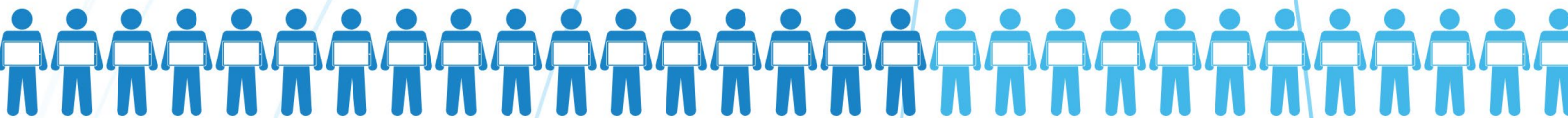


WHITE PAPER

Enterprise Change Management

Making  
change  
your business

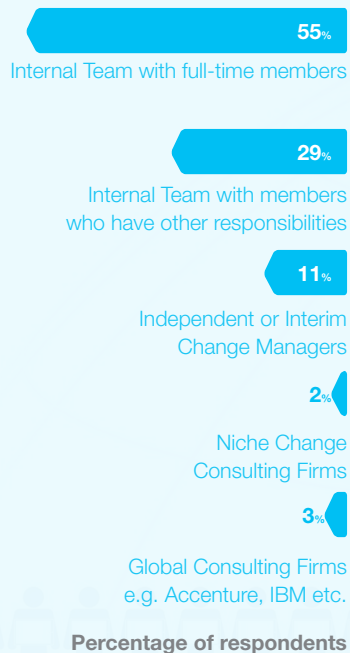


*“Organizations with high internal change management capabilities had collected, on average, 143% of the value they originally expected from their projects.”*

# Introduction

## Change in a Downturn – A Snapshot Survey 2012

Question 10: Which of these resources are most effective in helping your organization implement change in the current environment?



In a survey of over 50 organizations, *Change in a Downturn – A Snapshot Survey 2012*, Changefirst asked more than 2,000 Change Leaders what they believed was the most effective way to help their organization implement change in the current environment. The vast majority – 84% – said that internal teams were the best way to implement change.

In support of this data a McKinsey Quarterly article, *Helping employees embrace change*, LaClair and Rao, November 2002 demonstrated a direct linear relationship between an organization's change management capabilities and the value it captures from projects. They found that organizations with high change management capabilities had collected, on average, 143% of the value they originally expected from their projects.

A 2008 IBM survey *Making Change Work* identified an average 22% gap between the amount of substantial change an organization expected and an organization's experience of changing successfully in the past. There may be a number of causes of this gap. It could be that these organizations are pursuing inappropriate strategies. It could be that they are in rapid decline and are unable to muster sufficient resources. Or it could be that they simply lack the process efficiencies which can drive real change. However, our conclusion is that ineffective change management is a core reason for the failure to execute and benefit from strategies.

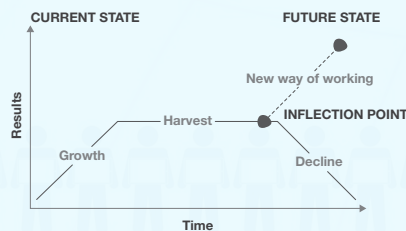
# Agility is critical in today's competitive climate

Nearly 90% of UK executives surveyed by the Economist Intelligence Unit, in the 2009 report *Organizational agility: How business can survive and thrive in turbulent times*, ranked organizational agility as vital for business success. The same report highlights that the research conducted at the Massachusetts Institute of Technology suggested that agile firms grow revenue 37% faster and generate 30% higher profits than non-agile companies. Organizations that lack agility and can't adapt, can suffer more than ever before from:

- More adaptable competitors beginning to dominate
- Business performance deteriorating rapidly
- When deterioration occurs recovery being tougher than ever before
- The engagement of employees becoming more difficult
- The term 'change fatigue' becoming part of regular conversations inside the organization

Organizations need to build change management competencies across the entire enterprise, ensuring that change management is sponsored and applied effectively on all change projects. This is called Enterprise Change Management.

