Change Management

Fail to plan, Plan to Fail.

- Change management is a structured approach for ensuring that changes are thoroughly and smoothly implemented, and that the lasting benefits of change are achieved.
- The 6 P’s:- Prior Planning and Preparation Prevents Poor Performance

Objectives

- Why does change management matter?
- Practical tools to employ to ensure basic change management strategies are in place.
- Focusing on the “People Side” of Change Management.
- Benefits of having a Change Management Plan.

Rate of Change

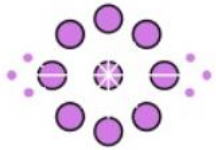
“When the rate of change outside exceeds the rate of change inside, the end is in sight”

Jack Welch

Forces for Change...

"Knowledge economy"

Virtual organizations



Mergers & acquisitions

Electronic commerce

Digital convergence

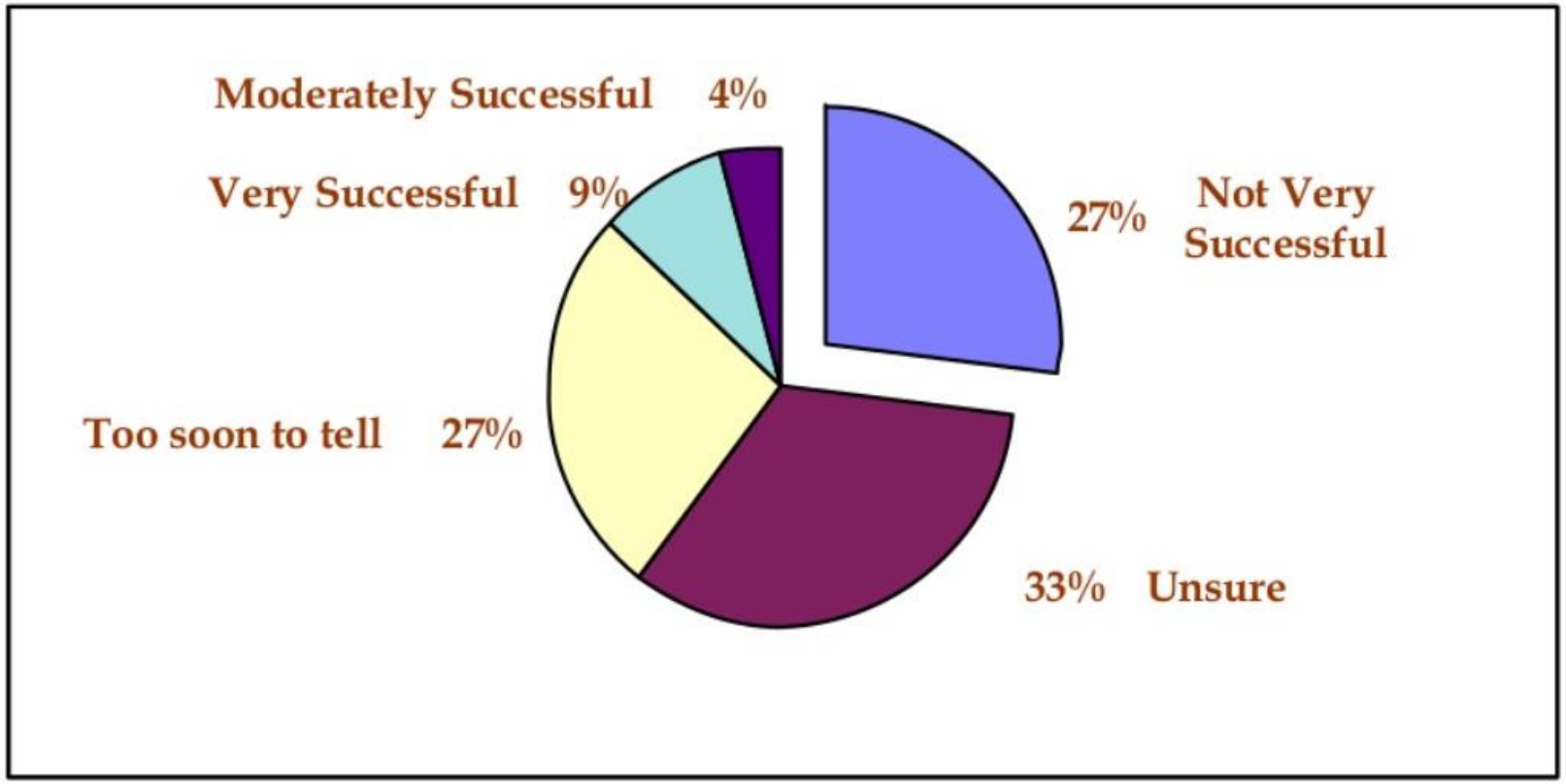
"Information Superhighway"

Privatizations

... are transforming the world of business

- https://www.youtube.com/watch?v=__IlYNMdV9E

Rate of Success in Change Efforts

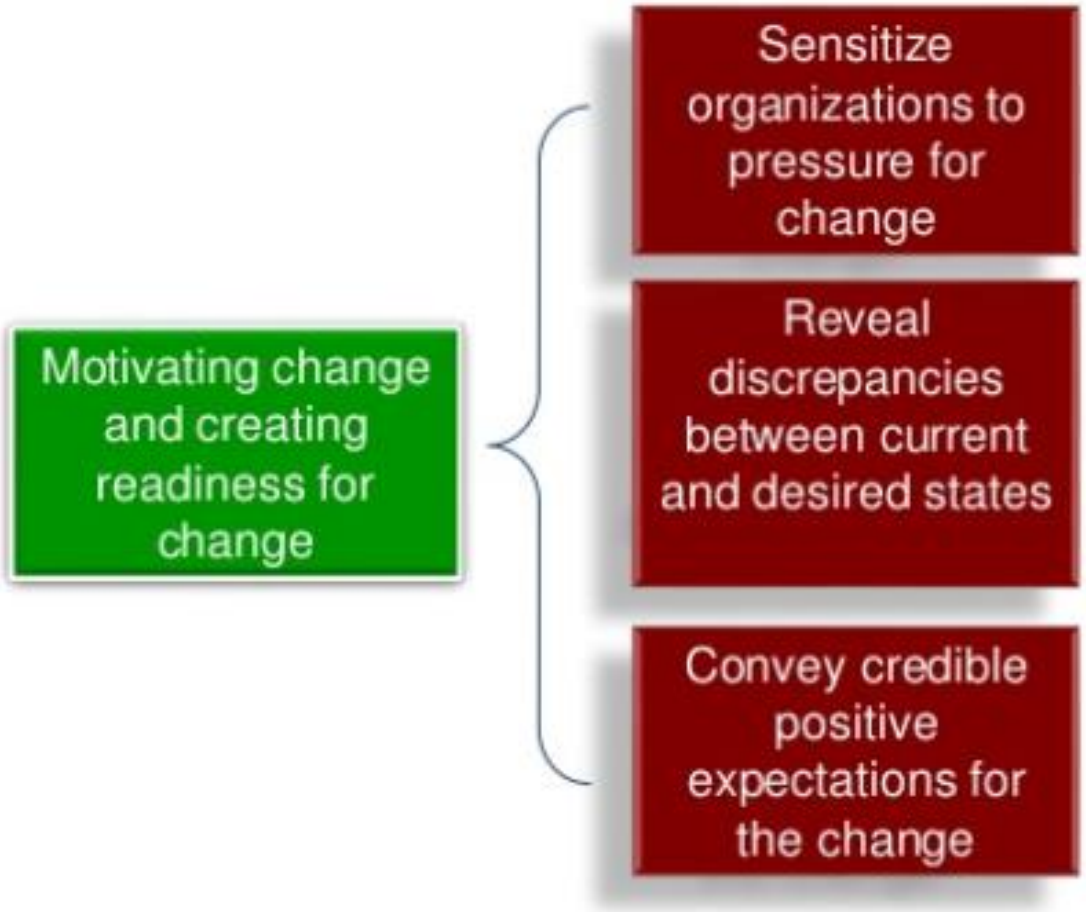


Principles of Change

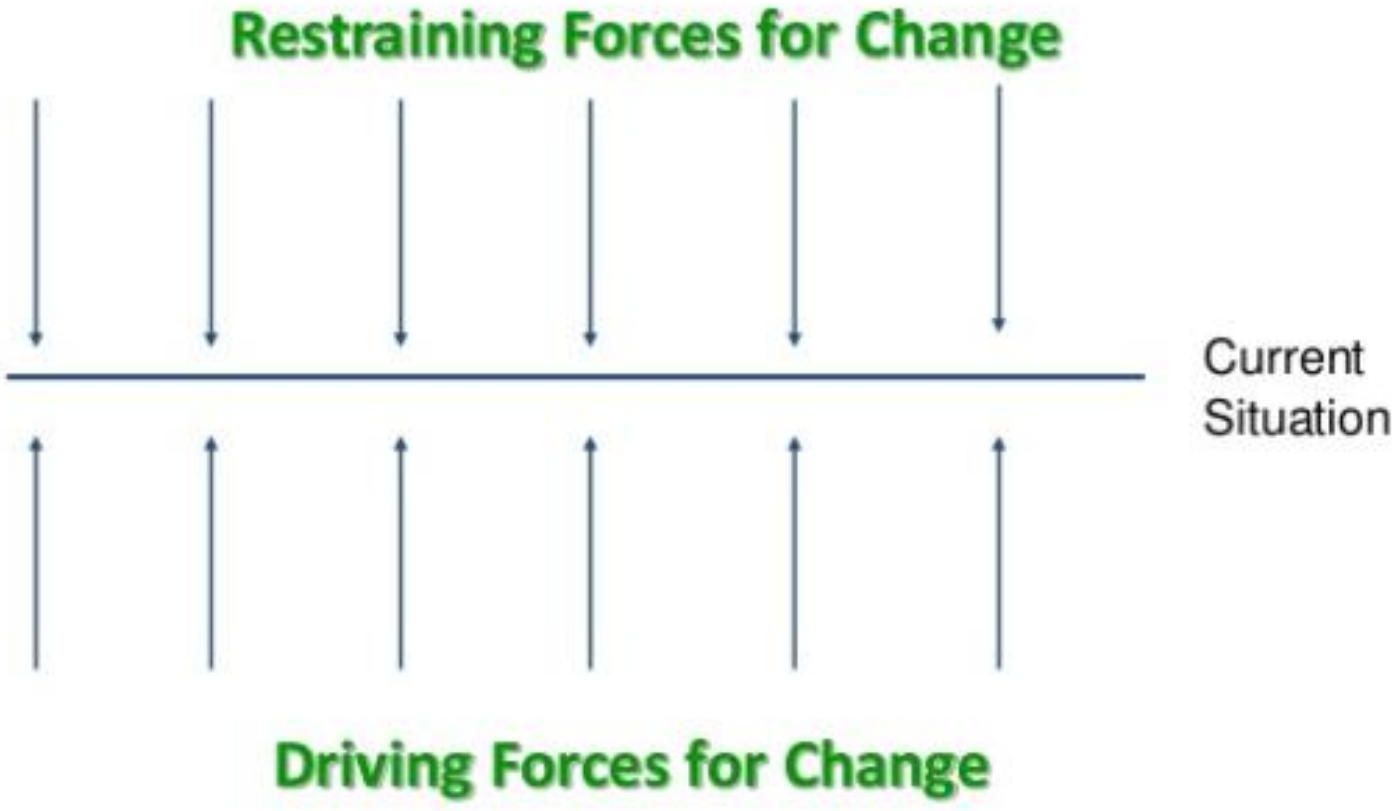
- Change is a process that can be enabled, not managed
- The change process must be linked to business goals
- Effective change processes treat the system as a whole
- The change process involves both organisational and personal transitions
- Behavioural change is a function of perceived need and occurs at the emotional, not the intellectual level
- Resistance to change is a predictable reaction to an emotional process and depends on a persons perception of a change situation

