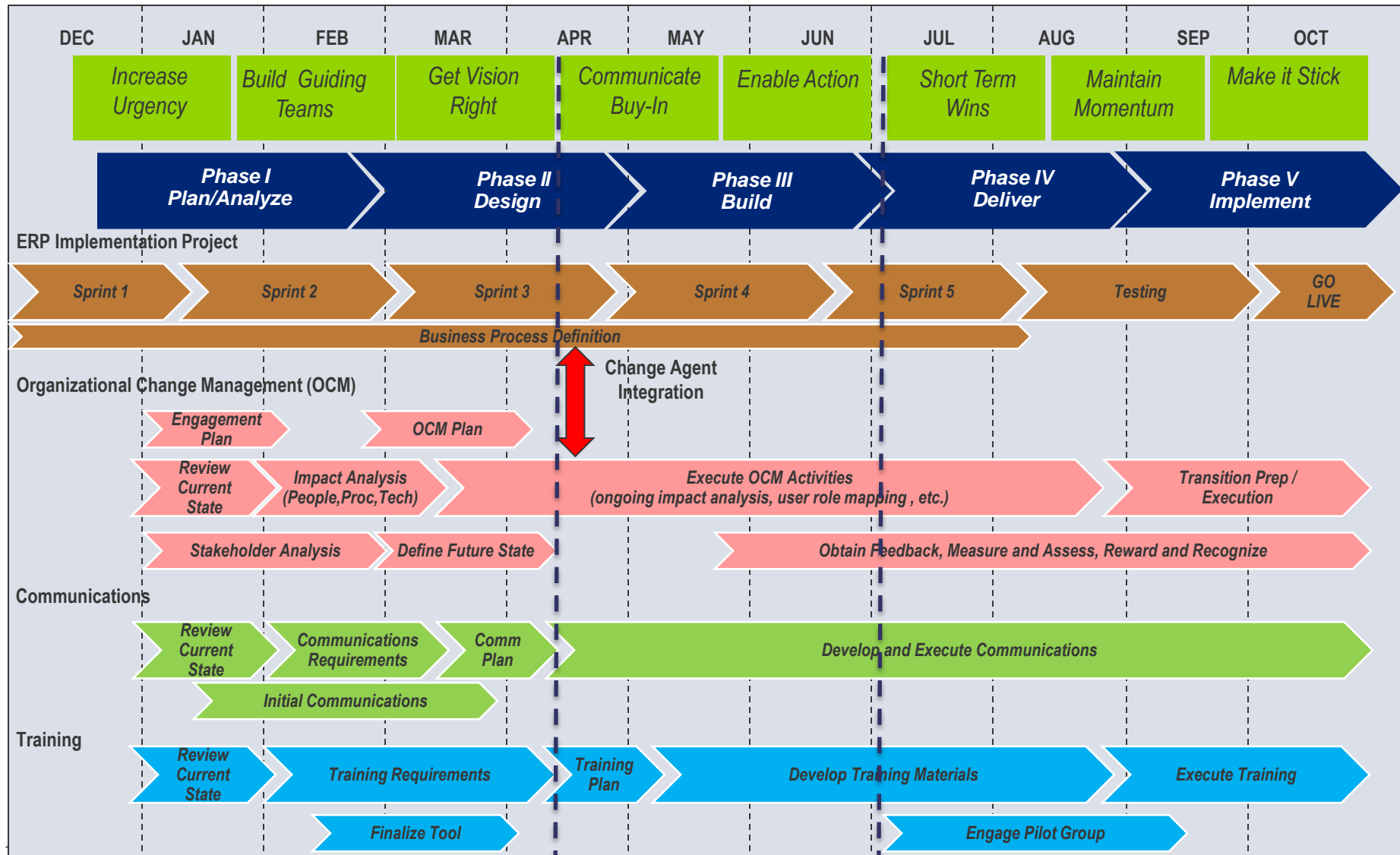
- Provide guidance and vision to project team
- Ensuring UAT and Training plans align to the business processes.

