Organizational Change Management - in IT Projects

University of Applied Sciences, Munich
November 14th 2013
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Today´s Objectives

Objectives

- Create Awareness on Organizational Change Management and its benefit to project success

- Having an overview of change triggers and examples in a business environment.

- Understand examples of effective change management measures.

- Use the opportunity to ask questions (and receive answers) on Organizational Change Management from a practitioner´s point of view!
### Inhalte

1. Organizational Change Management (OCM): Definitions
2. OCM Objectives and Benefits
3. Typical “Changes”
4. Examples for OCM Approaches
5. Examples for OCM Measures
6. Collaboration and Alignment of PM and OCM
7. Q&A and Wrap-up
Change Management is the discipline for … 
… defining the future organizational characteristics required to enable intended business results 
… reducing risk, realizing the value of transformation initiatives and supporting all stakeholders as they transition to the desired future state.”

(CSC Catalyst Framework)
Change-Management ist ein Themengebiet aus der IT Infrastructure Library (ITIL) und wird dort im Buch Service Transition als Prozess definiert, der das Ziel hat, dass alle Anpassungen an der IT-Infrastruktur kontrolliert, effizient und unter Minimierung von Risiken für den Betrieb bestehender Business Services durchgeführt werden.

http://de.wikipedia.org/wiki/Change_Management_(ITIL)
What is Organizational Change Management?

Organizational Change Management is the discipline for ...

- ... defining the future organizational characteristics required to enable intended business results
- ... reducing risk, realizing the value of transformation initiatives and supporting all stakeholders as they transition to the desired future state

Key Goals

- Maximising value for stakeholders
- Minimising risk
- Accelerate benefits
- Sustaining benefits

Formulating the purpose and scope of the intended business change

Implementation of the business solution and realization of the business results
Business Change is being carried out within 3 major process steps

**B. CURRENT STATE analysis**
Analyse the current business state and facilitate the Organizational Change through Transformational Management.

**A. Future state DESIGN**
Defining the future organizational components needed to support business process or technology changes.

**C. TRANSFORMATION MANAGEMENT**
This happens during the transformation:

- The business solution is being implemented
- The impacted stakeholders of the transformation realize “the change” within their daily business
- The realization of the real business results takes its time because the organization needs to absorb “the change”
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Organizational Change Purpose

**COST BENEFIT**

Significantly reducing the risks of project failure
mitigating common and unique people factors.

**VALUE BENEFIT**

Accelerate realization of business benefits
beyond just technology deployment

**MAINTAIN VALUE**

Sustaining the change
ensuring continued productivity
Effective Change Management Accelerates the Change

Questions:
1. Do you have any experience in mind that could be matched to the curve?
2. What has happened/ what should have happened to pass through the valley of despair?
During complex changes the different phases can be seen as “rooms” within a “house of change” that you are entering several times.

The Change House

**The Denial Room**

I am in control, but not of everything. Must hold tight, stick to what I am doing. It will come right in the end. Feels empty, but all will be OK.

**The Contentment Room**

“My present situation is good, relaxed. I need only attend to the present, I am ok. I like things as they are. I do not need to change. I do not want to change.”

**The Renewal Room**

“It is coming together, I see where I need to go, what I need to do. I have many ideas to work with, want to make them happen, want to work with others.”

**The Confusion Room**

“Things are wrong – I do not know what. Tense, nervous, chaos, which way to go? Full of doubts. Who can help me, where could I turn?”