Activities for effective change Management

1. Motivating Change



Force Field Analysis Model



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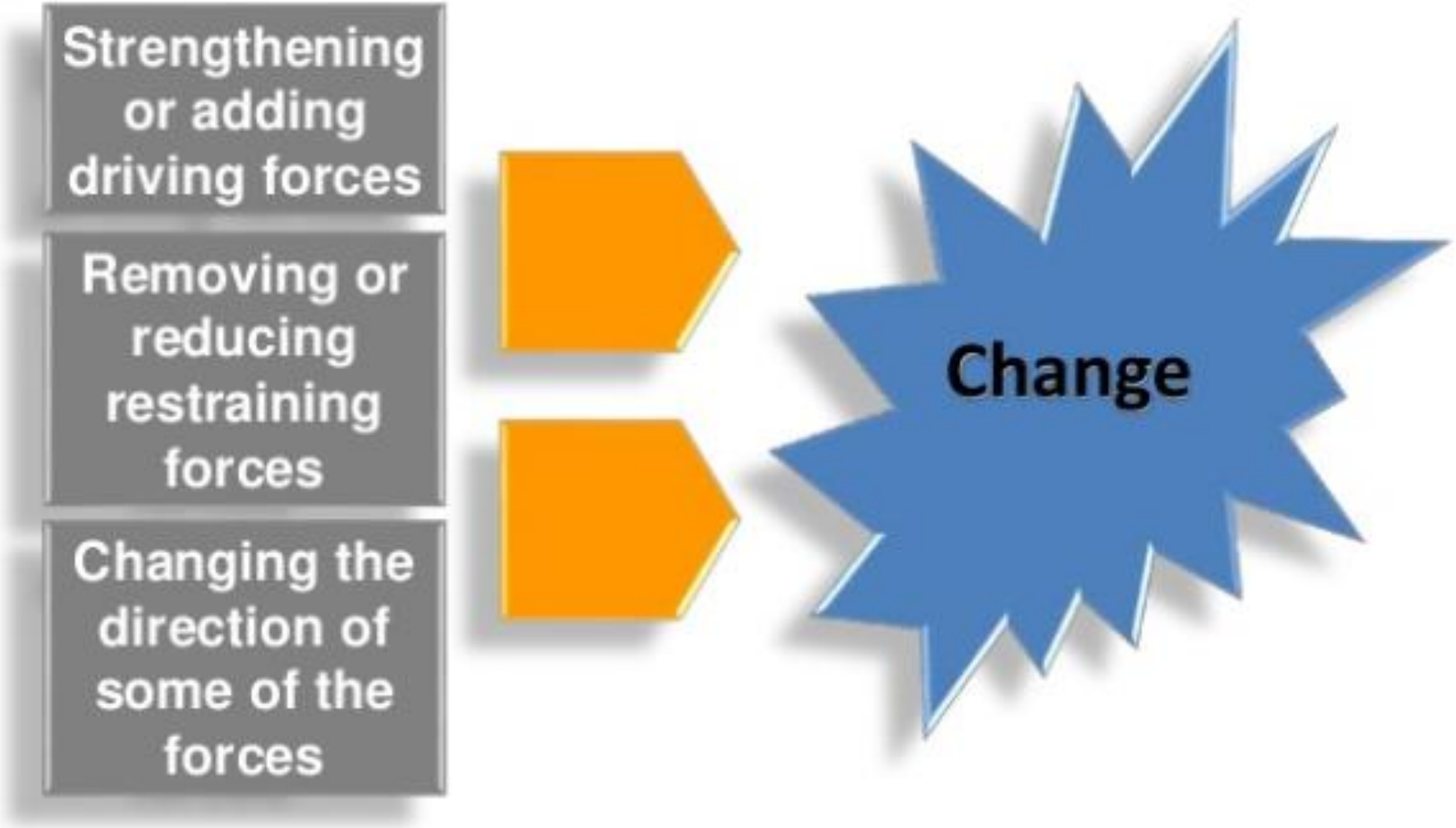

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Group Exercise

- Take this opportunity to think of a situation in your organization where Force Field Model could be demonstrated. Begin by identifying a change being instituted in your organization.