Implementation / Post Go live

- Transfer of knowledge is essential
- Manage and tracking the benefits expected from the new solution

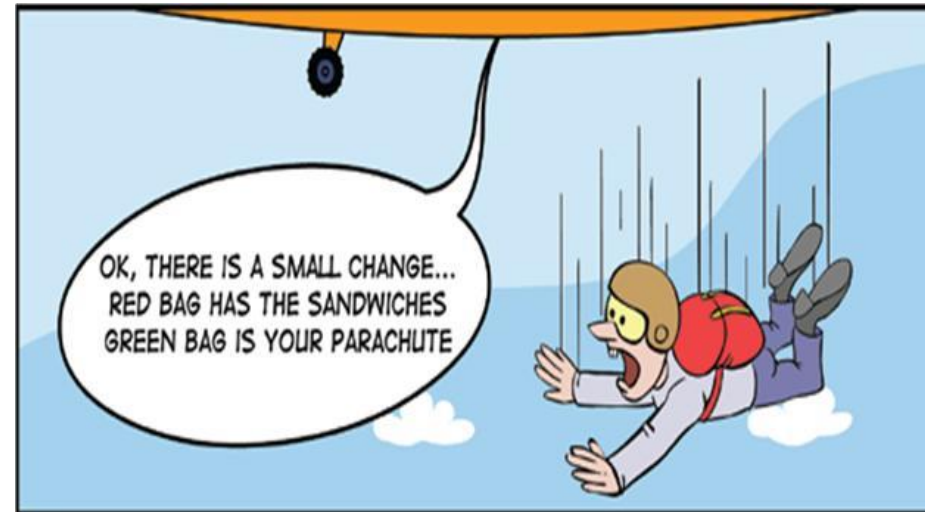
Alignment of OCM and Agile -- Example

The diagram below illustrates an example of how the major activities may align within the overall schedule.



Proactive vs Reactive Change Management

- Recognize that change will occur
- Understand that you need to be able to execute under both models (proactive & reactive)
- Define, share, and stick to the vision
- Communicate, communicate, communicate!
- Build your “informal” networks (vs. formal organizational hierarchy).
- Overcome resistance (remember the “change equation”)
- Minimize bottlenecks on key subject matter experts, and the need for those SME’s to carry the project success on their backs.



Proactive vs Reactive Change Management

Change managers are responsible for garnering support for change and overcoming resistance to change.

There are ten techniques that change managers can use to accomplish this.

- Plan well.
- Allow for discussion and negotiation.
- Allow for participation.
- Emphasize the financial benefits.
- Avoid too much change.
- Gain political support.
- Let employees see successful change.
- Reduce uncertainty.
- Ask questions to involve workers.
- Build strong working relationships.

Need to influence those factors within the culture that will allow the change to take hold. Otherwise, people revert back to original tendencies.

(Source: "Reactive vs. Proactive Change" *Encyclopedia of Management* Ed. Marilyn M. Helms. Vol. 1. Gale Cengage 2006 eNotes.com 17 Sep, 2013)

The Project Manager as a Change Leader

Empower Project Managers as change leaders!

- Position yourself to influence those with whom you have no positional power
- Help the organization to evaluate how big a change is and who will be impacted to develop a customized and scaled strategy for managing the people side of the initiative
- Support an integrated set of plans for moving people forward, including a communication plan, a sponsor roadmap, a coaching plan, a training plan and a resistance management plan
- Collaborate with Change Management leaders/teams within the organization
- Coach and Influence, Coach and Influence, Coach and Influence