## Organizational Life-cycles



Changefirst believes that if an organization is to become agile: able to transition effectively through the organization life-cycles – rather than go into decline, and able to deliver change at the volume, speed and accuracy required; it needs more than a small number of project or OD specialists trained in change management.

# Defining Enterprise Change Management



Enterprise Change Management, or ECM for short, is a process organizations put into place to help them become agile and responsive to fast moving competitive, often disruptive, markets.

ECM is the term used to describe the discipline and process of deploying change management up, down and across an organization; ensuring it can be applied to each project, and that individuals have access to requisite skills to build their own personal change competency.

Enterprise Change Management comprises of:

- A common change language that is used throughout the organization
- A shared set of change processes and tools that are applied to all projects and initiatives
- Strong change leadership capabilities at all levels of the organization
- Role-based training and coaching to build and embed new skills and techniques
- An organizational mindset that supports the effective implementation of strategic change\*

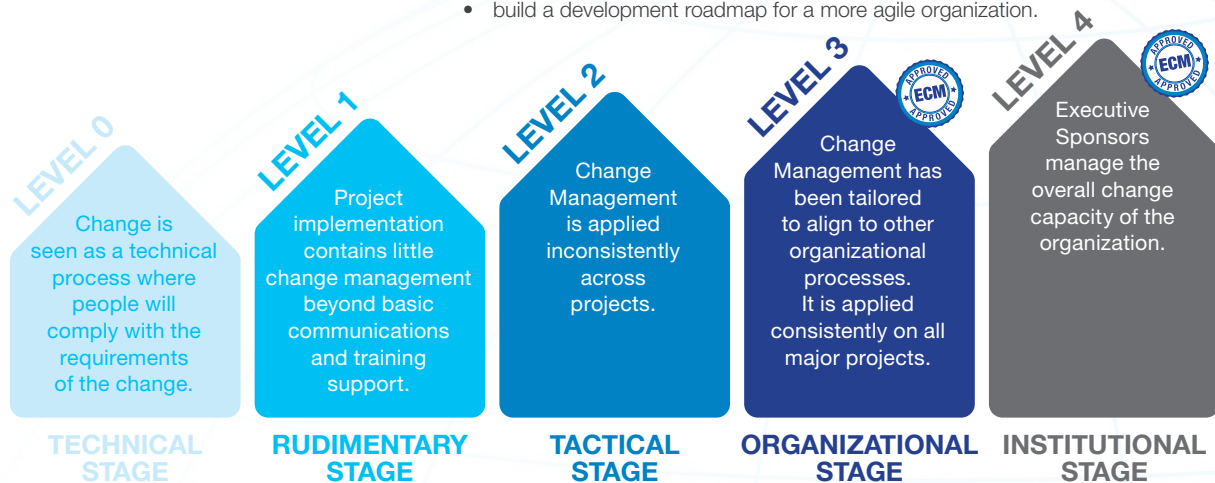
*\*This would include, but is not limited to, change capacity being assessed before projects are initiated, executives proactively managing the portfolio of change and a change management scorecard being established and reviewed.*

# The Change Management Maturity Model

The successful introduction of ECM requires a level of change management maturity, which requires a significant investment of time and effort for many organizations.

Changefirst developed a Change Management Maturity Model, with 4 levels as shown in the graphic below, to help an organization:

- assess their current maturity level
- determine the gap towards being able to support ECM
- build a development roadmap for a more agile organization.



Each of the Change Management Maturity levels has its own standards which must be achieved to master that stage of maturity.

ECM really only refers to maturity levels 3 and 4, and for many organizations there is a significant shift required to attain levels 3 and 4.

# LEVEL 1 RUDIMENTARY STAGE

Project implementation contains little or no change management other than basic communications and training.

## Key Characteristics

- Projects have no standard change process.
- Strong focus on the technical aspects of projects.
- Little time is spent planning and tracking implementation.
- Resistance is the normal outcome and usually is seen as 'anti-organization'.
- Employee engagement is seen as putting a rational case forward.
- Compliance is viewed as successful implementation of a change.
- Workplace productivity drops more than it should during change.
- The success of implementation is not reviewed and lessons not learned.