- List the driving forces

  _____

  _____

  _____

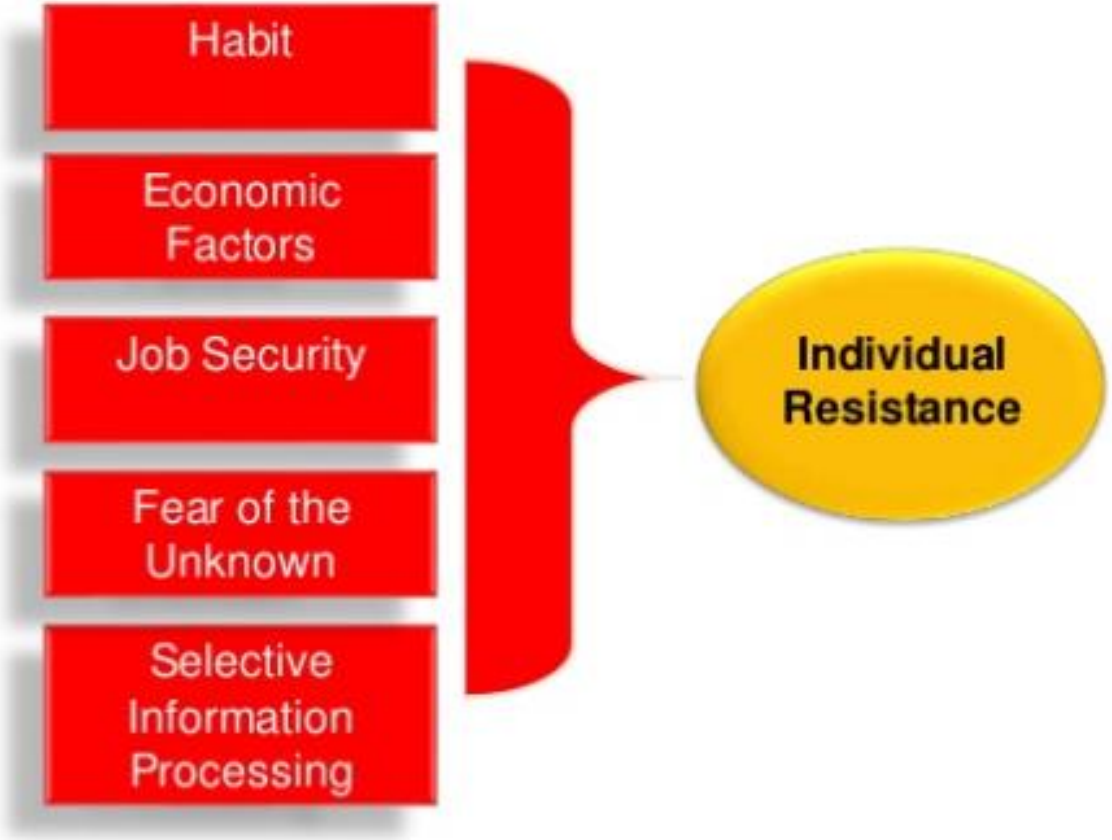
- List the restraining forces

  _____

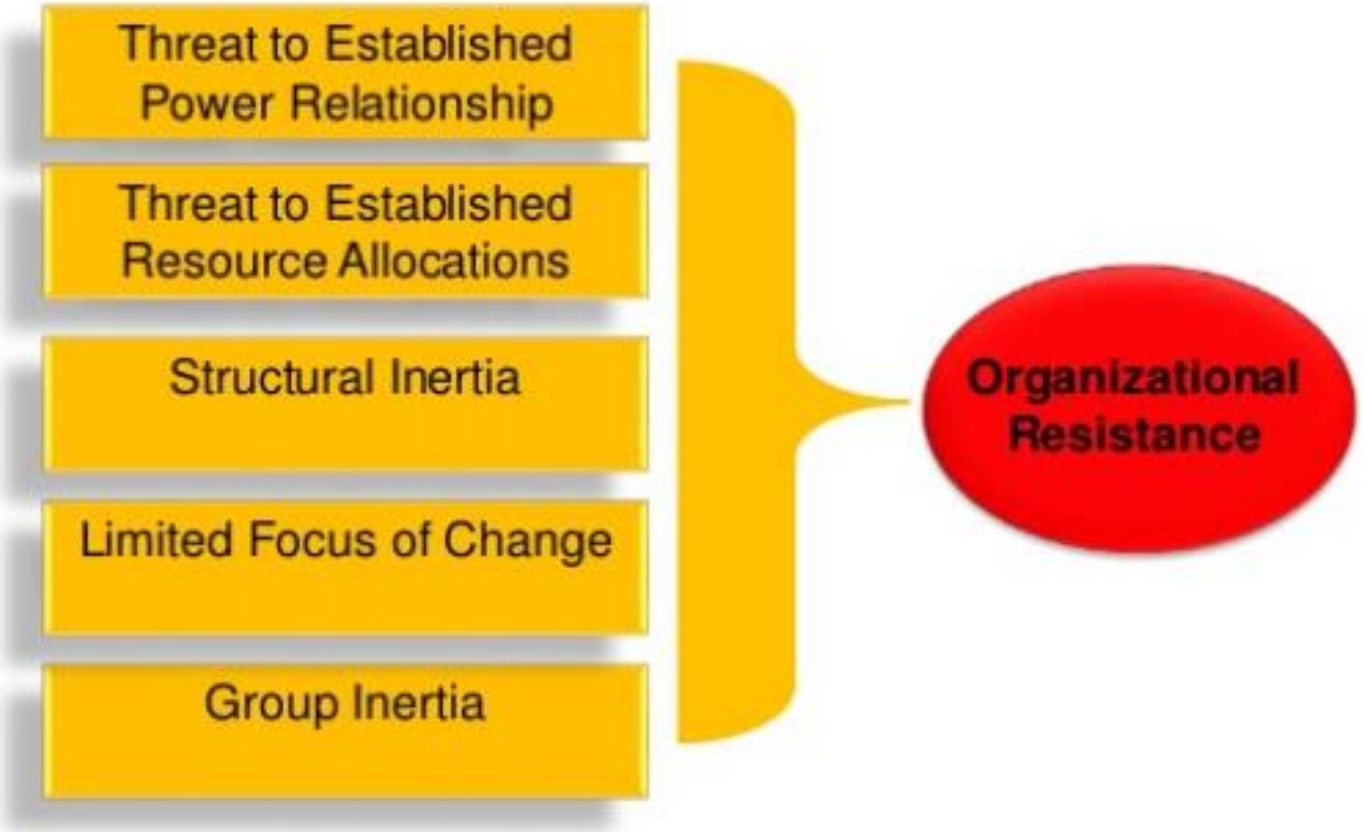
  _____

  _____

Individual Resistance

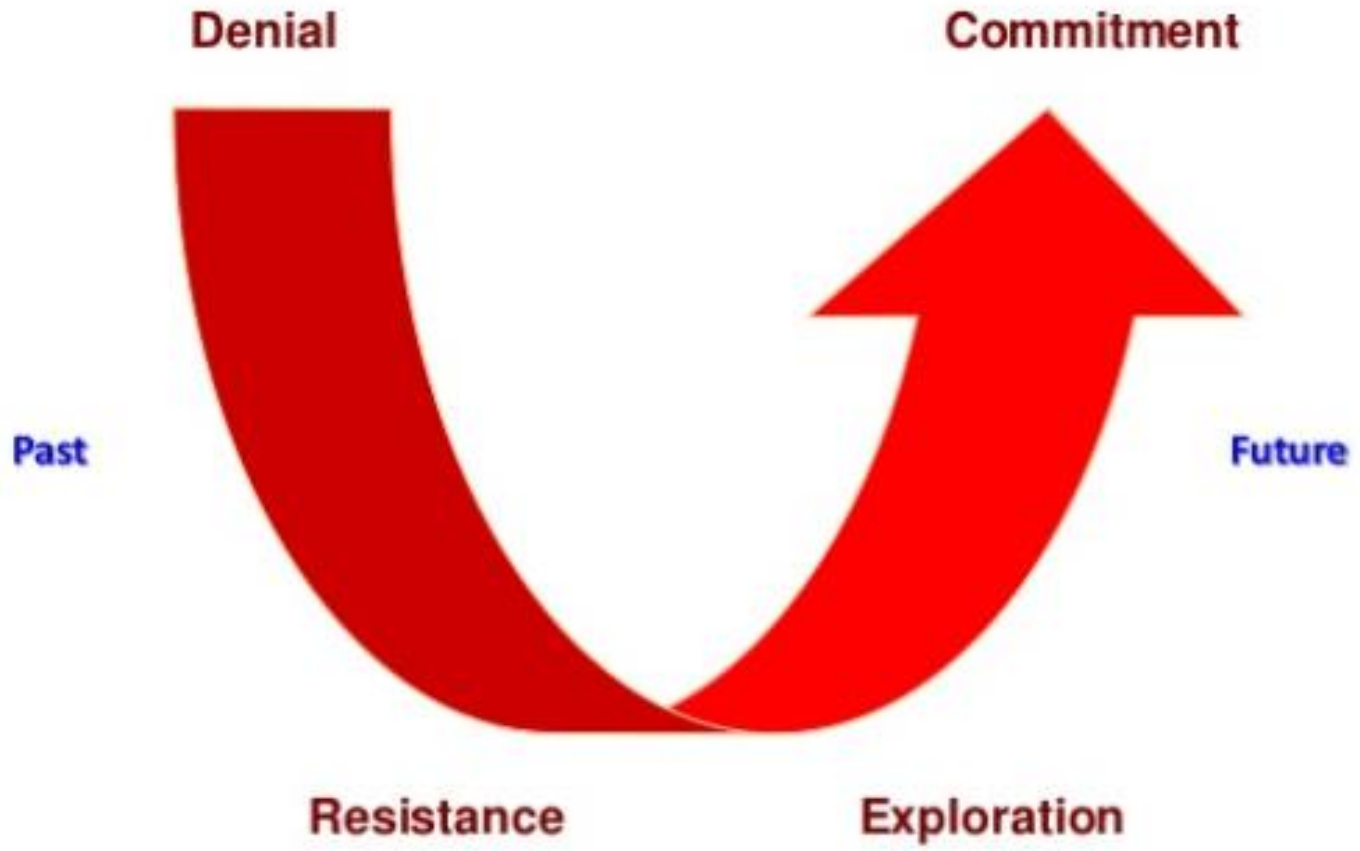


Organizational Resistance



Clip slide

Four Phases of Transition



Some of the Signs in Each Phase

Denial	Resistance
• "How good things were in the past" • "It can't happen here" • Numbness • Everything-as-usual attitude • Refusing to hear new information	• Anger • Loss and hurt • Stubbornness • Blaming others • Complaining • Getting sick • Doubting your ability

Some of the Signs in Each Phase

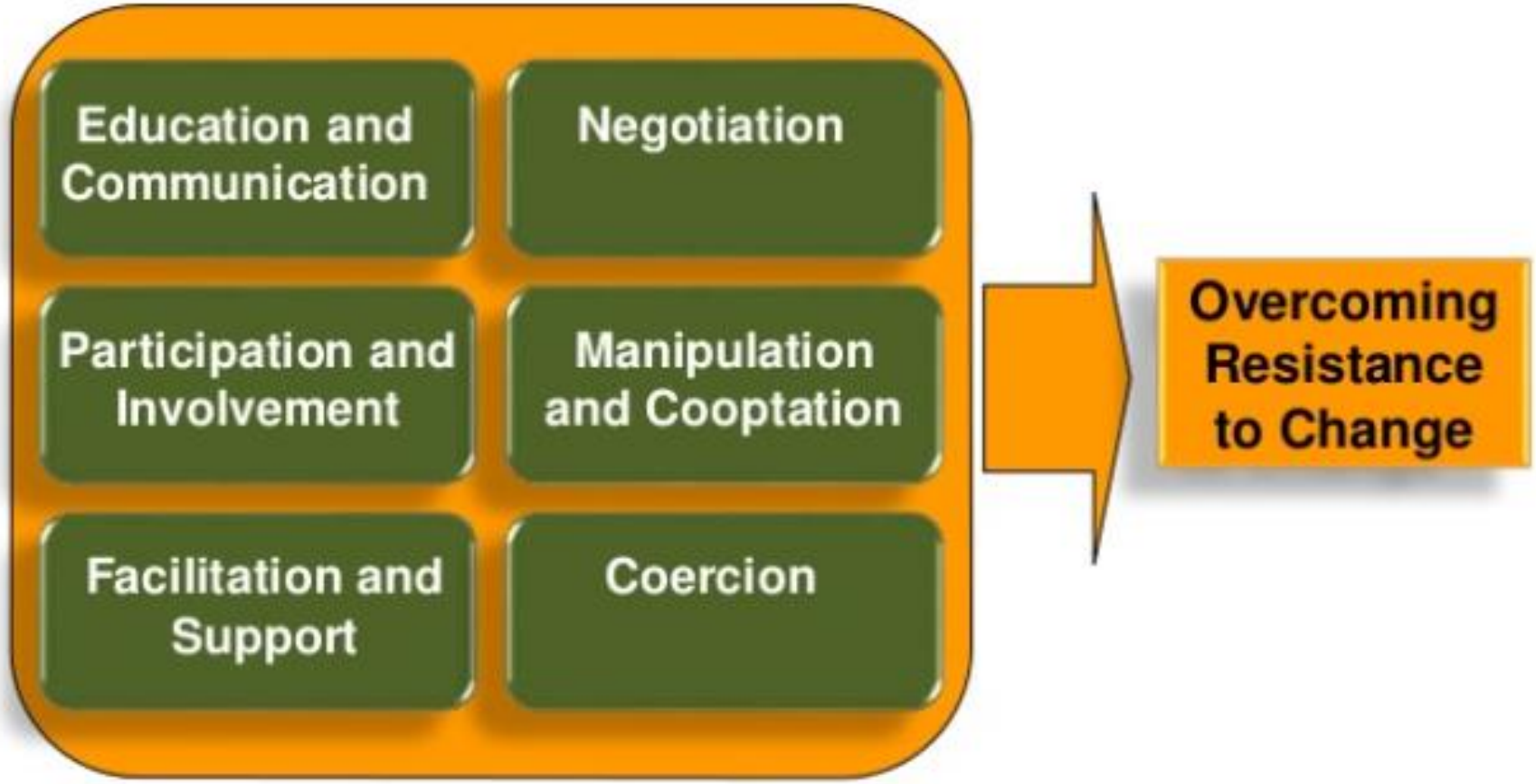
Exploration

- "What's going to happen to me?"
- Seeing possibilities
- Chaos
- Indecisiveness
- Unfocused work
- Energy
- Clarifying goals
- Seeing resources
- Exploring alternatives

Commitment

- "Where I am headed"
- Focus
- Teamwork
- Vision
- Cooperation
- Balance

Overcoming Resistance to Change



What is Change Management?