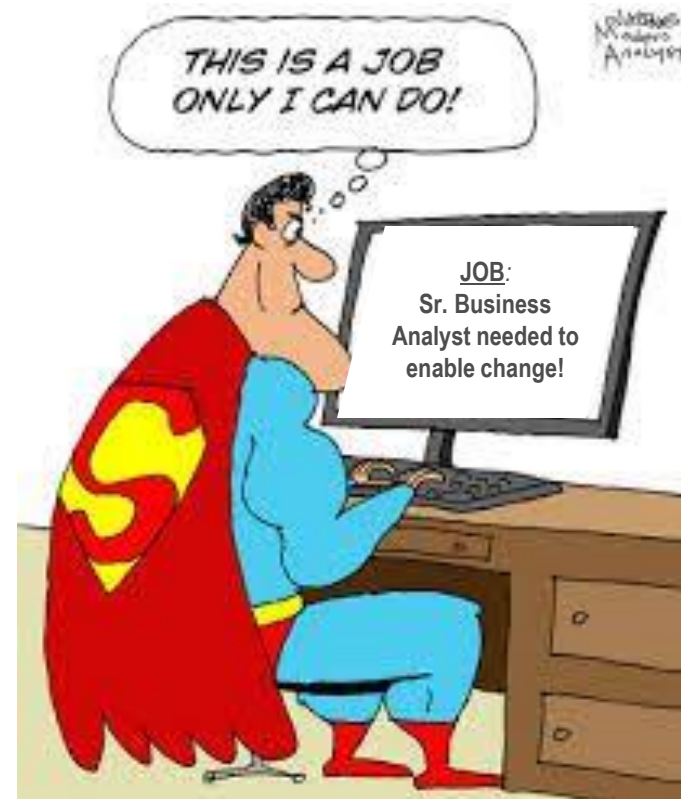


Project Managers are capable of understanding the ecosystem of a project or program and are in the best position to ensure integration of OCM.

The Business Analyst as a Change Leader

Empower Business Analysts as change leaders!

- Business analysts understand the “context” of an organization within which change must be assessed for feasibility
- Clear understanding of the purpose for change and roles/responsibilities need to be modeled thru the requirements
- Changes should be tied back to organizational objectives (thru proper traceability) to ensure stakeholders understand “why” the change is occurring.
- Business Analysts can build trust and encourage interaction thru proper facilitation techniques allowing stakeholders to have a say and participate so they feel vested in the process.



Business analysts are capable of gauging their audiences and well-qualified to “listen, address concerns, and bridge gaps among departments and teams.”

Case Studies



Personal Case Study: The “TO-DO” Conundrum

Before

TO-DO

- Weed the back hill
- cleanup basement
- make dinner RSVP

After

- paint kitchen/hallway
- cleanup base
- fix fence
- vacuum C
- weed the ba

Clean at garage

Cut/trim hedges

Need whack

reorganize office

- buy Declan new ^{hockey} pads

- buy trim trees back
mulch in yard

- clean off beach toys

Call mom/dad - Sant Car
setup firepit

plan Declan's B Day

make Dinner RSVP
scrub deck

e porch

's bench

pipe

Case Study # 1 – TPM Conversion and Implementation

The Challenge -- A leading, global pharmaceutical and consumer package goods company managed its Trade Promotion and Shopper Marketing funding and spending via a legacy Trade Promotion Management (TPM) application.

The application was built on **older, legacy technology**. Key Challenges included:

- **Insufficient automated integration**
- **Manual processes**
- **Excessive delays in accessing and understanding data**
- **Duplicate data producing two "sources" of the truth**
- **A need for heavy reconciliation between the systems, impacting timely decision making**
- **High level of inconsistency in both the timing and the quality of the data**

Case Study # 1 – TPM Conversion and Implementation

The Solution: The client chose to implement a vendor purchased TPM solution across the United States to achieve the following:

- **The Soft Benefits:**

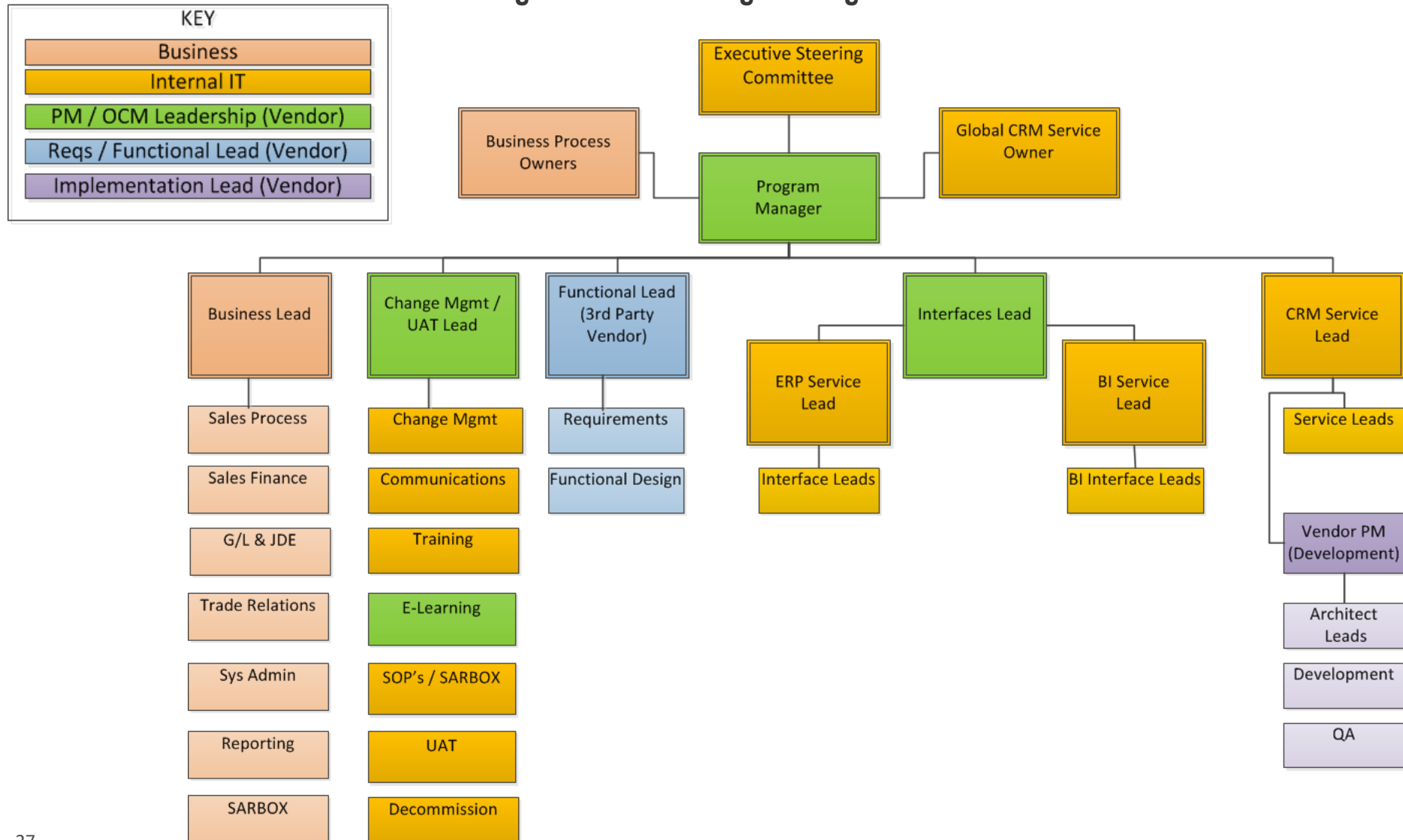
- Provide transparency of trade spend cross-functionally between Sales, Finance and Marketing
- Improved timeliness of performance information and measurements, including early visibility to funds “available to spend” enabling funds to be deployed to drive business growth, rather than not being utilized
- Simplification of the Trade Spend Model, thru automation which eliminates manual and duplicate data entry improving accuracy, as well as elimination of the rigorous reconciliation of disparate systems improving efficiency
- Standardization of the global platform across one technology

- **The Hard Benefits:**

- More timely and accurate management of \$xxxM in trade spend, anticipating \$xM in annual savings.

Case Study # 1 – TPM Conversion and Implementation

The Project Organizational Structure was critical to the planning and execution of proper Organizational Change Management



Case Study # 1 – TPM Conversion and Implementation

Managing the expectations of the business, their level of involvement, and the necessary alignment to business processes was critical to success.