## Change Management Maturity Levels Defined

### Leadership Attitudes

- Technical focus
- People are rational and 'will do the right thing'
- If they don't, they have to comply
- All this change stuff is 'a bit soft' and unnecessary

### Maturity Standards

None

### Appropriateness to Business Situation

This level of maturity only functions if change is slow and incremental in scope.



# LEVEL 2

## TACTICAL STAGE

Change management is applied inconsistently across projects.

### Key Characteristics

- Change Management driven by a 'coalition of the willing' – a small group of enthusiastic early adopters working on projects.
- Change Management usage is driven by problems in project delivery (for example, employee resistance) rather than built into the original project plan.
- Project personnel sign up for change management programs, but there is no 'needs-based' or 'just-in-time' approach.
- Senior Sponsors are active in supporting change management as an idea - they are beginning to understand the reasons for it and core concepts.
- Senior Sponsors tend to rely on external change management consultants.
- Change Management is mainly at the organizational level with few attempts to localize change.

## Change Management Maturity Levels Defined

### Leadership Attitudes

- Ideally people will become committed to the change, but if not then we'll move to compliance.
- Change Management is 'good stuff' but not as important as the technical plan.
- We'll do change management if we have the time and money.

### Appropriateness to Business Situation

This level of maturity may be a strong fit if there are a number of significant change initiatives focused on improving ways of operating. There will be notable consequences if the business case is not achieved.

### Maturity Standards

- Standard change methodology has been agreed.
- Executive support for the change methodology has been agreed.
- Change Management education process has been put in place.
- Change management application on projects and programs is monitored.
- Early use of change management is supported on a few key projects.



# LEVEL 3 ORGANIZATIONAL STAGE

Change management has been tailored to align to other organizational processes. It is applied consistently on all major projects.



## Change Management Maturity Levels Defined

### Key Characteristics

- The organization agrees on the need for a single change management methodology on major projects.
- Project delivery communities such as IT, Six Sigma and HR feel a strong sense of ownership of the change management methodology.
- Workshops are seen as a way to help people apply change management.
- The organization focuses on value and outcomes rather than cost.
- Case studies are written about early wins.
- Sponsorship is much more visible on projects.
- All project plans have a change management component from kick-off.
- There is an increase in the number of change management roles and a core group of skilled change agents in place.
- External consultants are no longer used for change management assignments.
- Change Agents actively integrate change management into other processes.
- All Managers and employees are trained in change management as appropriate.

### Leadership Attitudes

- We will be successful if we have project plans with a strong change management component.
- Commitment and successful behavior change are essential for successful change.

### Appropriateness to Business Situation

This level of maturity is essential for environments where there is a program agenda with a strong vision, sufficient capacity and resources. The level of complexity is high but not unmanageable using project planning and change management methodologies.

### Maturity Standards

- Change management coaching and sponsor education is underway.
- Executive sponsorship and review processes are established.
- Change management checkpoints are measured in the same way as other project checkpoints.
- Change management is integrated into other organizational processes and project methodologies.
- A change management community of practice has been established.

### Moving from Tactical to Organizational Maturity

represents a significant step change, but deploying ECM can be accelerated if the existing culture already has a strong belief in using processes to improve productivity. The key shift is in achieving consistency across all projects, by adopting a common language and methodology (change process, skills and tools) which is robust, yet flexible enough to be used on all projects of different magnitude and complexity.

# LEVEL 4 INSTITUTIONAL STAGE

Executive sponsors manage the overall change capacity of the organization.



## Change Management Maturity Levels Defined

### Key Characteristics

- Change management is adopted throughout the organization
- Executives spend time assessing the demand for change as a whole and the level of capacity the organization possesses.
- Change agents build continuous improvements into change management.
- Case studies are produced to show the effectiveness of change management.
- Change management is built into the culture – it becomes ‘the way we do things around here’.

### Leadership Attitudes

- Managing change effectively is a core competency in this organization.
- Assessing people’s capacity and limits to changing successfully is a core part of strategic decision-making.