- Prosci's definition of change management: Change management is the application of a structured process and set of tools for leading the "people side" of change to achieve a desired outcome.
- When change management is done well, people feel engaged in the change process and work collectively towards a common objective, realizing benefits and delivering results.

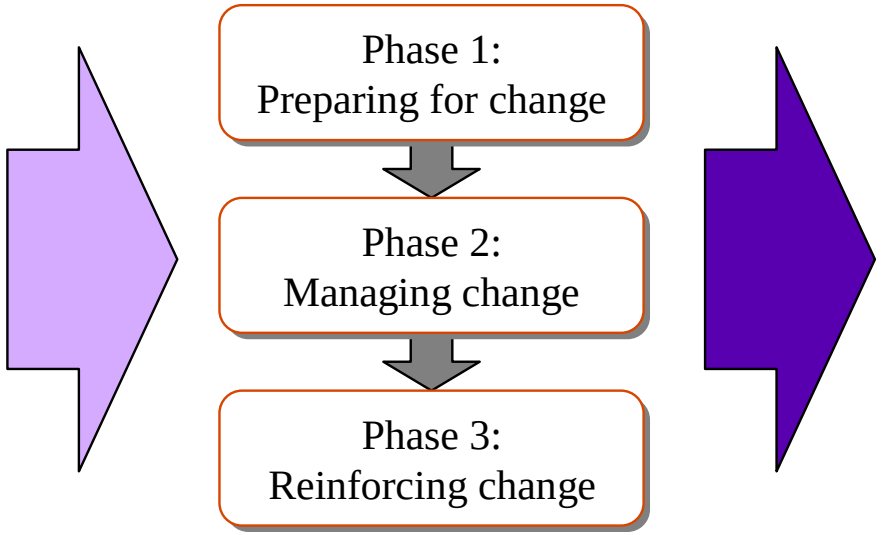
What if you don’t have a change management strategy?

Prosci Change Management

Change Management Process

Input:

A change to how the business operates (project or initiatives) that requires employees to do their jobs differently



Output:

Employees adopt the change
Employees utilize the solution
Employees are proficient
=
Business results are achieved

Phase 1 - Preparing for change

- Define your change management strategy
- Prepare your change management team
- Develop your sponsorship model

Phase 2 - Managing change

- Develop change management plans
- Take action and implement plans

Phase 3 - Reinforcing change

- Collect and analyze feedback
- Diagnose gaps and manage resistance
- Implement corrective actions and celebrate successes

The Business Side of Change

- Ensure the business case and driver behind the change are clearly understood.
- Ensure there is clarity around the actual change and the impacts of that change.
- Ensure there is clarity around how the change will be implemented.
- In order to create an effective change management plan/strategy there must be clarity around the why, what and how of the change.

Phase 1: Structure for Change

- Executive Sponsor
- Change Leader
- Steering Committee
- Project, Communication & Implementation Teams
- Roles & Responsibilities

Phase 1: Structure for Change

- How will we monitor progress?
- How will we work together?
- What are the ground rules?
- How often will we meet?
- What guidelines should we adopt?

The People Side of Change

A	•*Awarness* of the need for Change
D	•*Desire* to support and particpate
K	•*Knowledge* of how to change
A	•*Ability* to implement required skills and behaviours
R	•*Reinforcment* to sustain the change

Phase 2: Change Resistance

- Use ADKAR as a tool to ensure you have a robust plan and have addressed each element.
- Explore and understand the different types of resistance to ensure you have a robust change management plan/strategy:
  - Intellectual Resistance
  - Personal Resistance
  - Cultural Resistance

Phase 2: What’s Your Plan?

- It is important to document and write it down.
- Who is going to do what and by when.
- Make it visual, communicate often, celebrate milestones and successes, reward early adopters.

If you think about it, it is a dream or an idea.

If you talk about it, it becomes exciting.

If you write it down, it can become real.

Phase 2: Communication Strategy

- Roles & Responsibilities
- Stakeholder Assessment
- Message Planning
- Effective Messages
- Communications Media
- Sender
- Communications Vehicles

Phase 3: The Feedback Loop

- Determine your mechanism for feedback – be creative!
- Schedule debrief sessions with key stakeholders.
- Determine gaps and create plans to address.
- Use previous planning to manage resistance – tweak plans as necessary to be successful.
- Celebrate successes!
- Communication is key.

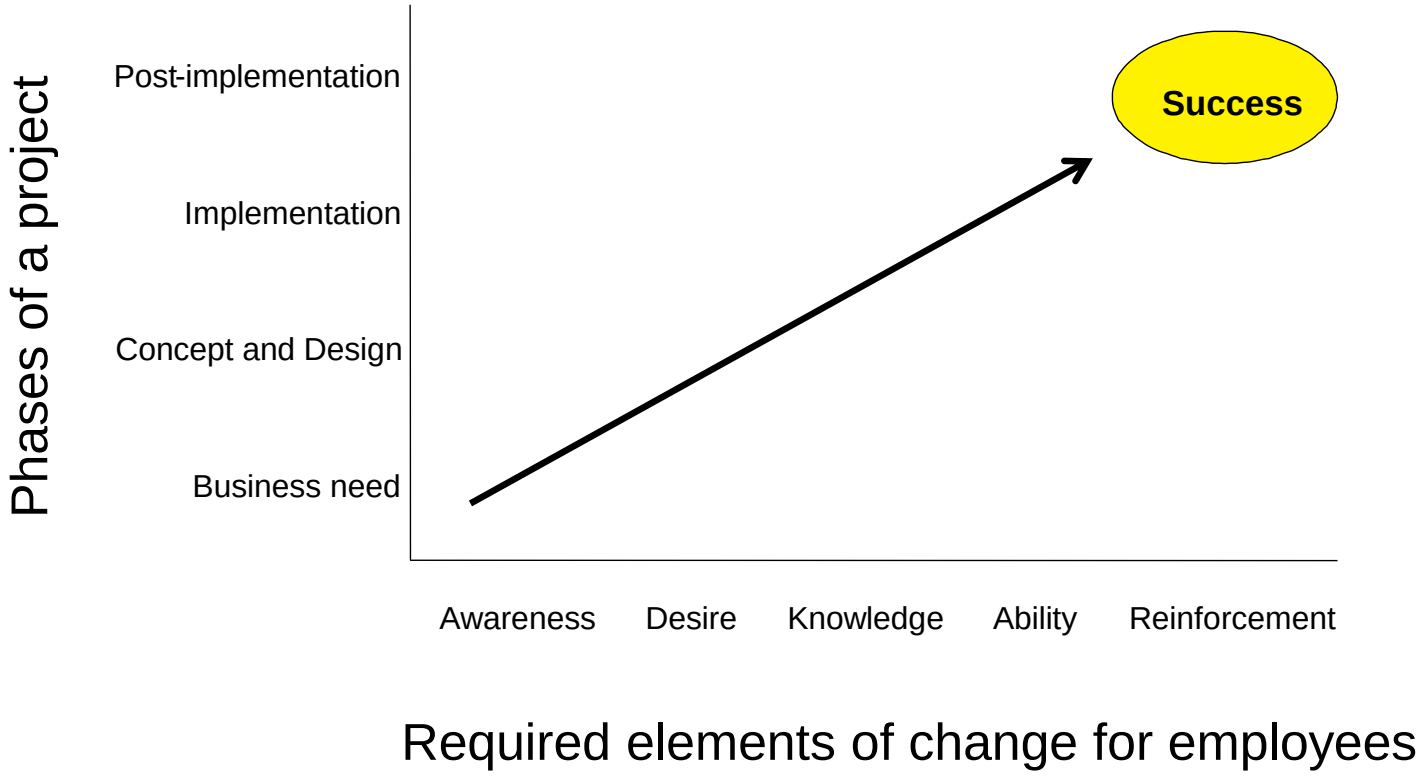
Phase 3: Having Issues?

Element	**Rank (1 – 5)**
Awareness	_____
Desire	_____
Knowledge	_____
Ability	_____
Reinforcement	_____

In the absence of:	You will see:
Awareness and Desire	• More resistance from employees. • Employees asking the same questions over and over. • Lower productivity. • Higher turnover. • Hoarding of resources and information. • Delays in implementation.
Knowledge and Ability	• Lower utilization or incorrect usage of new processes, systems and tools. • Employees worry if they are prepared to be successful in future state. • Greater impact on customers and partners. • Sustained reduction in productivity.
Reinforcement	• Employees revert back to old ways of doing work. • Ultimate utilization is less than anticipated. • The organization creates a history of poorly managed change.

If the gap is:	Corrective actions:
Awareness	Communications by senior leaders about the business reasons for change (why, risk of not changing, drivers of change); Face-to-face communications with immediate supervisors about how the change impacts them directly
Desire	Look for pockets of resistance and identify the root cause, put plans in place to manage
Knowledge	Training on how to change and the skills needed after the change
Ability	On-the-job training and job aides to support the new behaviors; Coaching by supervisors; User communities
Reinforcement™	Messages by senior leaders that the change is here to last; Individual coaching sessions to identity gaps

Successful Change Management



Benefits of Change Management

- Projects and initiatives that are delivered on time, on budget and with the intended results.
- Improved employee and stakeholder engagement.
- Trust and credibility for the next change.
- Reduce resistance to change.
- Ability to innovate and move forward.
- Make it fun!