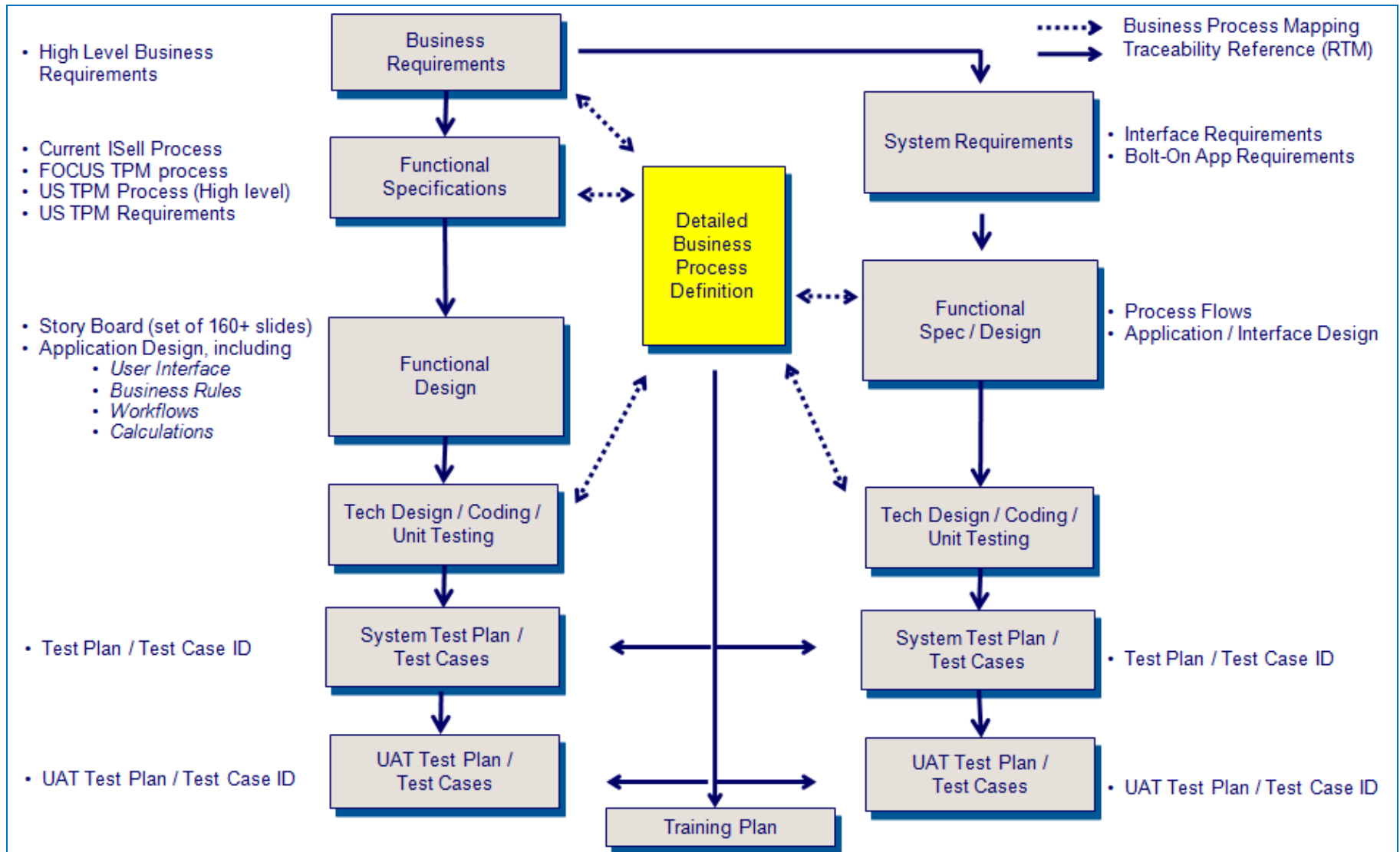
Where is Business Support Needed?

- Process flow review and input
- Definition of extended business processes, supporting the primary processes.
- Support for questions around system design and business process alignment
- Alignment of business process flows with UAT test scenarios and Training Plans
- Validation of business process flows during User Acceptance Testing (UAT)

How will detailed business process definition (flows) be used?

- Used to define core business processes and responsible parties
- Supports planning around system testing, UAT, and Training
- Used as a change management framework to highlight areas of business change and degree of change from current as-is processes
- Used as a framework during UAT and Training, to ensure coverage and validation in all affected business processes
- Supports on-boarding of new employees, helping to improve the learning curve

Business Process Definition Aligns to Everything!