### Appropriateness to Business Situation

This level of maturity is essential for organizations with a transformational agenda. There are a large number of changes and difficult prioritization decisions may have to be made.

### Maturity Standards

- Executives proactively manage the overall change portfolio.
- Change capacity is assessed before initiating projects.
- Change management skills are seen as an integral part of management development programs.
- Change management is included in project and program charter mandates.
- A change management scorecard is established and reviewed at all project review meetings.

### Moving from Organizational to Institutional Maturity

is the biggest step change of all and represents a substantial cultural shift for most organizations. The key shift is that the capacity for change becomes the key metric when change leaders decide whether to implement a new initiative or not. Even the best change management processes will struggle to get traction if people are overwhelmed by the sheer volume of change.

# End-to-End ECM Solution

To support organizations wanting to approach change management from an enterprise perspective, we provide an end-to-end ECM solution comprising the following components.



## SOFTWARE

### ECM Platform – e-change®

Cloud-based platform enabling change management processes to be scaled and deployed quickly and cost-effectively.

The platform includes:

- Digital education for leaders and employees
- Planning Roadmap and templates
- Diagnostics and reporting tools
- Collaboration and social learning functionality

The platform can be customized to include organizational specific content.



## LEARNING

### Application focused Workshops

Full suite of face-to-face workshops providing role-appropriate content to help:

- Executives improve their change performance through effective diagnosis, tracking and sponsorship
- Change Practitioners build and deploy people-centered change plans to better manage the behavioral aspects of change projects
- Managers develop their skills to deploy centrally generated change and manage teams through local change



## COACHING

### Coaching Services

Accelerate ECM deployment by coaching internal professionals to embed new change skills and process. Examples:

- Planning the kick-off process for major change projects
- Actioning change impact and risk assessments
- Building detailed change and engagement plans
- Creating executive support for key projects
- Tracking implementation progress and measuring change results

## Key Benefits

- No more 're-inventing the wheel' with every new project
- Continuous improvement of the approach, tools and processes
- Consistent application on all major projects
- Senior leaders managing the overall change capability

*“No more reinventing  
the wheel with an  
enterprise change  
management  
approach!”*



# Changefirst ECM Deployment Process

Deploying ECM represents a step change for most organizations and should be handled like a change project.

Executives need to show visible commitment to this approach. They need to lead by example and get involved in sponsoring the change well and tracking its progress. The process outlined below is designed to ensure that there is a practical deployment plan for implementation that does not overwhelm the organization.

Gap Analysis	Deployment Plan	Implementation
<ul style="list-style-type: none"> <li>• Conduct change maturity assessment</li> <li>• Understand role-based skills requirement</li> <li>• Agree the customization needs</li> </ul>	<ul style="list-style-type: none"> <li>• Customize the enterprise platform</li> <li>• Agree the mix of On Demand workshop and coaching services required</li> <li>• Deliver pilot(s) and refine ECM offering ready for implementation</li> </ul>	<ul style="list-style-type: none"> <li>• Start enterprise platform license</li> <li>• Roll-out key programs</li> <li>• ECM Progress check</li> </ul>

Assess your organization's change maturity using the ECM Questionnaire on the following pages.

# ECM Maturity Questionnaire

The questionnaire requires you to make choices between statements that describe how change management is currently deployed in your organization.

You are presented with pairs of statements and you are required to choose one statement in each pair.