- Sponsorship: Ensuring there is active sponsorship for the change at a senior executive level within the organization, and engaging this sponsorship to achieve the desired results.
- Buy-in: Gaining buy-in for the changes from those involved and affected, directly or indirectly.
- Involvement: Involving the right people in the design and implementation of changes, to make sure the right changes are made.
- Impact: Assessing and addressing how the changes will affect people.
- Communication: Telling everyone who's affected about the changes.
- Readiness: Getting people ready to adapt to the changes, by ensuring they have the right information, training and help.

Who is responsible

- who's responsible for identifying change agents?
- Defining the re-training plan?
- Changing job descriptions and employment contracts?

Change Management Activities

- Ensuring there is clear expression of the reasons for change, and helping the sponsor communicate this.
- Identifying "change agents" and other people who need to be involved in specific change activities, such as design, testing, and problem solving, and who can then act as ambassadors for change.
- Assessing all the stakeholders and defining the nature of sponsorship, involvement and communication that will be required.
- Planning the involvement and project activities of the change sponsor(s).
- Planning how and when the changes will be communicated, and organizing and/or delivering the communications messages.
- Assessing the impact of the changes on people and the organization's structure.
- Planning activities needed to address the impacts of the change.
- Ensuring that people involved and affected by the change understand the process change.
- Making sure those involved or affected have help and support during times of uncertainty and upheaval.
- Assessing training needs driven by the change, and planning when and how this will be implemented.
- Identifying and agreeing the success indicators for change, and ensure they are regularly measured and reported on.

The Change Curve

- You have invested vast amounts of time and dollars in the latest systems and processes; you have trained everyone; and you have made their lives so much easier (or so you think.) Yet months later, people still persist in their old ways. Where are the business improvements you expected? And when will the disruption you're experiencing subside?

- organizations don't just change because of new systems, processes or structures. They change because the people within the organization adapt and change too. Only when the people within it have made their own personal transitions can an organization truly reap the benefits of change.
- the challenge is to help and support people through these individual transitions, which can sometimes be intensely traumatic, and involve loss of power and prestige... and even employment.
- The easier you can make this journey for people, the sooner your organization will benefit, and the more likely you are to be successful. However if you get this wrong, you could be heading for project – and career – failure.

- The Change Curve is a popular and powerful model used to understand the stages of personal transition and organizational change. It helps you predict how people will react to change, so that you can help them make their own personal transitions, and make sure that they have the help and support they need.

- Here, we look first at the theory behind the Change Curve. Then we look at how you can use it to accelerate change and improve its likelihood of success.

- Note 1:

- The Change Curve is widely used in business and change management and there are many variations and adaptations. It is often attributed to psychiatrist Elisabeth Kubler-Ross, resulting from her work on personal transition in grief and bereavement.

- Note 2:

- Here we're describing major change, which may be genuinely traumatic for the people undergoing it. If change is less intense, adjust the approach appropriately.

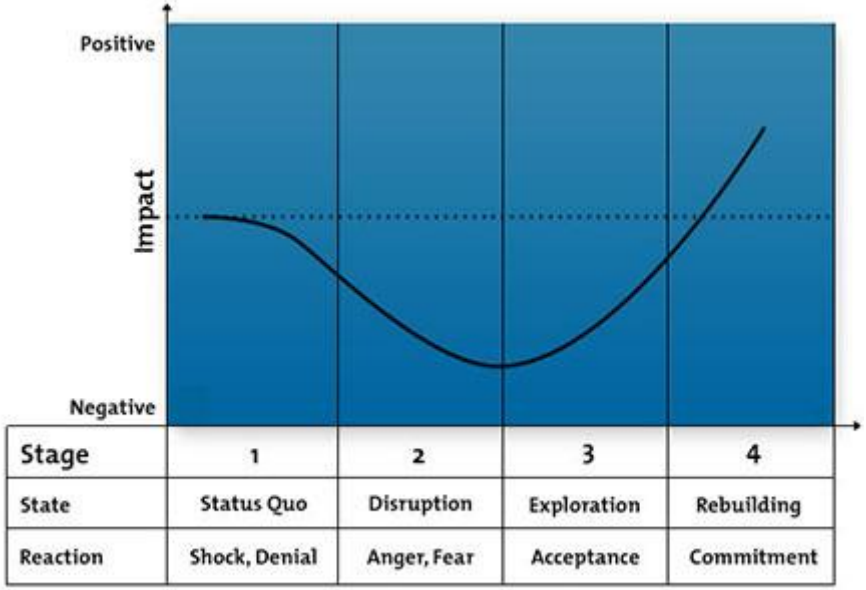
The Change Curve

- The Change Curve model describes the four stages most people go through as they adjust to change. You can see this in figure 1, below.

- When a change is first introduced, people's initial reaction may be shock or denial, as they react to the challenge to the status quo. This is stage 1 of the Change Curve. Once the reality of the change starts to hit, people tend to react negatively and move to stage 2 of the Change Curve. They may fear the impact; feel angry; and actively resist or protest against the changes.

- Some will wrongly fear the negative consequences of change. Others will correctly identify real threats to their position.

- As a result, the organization experiences disruption which, if not carefully managed, can quickly spiral into chaos.



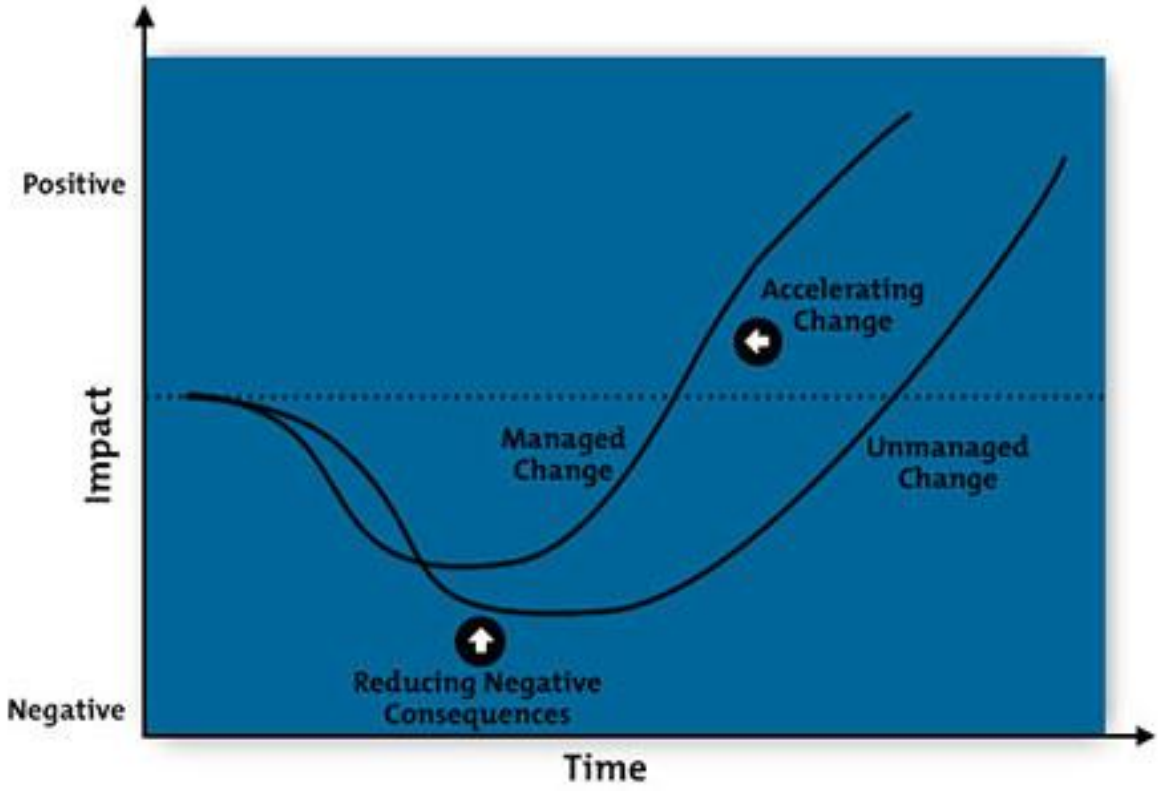
On Death and Dying" by Dr Elisabeth Kubler-Ross. Copyright © 1969 by Elisabeth Kubler-Ross; copyright renewed © 1997 by Elisabeth Kubler-Ross. All rights reserved.

- For as long as people resist the change and remain at stage 2 of the Change Curve, the change will be unsuccessful, at least for the people who react in this way. This is a stressful and unpleasant stage. For everyone, it is much healthier to move to stage 3 of the Change Curve, where pessimism and resistance give way to some optimism and acceptance.
- Tip:

- It's easy just to think that people resist change out of sheer awkwardness and lack of vision. However you need to recognize that change might affect some of them negatively in a very real way that you might not have foreseen. For example, people who've developed expertise in (or have earned a position of respect from) the old way of doing things can see their positions severely undermined by change.

- At stage 3 of the Change Curve, people stop focusing on what they have lost. They start to let go, and accept the changes. They begin testing and exploring what the changes mean, and so learn the reality of what's good and not so good, and how they must adapt.

- By stage 4, they not only accept the changes but also start to embrace them: They rebuild their ways of working. Only when people get to this stage can the organization really start to reap the benefits of change.



As someone introducing change, you can use your knowledge of the Change Curve to give individuals the information and help they need, depending on where they are on the curve. This will help you accelerate change, and increase its likelihood of success.

With knowledge of the Change Curve, you can plan how you'll minimize the negative impact of the change and help people adapt more quickly to it. Your aim is to make the curve shallower and narrower,

- Stage 1

- At this stage, people may be in shock or in denial. This is when reality of the change hits, even if the change has been well planned and you understand what is happening. They need time to adjust. Here, people need information, need to understand what is happening, and need to know how to get help.