Takeaway From Case Study

Targeted Questions used to coach the business thru the OCM impacts within business process definition, re-engineering, and improvement efforts:

- When preparing business process diagrams, what questions do you want to ask?
 - What are the primary steps executed in this activity?
 - What optional or parallel steps may be executed?
 - What key decision steps are part of this process?
 - What key approval steps are part of this process?
 - Who executes these steps?
 - What “extended” business processes are needed to support any of these steps? (Either as predecessors, during execution, or as successors?). And who executes these steps?
 - What are the inputs into these processes, and what user/system actions are required to produce these inputs?
 - What are the outputs of these processes, who will use them, and how will they use them?
- Using Business process flows as a Change Management tool, the following questions should be asked:
 - Which processes/steps are different from the current as-is process, and what is the degree of change – LOW, MED, HIGH?)
 - What groups or persons will be impacted by these changes, and what can be done to minimize the effect of the change?
 - What additional training and/or testing can be done to minimize impact of MED and HIGH changes?
 - What standards/guidelines need to be implemented as part of the processes defined above?
 - Who needs to signoff and/or approve the process changes, as well as the standards definition?

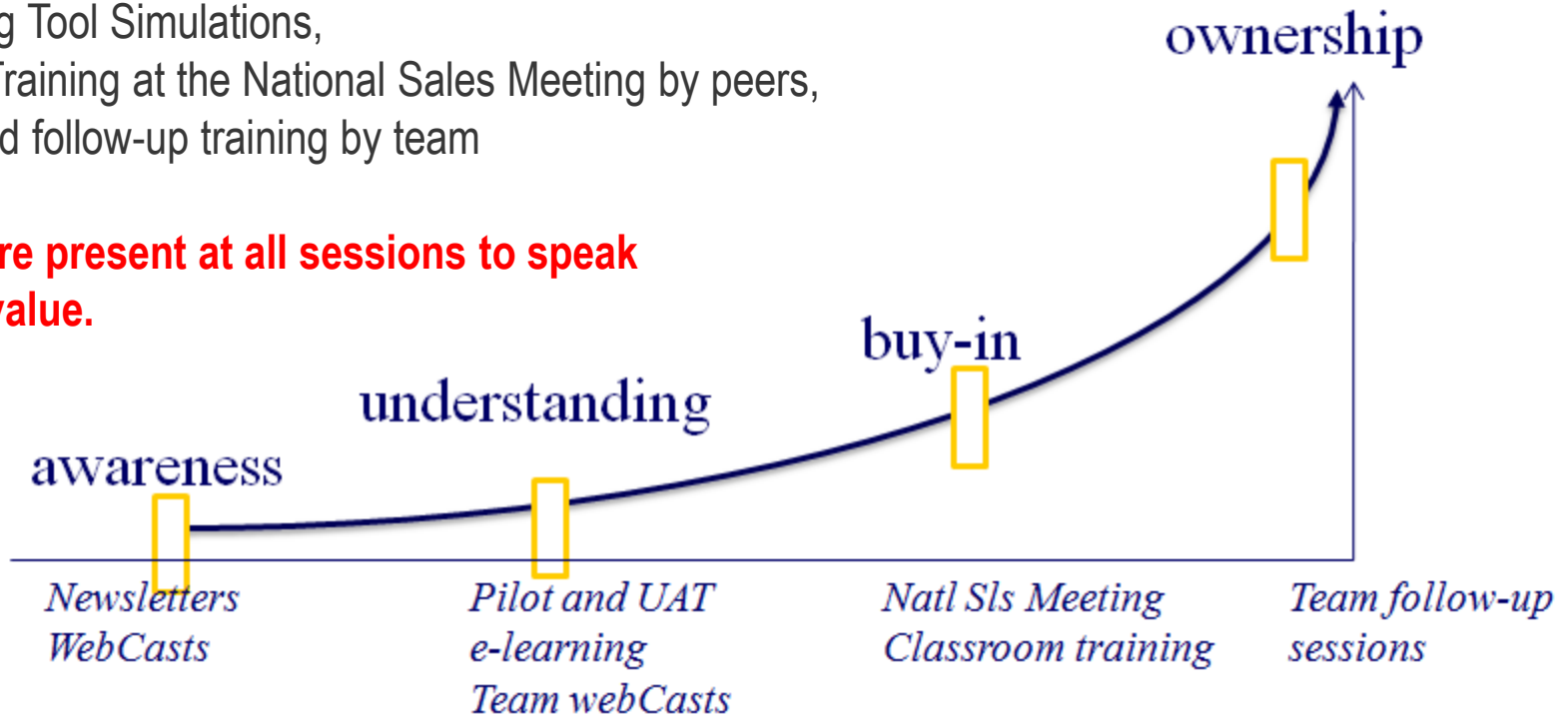
Case Study # 1 – TPM Conversion and Implementation