Statement	Choice
1 All major projects have a change management component from the start	<input type="checkbox"/>
2 Change management usage is driven by problems experienced during project delivery	<input type="checkbox"/>
3 There is visible senior sponsorship on all major change projects	<input type="checkbox"/>
4 Senior leaders focus on building and communicating a rational case for change	<input type="checkbox"/>
5 Project delivery communities (e.g. IT, 6Sigma) own our change management processes	<input type="checkbox"/>
6 Managing change effectively is a core competency in the organization	<input type="checkbox"/>
7 Our change projects are driven by strong project management disciplines	<input type="checkbox"/>
8 Change management is included in project and program management mandates and scorecards	<input type="checkbox"/>
9 Senior leaders tend to rely on external experts to provide organizational change management as and when required	<input type="checkbox"/>
10 There is a notable increase in the number of change management roles in the organization	<input type="checkbox"/>
11 People in our organization are rational and will respond once they understand what they are required to do	<input type="checkbox"/>
12 Change management is deployed when we can anticipate that people will push back against the change	<input type="checkbox"/>
13 We are managing a small number of change initiatives that require very little change management	<input type="checkbox"/>
14 Executives spend time managing the demand for change versus the organization's capacity to assimilate that demand	<input type="checkbox"/>
15 The focus of our change management activity is on creating communications and training plans	<input type="checkbox"/>
16 Change management is an integral part of our management development programs	<input type="checkbox"/>
17 Change management is applied in some parts of the organization, but not consistently across the organization	<input type="checkbox"/>
18 Our change management framework is mandated and senior leaders use it to track changes	<input type="checkbox"/>
19 Our change management framework is aligned with other processes (e.g. project management)	<input type="checkbox"/>
20 Change in our organization is slow and incremental, requiring very little change management	<input type="checkbox"/>

# ECM Maturity Questionnaire Results

Transfer your choices to the grid and graph below

Circle the numbers below that are the same as your choices.  
 For example, if for the pair of statements 1 & 2, you chose number 1, then circle number 1 in the grid below, and so on.

Level	1	2	3	4
	4	2	1	3
	7	9	5	6
	11	12	10	8
	15	13	16	14
	20	17	19	18
<b>No. of Occurrences</b>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

**Marking Key**

- 1 = Rudimentary
- 2 = Tactical
- 3 = Organizational
- 4 = Institutional

For each maturity level, shade in the bars corresponding to the number of times you have chosen that level.

ECM Maturity Level	1	2	3	4	5
1 = Rudimentary	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
2 = Tactical	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
3 = Organizational	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
4 = Institutional	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
	<b>No. of Occurrences</b>				

To learn more about ECM for you organization contact one of our Enterprise Change Management Experts on **+44 1444 450777**



# End to end change management solution

Changefirst has supported organisations in implementing change management through application focused workshops and coaching for over 20 years.







With the increase in global demand for standardised and ongoing change management processes in an era in which businesses are endlessly required to implement change projects - within stringent timelines and with tight budgets - they saw the growing need for a 24/7, online change solution.

e-change® was launched in 2014 and now serves companies of all sizes, including blue chip, across the globe and succeeds in helping them implement a continuous change management approach, as well as providing the tools and training to managers and employees that support change management from beginning to end.

## Online Change Management Solution

e-change® is an all in one, cloud based change management platform enabling businesses to easily create, deploy and manage change projects companywide both quickly and cost-effectively.

Amongst the tools are the following features:

-  Leadership and employee education
-  Step-by-step change planner
-  Planning roadmap and templates
-  Diagnostics and reporting tools
-  Online change assessments
-  Collaboration and social learning functionality

For more  
information  
or an online demo  
of how it works  
please email

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# Changefirst

## About Changefirst

Since 1995, Changefirst has been transferring change management skills, processes and tools inside organisations to help them deliver change successfully. Over 15,000 people have learned our proven People-Centered Implementation (PCI®) methodology in 50 countries around the world. Over 6,500 people currently use our online application e-change, and around 350 in-house PCI Master Trainers help to embed the capabilities inside their organisation.

Our clients choose us because:

- they need to deliver specific changes whilst developing internal change-management capabilities;
- they require a scalable, robust methodology that is easy to access and simple to use; and
- they need tools that integrate with their project framework and a solution that is value for money

Our clients include The Linde Group, Novartis, Rentokil Initial, Virgin Media, HSBC, Network Rail and MSA.

We have probably the largest global Organisational Change Management research and assessment database in the world, with over 26,000 respondents and 400,000 datapoints. This enables clients to benchmark their change performance.

We are regularly invited to share our thought leadership on the international speaker circuit by the likes of ACMP, APMG and PMI.

We are based in the UK, Australia and Brazil, and we deliver our services globally.

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