- This is a critical stage for communication. Make sure you communicate often, but also ensure that you don't overwhelm people. They'll only be able to take in a limited amount of information at a time. But make sure that people know where to go for more information if they need it, and ensure that you take the time to answer any questions that come up.

- Stage 2

- As people start to react to the change, they may start to feel concern, anger, resentment or fear. They may resist the change actively or passively. They may feel the need to express their feelings and concerns, and vent their anger.

- For the organization, this stage is the "danger zone." If this stage is badly managed, the organization may descend into crisis or chaos.

- So this stage needs careful planning and preparation. As someone responsible for change, you should prepare for this stage by carefully considering the impacts and objections that people may have.

- Make sure that you address these early with clear communication and support, and by taking action to minimize and mitigate the problems that people will experience. As the reaction to change is very personal and can be emotional, it is often impossible to preempt everything, so make sure that you listen and watch carefully during this stage (or have mechanisms to help you do this) so you can respond to the unexpected.

- Stage 3

- This is the turning point for individuals and for the organization. Once you turn the corner to stage 3, the organization starts to come out of the danger zone, and is on the way to making a success of the changes.

- Individually, as people's acceptance grows, they'll need to test and explore what the change means. They will do this more easily if they are helped and supported to do so, even if this is a simple matter of allowing enough time for them to do so.

- As the person managing the changes, you can lay good foundations for this stage by making sure that people are well trained, and are given early opportunities to experience what the changes will bring. Be aware that this stage is vital for learning and acceptance, and that it takes time: don't expect people to be 100 percent productive during this time. Build in the contingency time so that people can learn and explore without too much pressure.

- Stage 4

- This stage is the one you have been waiting for! This is where the changes start to become second nature, and people embrace the improvements to the way they work.

- As someone managing the change, you'll finally start to see the benefits you worked so hard for. Your team or organization starts to become productive and efficient, and the positive effects of change become apparent.

- While you are busy counting the benefits, don't forget to celebrate success! The journey may have been rocky. Certainly, it will have been at least a little uncomfortable for some people involved. But everyone deserves to share the success. What's more, by celebrating the achievement, you establish a track record of success, which will make things easier the next time change is needed.

Lewin's Change Management Model Understanding the Three Stages of Change

- Video
- https://www.mindtools.com/pages/article/newPPM_94.htm

- Change is a common thread that runs through all businesses regardless of size, industry and age. Our world is changing fast and, as such, organizations must change quickly too. Organizations that handle change well thrive, whilst those that do not may struggle to survive.

- The concept of "change management" is a familiar one in most businesses today. But how businesses manage change (and how successful they are at it) varies enormously depending on the nature of the business, the change and the people involved. And a key part of this depends on how far people within it understand the change process.

- One of the cornerstone models for understanding organizational change was developed by Kurt Lewin back in the 1940s, and still holds true today. His model is known as Unfreeze – Change – Refreeze, refers to the three-stage process of change he describes. Lewin, a physicist as well as social scientist, explained organizational change using the analogy of changing the shape of a block of ice.

Understanding Lewin's Change Management Model

If you have a large cube of ice, but realize that what you want is a cone of ice, what do you do? First you must melt the ice to make it amenable to change (unfreeze). Then you must mold the iced water into the shape you want (change). Finally, you must solidify the new shape (refreeze).

- By looking at change as process with distinct stages, you can prepare yourself for what is coming and make a plan to manage the transition – looking before you leap, so to speak. All too often, people go into change blindly, causing much unnecessary turmoil and chaos.

- To begin any successful change process, you must first start by understanding why the change must take place. As Lewin put it, "Motivation for change must be generated before change can occur. One must be helped to re-examine many cherished assumptions about oneself and one's relations to others." This is the unfreezing stage from which change begins.

- Unfreeze

- This first stage of change involves preparing the organization to accept that change is necessary, which involves break down the existing status quo before you can build up a new way of operating.

- Key to this is developing a compelling message showing why the existing way of doing things cannot continue. This is easiest to frame when you can point to declining sales figures, poor financial results, worrying customer satisfaction surveys, or suchlike: These show that things have to change in a way that everyone can understand.

- To prepare the organization successfully, you need to start at its core – you need to challenge the beliefs, values, attitudes, and behaviors that currently define it. Using the analogy of a building, you must examine and be prepared to change the existing foundations as they might not support add-on storeys; unless this is done, the whole building may risk collapse.

- This first part of the change process is usually the most difficult and stressful. When you start cutting down the "way things are done", you put everyone and everything off balance. You may evoke strong reactions in people, and that's exactly what needs to done.

- By forcing the organization to re-examine its core, you effectively create a (controlled) crisis, which in turn can build a strong motivation to seek out a new equilibrium. Without this motivation, you won't get the buy-in and participation necessary to effect any meaningful change.

- Change

- After the uncertainty created in the unfreeze stage, the change stage is where people begin to resolve their uncertainty and look for new ways to do things. People start to believe and act in ways that support the new direction.

- The transition from unfreeze to change does not happen overnight: People take time to embrace the new direction and participate proactively in the change. A related change model, the Change Curve Add to My Personal Learning Plan, focuses on the specific issue of personal transitions in a changing environment and is useful for understanding this specific aspect in more detail.

- In order to accept the change and contribute to making the change successful, people need to understand how the changes will benefit them. Not everyone will fall in line just because the change is necessary and will benefit the company. This is a common assumption and pitfall that should be avoided.

- Tip:

- Unfortunately, some people will genuinely be harmed by change, particularly those who benefit strongly from the status quo. Others may take a long time to recognize the benefits that change brings. You need Time and communication are the two keys to success for the changes to occur. People need time to understand the changes and they also need to feel highly connected to the organization throughout the transition period. When you are managing change, this can require a great deal of time and effort and hands-on management is usually the best approach.to foresee and manage these situations.

- Refreeze

- When the changes are taking shape and people have embraced the new ways of working, the organization is ready to refreeze. The outward signs of the refreeze are a stable organization chart, consistent job descriptions, and so on. The refreeze stage also needs to help people and the organization internalize or institutionalize the changes. This means making sure that the changes are used all the time; and that they are incorporated into everyday business. With a new sense of stability, employees feel confident and comfortable with the new ways of working.

- The rationale for creating a new sense of stability in our every changing world is often questioned. Even though change is a constant in many organizations, this refreezing stage is still important. Without it, employees get caught in a transition trap where they aren't sure how things should be done, so nothing ever gets done to full capacity. In the absence of a new frozen state, it is very difficult to tackle the next change initiative effectively. How do you go about convincing people that something needs changing if you haven't allowed the most recent changes to sink in? Change will be perceived as change for change's sake, and the motivation required to implement new changes simply won't be there.

- As part of the Refreezing process, make sure that you celebrate the success of the change – this helps people to find closure, thanks them for enduring a painful time, and helps them believe that future change will be successful.

Practical Steps for Using the Framework

Unfreeze

- Determine what needs to change.

- Survey the organization to understand the current state.
- Understand why change has to take place.
- 2. Ensure there is strong support from upper management.

- Use Stakeholder Analysis Add to My Personal Learning Plan and Stakeholder Management Add to My Personal Learning Plan to identify and win the support of key people within the organization.
- Frame the issue as one of organization-wide importance.
- 3. Create the need for change.

- Create a compelling message as to why change has to occur.
- Use your vision and strategy as supporting evidence.
- Communicate the vision in terms of the change required.
- Emphasize the "why".
- 4. Manage and understand the doubts and concerns.

- Remain open to employee concerns and address in terms of the need to change.

- Change

- 1. Communicate often.

- Do so throughout the planning and implementation of the changes.
- Describe the benefits.
- Explain exactly the how the changes will effect everyone.
- Prepare everyone for what is coming.
- 2. Dispel rumors.

- Answer questions openly and honestly.
- Deal with problems immediately.
- Relate the need for change back to operational necessities.
- 3. Empower action.

- Provide lots of opportunity for employee involvement.
- Have line managers provide day-to-day direction.
- 4. Involve people in the process.

- Generate short-term wins to reinforce the change.
- Negotiate with external stakeholders as necessary (such as employee organizations).

- Refreeze

- 1. Anchor the changes into the culture.

- Identity what supports the change.
- Identify barriers to sustaining change.
- 2. Develop ways to sustain the change.

- Ensure leadership support.
- Create a reward system.
- Establish feedback systems.
- Adapt the organizational structure as necessary.
- 3. Provide support and training.