The Sun Lounge

Dungeon of Denial

Paralysis Pit

The door of revolving reality
Increasing Commitment by targeted Communication

Objectives of Communication Activities

- Contact
- Awareness
- Understanding
- Pos. Perception
- Adoption
- Institutionalization
- Internalization

Commitment/Ownership
Education/Clarification
Information

Level of commitment

Program comms effort
business comms effort

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Questions

1. What are typical Changes in a business environment that need to be managed?

2. What are triggers for Organizational Change?
## What drives Change within organizations?

<table>
<thead>
<tr>
<th>Where does “the Change” come from?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Triggers</strong></td>
</tr>
<tr>
<td>• Technological Innovations</td>
</tr>
<tr>
<td>• New Ways of working</td>
</tr>
<tr>
<td>• Changed Industry specific demands</td>
</tr>
<tr>
<td>• Demographic Changes</td>
</tr>
<tr>
<td>• …</td>
</tr>
<tr>
<td><strong>Examples</strong></td>
</tr>
<tr>
<td>• Mergers &amp; Acquisitions</td>
</tr>
<tr>
<td>• Carve-out</td>
</tr>
<tr>
<td>• Restructuring</td>
</tr>
<tr>
<td>• Outsourcing</td>
</tr>
<tr>
<td>• Large ERP implementations</td>
</tr>
<tr>
<td>• Process transformations</td>
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<tr>
<td>• …</td>
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</tbody>
</table>
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This is why Change should be managed: Common Problems

- Lack of shared understanding of why change is necessary
- People don’t see how they fit in
- People can’t see how it will work
- Requirements and solution not aligned to business needs
- Projects focus only on that which is necessary to deploy the solution
- Majority of companies fail to execute strategy successfully
This is how Change can be managed:
One Example

<table>
<thead>
<tr>
<th>Kotter: 8-step process for leading change*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Establishing a sense of Urgency</td>
</tr>
<tr>
<td>2. Creating a guiding Coalition</td>
</tr>
<tr>
<td>3. Developing a Change Vision</td>
</tr>
<tr>
<td>4. Communicating the Vision for Buy-in</td>
</tr>
<tr>
<td>5. Empowering broad-based Action</td>
</tr>
<tr>
<td>6. Generating Short-term wins</td>
</tr>
<tr>
<td>7. Never letting up</td>
</tr>
<tr>
<td>8. Incorporating changes into the Culture</td>
</tr>
</tbody>
</table>

Working with emotions

Cognitive aspects only represent „the tip of the iceberg“

<table>
<thead>
<tr>
<th>Factual level (20%)</th>
<th>Emotional Level (80%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Strategy</td>
</tr>
<tr>
<td></td>
<td>• Organization</td>
</tr>
<tr>
<td></td>
<td>• Guidelines</td>
</tr>
<tr>
<td></td>
<td>• ...</td>
</tr>
<tr>
<td></td>
<td>• (de-) Motivation</td>
</tr>
<tr>
<td></td>
<td>• Fear</td>
</tr>
<tr>
<td></td>
<td>• Insecurity</td>
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<td></td>
<td>• Creativity</td>
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<td>• Courage</td>
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<td></td>
<td>• ...</td>
</tr>
</tbody>
</table>

Successful Change Management initiatives always address cognitive AND emotional aspects!
CSC CATALYST methodology: Hexagon of Change and Drivers of Change
CSC CATALYST methodology: Drivers of Change Objectives

A  **Leadership**

Objective:
Development and maintenance of a clear leadership by the **management team** and in the program management.

B  **Commitment**

Objective:
Identification of stakeholders and leveraged support of their needs and requirements as well as **commitment** to a good cooperation within the project.

C  **Measurement**

Objective:
Regular **performance measurement** of effectiveness and efficiency of the change until program outcome is achieved.

D  **Communication**

Objective:
Integrated and targeted **communication** to all project-internal and external stakeholder groups.

E  **Structures**

Objective:
Harmonization of the new organization structure to ensure operation.

F  **Capabilities**

Objective:
Building and driving new **capabilities**.
Some common misconceptions
The ‘Elephant in the room’

- We are running out of funding, time to stop the Organizational Change stream
- There just isn't any funding for Organizational Change Management
- “We are only doing an infrastructure change!”
- It would be ‘nice’ to have Organizational Change
- ‘Organizational Change is a separate work stream’

Ready to deploy - so bring in Business Change to do some ‘Comms’
Any questions?
Summary

**Expectations - Objectives**

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