Comprehensive awareness and ownership within the business were critical to success

Comprehensive training program before, during and after project launch, which included:

- Newsletters,
- Pre-Training Web Casts (National and Team specific),
- Pre-Training Tool Simulations,
- Hands on Training at the National Sales Meeting by peers,
- And focused follow-up training by team

BA Leads were present at all sessions to speak to business value.



Case Study # 1 – TPM Conversion and Implementation

**Other “proactive” OCM Concepts were applied
(which also serve as Early Alert Mechanisms):**

Core System Implementation and Interfaces

- Key business owners involved early in all phases of the requirements and design process.
- Business Process flows were validated against DESIGN and reviewed with key business users.
- Key business and BA leads from client, third party implementation consultant, and Business were granted early access into development system to test pilot portions of the app.

SPECIFIC CALLOUT – Business Reporting – High Risk Area!!!!

Case Study # 2 – WMS Suite Implementation

Challenge :

- A leading, global pharma company needed to strategically upgrade and transform its supply chain execution (SCE) capability in its network of Regional Distribution Centers (RDCs) in order to responsively and cost-effectively meet increasing customer demands, improve operational capabilities, and respond to industry competition.
- The company's distribution network was supported by a 25-year-old inventory management and order fulfillment system, DCS/Logistics.
- **While the legacy system had supported the business well over a long period of time, it was batch-oriented, missing key functionality and features, and based on older IBM mainframe technologies.**

Solution :

- Implementing all three core modules of RedPrairie's new WMS suite of products – Warehouse Management (WMS), Transportation Management (TMS), and Workforce Management (WFM);
- Fully integrating TMS, WMS, and WFM – a complex, and unprecedented full-suite integration;
- Transformation of the business processes and organization from a de-centralized approach to a centralized and standardized approach that included the creation of a new Transportation Operations Center of Excellence (TOC) to more cost-effectively manage all distribution shipping & carriers;
- A rapid rollout of the new system across the TOC and the three distribution centers over five-month period.

Case Study # 2 – WMS Suite Implementation

Lessons Learned – Business Process Linkage is Critical

- Business requirements not well defined prior to the start of the project as business processes were still in a pilot evaluation phase
- Clear linkage between business processes and validation testing was not performed early enough in the project leading to longer testing timelines
- IT, Vendor, and Business plans (work, change, resource, etc.) were not well integrated at the start, leading to missed dependencies and missed requirements.

Case Study # 2 – WMS Suite Implementation

Lessons confirmed – Role Definition and Artifact reuse eases the strain on change

- Business Analyst Lead, Business Lead, and Change Management Roles were defined that served to align key areas of business involvement (Requirements, Process Design, Training, UAT, Mock Go live, etc.)
- A well thought out approach and template for leveraging test case/scenario development to support system test, UAT, SOP, and training needs, reduced project resource requirements.
- The heavy utilization of Business lead / BA lead partnership in as many project tasks as possible created the enthusiasm and new system knowledge required to drive a very effective change management program.

Review of Objectives

- **Leverage a practical OCM framework and understand the key integration points into both the governance process, and project and business analysis lifecycles.**
- **Understand the characteristics between a proactive and a reactive change manager, and its impact on organizational change management**
- **Understand and be able to apply key lessons learned from case studies where OCM concepts played a large role in the successful delivery of those projects.**





4632 State Route 40, Suite 200

Claysville, PA 15323

800.883.1198

info@newtonconsulting.com

newtonconsulting.com

John Catlos, PMP

Director, PMO Practice

p(US): +1 (412) 897-5913

John.catlos@newtonconsulting.com

www.newtonconsulting.com

For other key takeaways, including:

- Other OCM Models
- Pitfalls that will impact your ability to implement change successfully
- Common causes for resistance to change
- Common reasons people will support change
- The importance of “quick wins”
- More information on Newton Consulting and our services

Please leave me your business card or contact information, or email

john.catlos@newtonconsulting.com