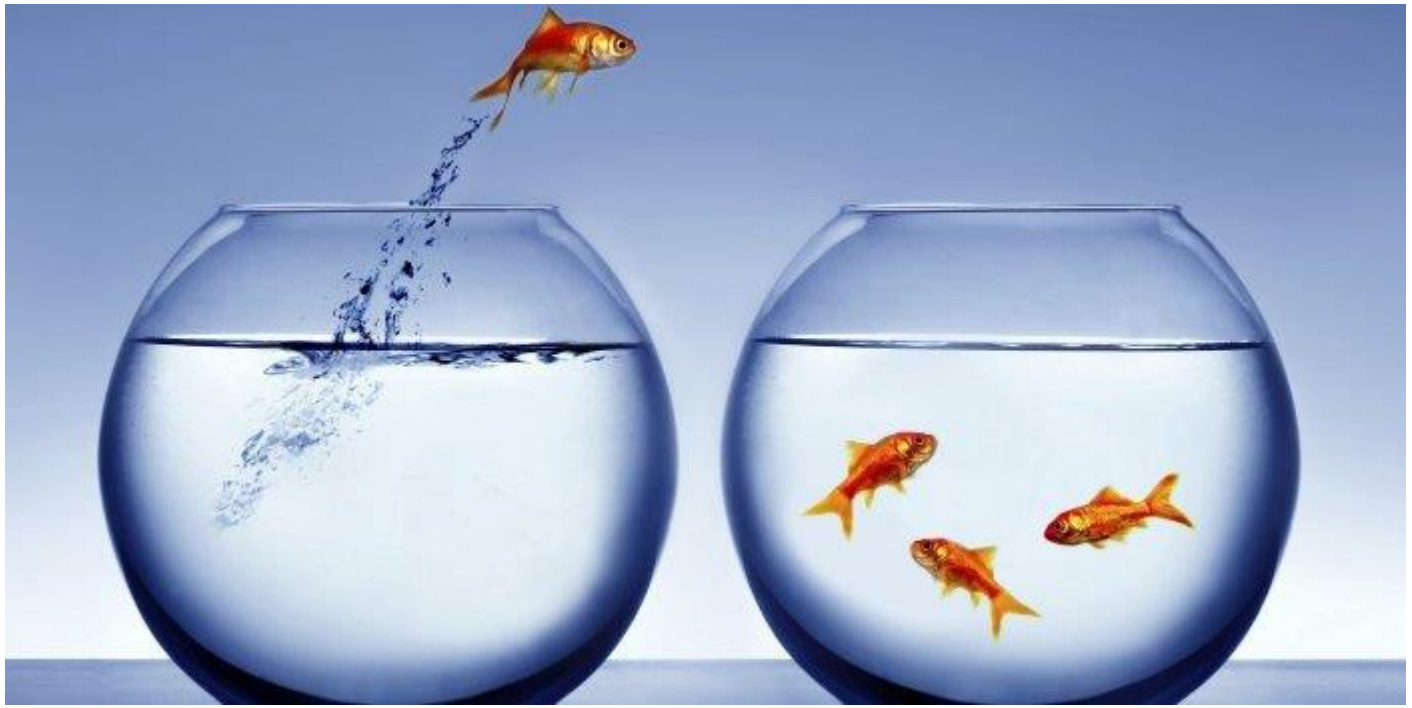
- Keep everyone informed and supported.
- 4. Celebrate success!

- Key Points

- Lewin's Change Management Model is a simple and easy-to-understand framework for managing change.

- By recognizing these three distinct stages of change, you can plan to implement the change required. You start by creating the motivation to change (unfreeze). You move through the change process by promoting effective communications and empowering people to embrace new ways of working (change). And the process ends when you return the organization to a sense of stability (refreeze), which is so necessary for creating the confidence from which to embark on the next, inevitable change.

Beckhard and Harris' Change Equation Overcoming Resistance to Change



Beckhard and Harris' Change Equation Overcoming Resistance to Change

- Traditionally, "change projects" have often been driven by technology implementations or upgrades, with business processes and working practices being changed to fit in with the new system.

- In today's turbulent economy, however, change is just as likely to be driven by something else: a long-established competitor unexpectedly going bust, for example, or your bank calling in a loan, or a layer of middle management being made redundant.

Beckhard and Harris' Change Equation Overcoming Resistance to Change

- Whatever the situation, when change looms on the horizon, chances are that you'll hear things like:

- "I can't believe that restructuring the sales force is really going to increase sales."
- "Upgrading the system is such a disruption. I just don't see why we need to go through all that work."
- "Our current system isn't great, but what's so wonderful about the new one? How will that be any better?"
- "I know that Corascon going under should be good news for us, but I can't work out what I should be doing about it."
- With comments like these flying around, how will you get everyone to agree with the changes you have in mind? After all, you can't do this without them!

- This is where Beckhard and Harris' Change Equation can help. In this article, we'll look at this equation, and see how you can use it to roll out successful change in the future.

Beckhard and Harris' Change Equation Explaining the Change Equation

- Richard Beckhard and Rubin Harris first published their change equation in 1977 in "Organizational Transitions: Managing Complex Change," and it's still useful today. It states that for change to happen successfully, the following statement must be true:

- Dissatisfaction x Desirability x Practicality > Resistance to Change

- Beckhard, Richard; Harris, Reuben T., Organizational Transitions: Managing Complex Change, 2nd, © 1987. Electronically reproduced by permission of Pearson Education, Inc., Upper Saddle River, New Jersey.

- This seems to be a simple statement, but it's surprisingly powerful when used to structure a case for change. Let's define each element, and look at why you need it:

Beckhard and Harris' Change Equation Overcoming Resistance to Change

- Dissatisfaction – Your team has to feel dissatisfied with the current situation before a successful change can take place. Without dissatisfaction, no one will likely feel very motivated to change.

- Dissatisfaction could include competition pressures ("We're losing market share") or workplace pressures ("Our sales processing software is crashing at least once a week"). Dissatisfaction can be any factor that makes people uncomfortable with the current situation.

- Desirability – The proposed solution must be attractive, and people need to understand what it is. If your team doesn't have a clear vision of what things will be like after the change, and why things will be better, then they probably won't be willing to work to deliver it. The clearer and more detailed you make this vision, the more likely it is that your team will want to agree with the change and move forward.
- Practicality – Your team must be convinced that the change is realistic and executable.
- Resistance to change – Resistance to change includes people's beliefs in the limits of the change ("A new system won't fit with our unusual business process"), stubbornness toward any change ("I don't want to have to learn how to use a new system"), and general inertia or lack of interest at the beginning. And because there's a multiplicative relationship between Dissatisfaction, Desirability and Practicality, if one element is missing, that variable will have a value of zero – meaning that this whole side of the equation will equal zero.

Impact Analysis
Identifying the Full Consequences of Change

- (Also known as Change Impact Analysis, Impact Change Analysis and Solution Effect Analysis)
- When things change in your organization, do you ever wish that someone would think things through a little better to avoid the confusion and disruption that often follows?

- Or have you ever been involved in a project where, with hindsight, a great deal of pain could have been avoided with a little more up-front preparation and planning?

- Hindsight is a wonderful thing – but so, too, is Impact Analysis. This technique is a useful and severely under-used brainstorming technique that helps you think through the full impacts of a proposed change. As such, it is an essential part of the evaluation process for major decisions. More than this, it gives you the ability to spot problems before they arise, so that you can develop contingency plans to handle issues smoothly. This can make the difference between well-controlled and seemingly-effortless project management, and an implementation that is seen by your boss, team, clients and peers as a shambles.

Impact Analysis

- About the Tool

- Impact Analysis is a technique designed to unearth the "unexpected" negative effects of a change on an organization.

- It provides a structured approach for looking at a proposed change, so that you can identify as many of the negative impacts or consequences of the change as possible. Firstly, this makes it an important tool for evaluating whether you want to run a project. Secondly, and once the decision to go ahead has been made, it helps you prepare for and manage any serious issues that may arise.

- All too often organizations do not undertake Impact Analysis. This is one reason that so many projects end in failure, as unforeseen consequences wreak havoc.

Impact Analysis

- The Challenge of Impact Analysis

- The challenge in conducting an Impact Analysis is firstly to capture and structure all the likely consequences of a decision; and then, importantly, to ensure that these are managed appropriately.

- For smaller decisions, it can be conducted as a desk exercise. For larger or more risky decisions, it is best conducted with an experienced team, ideally with people from different functional backgrounds within the organization: With a team like this, you're much more likely to spot all of the consequences of a decision than if you conduct the analysis on your own.

Impact Analysis

- How to use Impact Analysis

- To conduct an effective Impact Analysis, use the following steps:
- 1. Prepare for Impact Analysis

- The first step is to gather a good team, with access to the right information sources. Make sure that the project or solution proposed is clearly defined, and that everyone involved in the assessment is clearly briefed as to what is proposed and the problems that it is intended to address.

- 2. Brainstorm Major Areas Affected

- Now brainstorm the major areas affected by the decision or project, and think about whom or what it might affect.

- Different organizations will have different areas – this is why it's worth spending a little time getting this top level brainstorming correct.

- Figure 1 below shows a number of different approaches that may be useful as starting points for identifying the areas that apply to you.

Impact Analysis

- Figure 1: Impact Analysis – Major Areas Affected

- This figure gives a number of different frameworks that you can use as a starting point for Impact Analysis brainstorming. Pick the framework that's most relevant for you, "mix and match" them appropriately, and include other areas where they're more relevant.

- And remember as far as you can to involve the people most likely to be affected by the decision: They'll most-likely have more insight into the consequences of the decision than you have.

- A. Organizational Approach:

- Impacts on different departments.
- Impacts on different business processes.
- Impacts on different customer groups.
- Impacts on different groups of people.
- B. McKinsey 7Ss Approach:

Impact Analysis

- B. McKinsey 7Ss Approach:

- Using the popular McKinsey 7Ss Add to My Personal Learning Plan approach to thinking about the things that are important to an organization:

- Strategy.
- Structure.
- Systems.
- Shared Values.
- Skills.
- Styles.
- Staff.
- C. Tools-Based Approach:

- There's a lot of overlap here between Impact Analysis and some of the other tools we explain on Mind Tools, particularly Risk Analysis Add to My Personal Learning Plan, Risk/Impact Probability Charts Add to My Personal Learning Plan and Stakeholder Analysis Add to My Personal Learning Plan.

- You can use the headings given within the Risk Analysis article as one set of starting points for brainstorming, and use Stakeholder Analysis for thinking about the people who might be affected by the decision.

Impact Analysis

- 3. Identify All Areas

- Now, for each of the major areas identified, brainstorm all of the different elements that could be affected. For example, if you're looking at departments, list all of the departments in your organization. If you're looking at processes, map out the business processes you operate, starting with the process the customer experiences, then moving on to the business processes that support this.

Impact Analysis

- The extent to which you're able to do this depends on the scale of the decision and the time available. Just make sure you go far enough, without getting bogged down in micro-detail.

- 4. Evaluate Impacts

- Having listed all of the groups of people and everything that will be affected in an appropriate level of detail, the next step is to work through these lists identifying and listing the possible negative and positive impacts of the decision, and making an estimate of the size of the impact and the consequences of the decision.

Impact Analysis

- 5. Manage the Consequences

- Now's the time to turn this information into action.

- If you're using Impact Analysis as part of the decision making process, you need to weigh whether you want to go ahead with the project or decision proposed. You'll need to ask yourself whether it's worth going ahead with the project given the negative consequences it will cause and given the cost of managing those negative consequences.

- If you're managing a project which has already been given the go-ahead, you'll need to think about things like:

- The actions you'll need to take to manage or mitigate these consequences.
- How you'll prepare the people affected so that they'll understand and (ideally) support change rather than fighting against it.
- The contingency strategy needed to manage the situation should the negative consequences arise.
- Tip:

- Remember that few changes happen in isolation. The effects they cause can be diminished or amplified by other things that are going on. When you are thinking about impacts, think about the context you're operating in, and also think about how people might react to the change and work with it or against it.

The Burke-Litwin Change Model
Unraveling the Dynamics of Organizational Change

- Change is the only constant – or so the adage goes. Change is often a complex and arduous process, and not something you want to attempt without a solid plan. When organizations need to change, that planning process is often complicated by the need to change many elements in unison.

- This interrelatedness of organizational parts can contribute to the failure of change programs. When one variable is missed, bypassed, or underestimated the whole system fails to change, leaving managers and employees with the unenviable task of putting things back to the status quo. The really brave will attempt the change process over again; others will accept defeat and resign themselves to doing what they've always done.

- When what people have always done already isn't working however, the results of failed change can be devastating. Whether it's revamping an accounting process, implementing a new IT system, or embarking on a new competitive strategy, positive change is revitalizing and productive. That's why it is so important to understand what needs to be addressed during any change process and why.

- When you understand the dynamics of organizational change, you can apply the principles to any type of change initiative that comes your way. That's an exciting and valuable skill to have and one that will make you a hot commodity in today's workplace.

- An useful model for understanding the organizational change process is the Burke-Litwin Change Model published by George H Litwin and W Warner Burke in 1992. This model shows the causal effects of change between 12 key areas of organizational design. Using the model, you can learn which organizational variables to change and why. You can then use this understanding to analyze, diagnose and even predict the effects of change throughout an organization.

- Understanding the Model

- The Burke-Litwin model is used as a guide for identifying and linking factors that are critical to a successful change initiative. According to the model there are 12 of these critical factors....

The McKinsey 7-S Framework
Ensuring That All Parts of Your Organization Work in Harmony

- Video
- https://www.mindtools.com/pages/article/newSTR_91.htm

- How do you go about analyzing how well your organization is positioned to achieve its intended objective?

- This is a question that has been asked for many years, and there are many different answers. Some approaches look at internal factors, others look at external ones, some combine these perspectives, and others look for congruence between various aspects of the organization being studied. Ultimately, the issue comes down to which factors to study.

- While some models of organizational effectiveness go in and out of fashion, one that has persisted is the McKinsey 7-S framework. Developed in the early 1980s by Tom Peters and Robert Waterman, two consultants working at the McKinsey & Company consulting firm, the basic premise of the model is that there are seven internal aspects of an organization that need to be aligned if it is to be successful.

- The 7-S model can be used in a wide variety of situations where an alignment perspective is useful, for example, to help you:
- Improve the performance of a company.
- Examine the likely effects of future changes within a company.
- Align departments and processes during a merger or acquisition.
- Determine how best to implement a proposed strategy.
- The McKinsey 7-S model can be applied to elements of a team or a project as well. The alignment issues apply, regardless of how you decide to define the scope of the areas you study

The Seven Elements

The McKinsey 7-S model involves seven interdependent factors which are categorized as either "hard" or "soft" elements:

Hard Elements	Soft Elements
Strategy Structure Systems	Shared Values Skills Style Staff

- "Hard" elements are easier to define or identify and management can directly influence them: These are strategy statements; organization charts and reporting lines; and formal processes and IT systems.

- "Soft" elements, on the other hand, can be more difficult to describe, and are less tangible and more influenced by culture. However, these soft elements are as important as the hard elements if the organization is going to be successful.

- The way the model is presented in Figure 1 below depicts the interdependency of the elements and indicates how a change in one affects all the others.

Leavitt's Diamond
An Integrated Approach to Change
Also known as Leavitt's System Model

- It seems as if there's an epidemic of change out there! Re-engineering, restructuring, revamping – workplaces today seem to be launching one change initiative after another. But the hard truth is that many change initiatives fail. Why?

- The answer may lie in the way we view change. Do you see it as an isolated process? And do you focus only on one part of your organization in isolation? This can be a fatal error.

- Everything in an organization is connected, and changing one piece can impact another. This is why change is only likely to be successful if it considers all of those interconnected pieces.

- This is where Leavitt's Diamond is useful. Designed by Harold J. Leavitt in 1965, the model is a framework for understanding the connection between the key factors in an organization, and for building an integrated change strategy.

SIPOC Diagrams
Making Sure Your Change Process Serves Everyone

- SIPOC, coming from Six Sigma, stands for
- Suppliers,
- Inputs,
- Processes,
- Outputs and
- Customers

Kotter's 8-Step Change Model
Implementing Change Powerfully and Successfully

- https://www.mindtools.com/pages/article/newPPM_82.htm
- Whether you're considering a small change to one or two processes, or a system wide change to an organization, it's common to feel uneasy and intimidated by the scale of the challenge.

- You know that the change needs to happen, but you don't really know how to go about delivering it. Where do you start? Whom do you involve? How do you see it through to the end?

- There are many theories about how to "do" change. Many originate with leadership and change management guru, John Kotter. A professor at Harvard Business School and world-renowned change expert, Kotter introduced his eight-step change process in his 1995 book, "Leading Change." We look at his eight steps for leading change below.

- Step 1: Create Urgency

- For change to happen, it helps if the whole company really wants it. Develop a sense of urgency around the need for change. This may help you spark the initial motivation to get things moving.
- This isn't simply a matter of showing people poor sales statistics or talking about increased competition. Open an honest and convincing dialogue about what's happening in the marketplace and with your competition. If many people start talking about the change you propose, the urgency can build and feed on itself.

- What you can do:

- Identify potential threats Add to My Personal Learning Plan, and develop scenarios Add to My Personal Learning Plan showing what could happen in the future.
- Examine opportunities Add to My Personal Learning Plan that should be, or could be, exploited.
- Start honest discussions, and give dynamic and convincing reasons to get people talking and thinking.
- Request support from customers, outside stakeholders and industry people to strengthen your argument.
- Note:

- Kotter suggests that for change to be successful, 75 percent of a company's management needs to "buy into" the change. In other words, you have to work really hard on Step 1, and spend significant time and energy building urgency, before moving onto the next steps. Don't panic and jump in too fast because you don't want to risk further short-term losses – if you act without proper preparation, you could be in for a very bumpy ride.

- Step 2: Form a Powerful Coalition
- Convince people that change is necessary. This often takes strong leadership and visible support from key people within your organization. Managing change isn't enough – you have to lead it.
- You can find effective change leaders throughout your organization – they don't necessarily follow the traditional company hierarchy. To lead change, you need to bring together a coalition, or team, of influential people whose power comes from a variety of sources, including job title, status, expertise, and political importance.

- Once formed, your "change coalition" needs to work as a team, continuing to build urgency and momentum around the need for change.

- What you can do:

- Identify the true leaders in your organization, as well as your key stakeholders Add to My Personal Learning Plan.
- Ask for an emotional commitment from these key people.
- Work on team building within your change coalition.
- Check your team for weak areas, and ensure that you have a good mix of people from different departments and different levels within your company.

Step 3: Create a Vision for Change

- When you first start thinking about change, there will probably be many great ideas and solutions floating around. Link these concepts to an overall vision that people can grasp easily and remember.

- A clear vision can help everyone understand why you're asking them to do something. When people see for themselves what you're trying to achieve, then the directives they're given tend to make more sense.

- What you can do:

- Determine the values Add to My Personal Learning Plan that are central to the change.
- Develop a short summary (one or two sentences) that captures what you "see" as the future of your organization.
- Create a strategy Add to My Personal Learning Plan to execute that vision.
- Ensure that your change coalition can describe the vision in five minutes or less.
- Practice your "vision speech" often.

Step 4: Communicate the Vision

- What you do with your vision after you create it will determine your success. Your message will probably have strong competition from other day-to-day communications within the company, so you need to communicate it frequently and powerfully, and embed it within everything that you do. Talk often about your change vision.
- Address peoples' concerns and anxieties, openly and honestly.
- Apply your vision to all aspects of operations – from training to performance reviews. Tie everything back to the vision.
- Lead by example

Step 5: Remove Obstacles

- If you follow these steps and reach this point in the change process, you've been talking about your vision and building buy-in from all levels of the organization. Hopefully, your staff wants to get busy and achieve the benefits that you've been promoting.

- But is anyone resisting the change? And are there processes or structures that are getting in its way?

- Put in place the structure for change, and continually check for barriers to it. Removing obstacles can empower the people you need to execute your vision, and it can help the change move forward.

- Identify, or hire, change leaders whose main roles are to deliver the change.
- Look at your organizational structure, job descriptions, and performance and compensation systems to ensure they're in line with your vision.
- Recognize and reward people for making change happen.
- Identify people who are resisting the change, and help them see what's needed.
- Take action to quickly remove barriers (human or otherwise).

Step 6: Create Short-Term Wins

- Nothing motivates more than success. Give your company a taste of victory early in the change process. Within a short time frame (this could be a month or a year, depending on the type of change), you'll want to have some "quick wins Add to My Personal Learning Plan" that your staff can see. Without this, critics and negative thinkers might hurt your progress.

- Create short-term targets – not just one long-term goal. You want each smaller target to be achievable, with little room for failure. Your change team may have to work very hard to come up with these targets, but each "win" that you produce can further motivate the entire staff.

- Look for sure-fire projects that you can implement without help from any strong critics of the change.
- Don't choose early targets that are expensive. You want to be able to justify the investment in each project.
- Thoroughly analyze the potential pros and cons of your targets. If you don't succeed with an early goal, it can hurt your entire change initiative.
- Reward Add to My Personal Learning Plan the people who help you meet the targets.

Step 7: Build on the Change

- Kotter argues that many change projects fail because victory is declared too early. Real change runs deep. Quick wins are only the beginning of what needs to be done to achieve long-term change.

- Launching one new product using a new system is great. But if you can launch 10 products, that means the new system is working. To reach that 10th success, you need to keep looking for improvements.

- Each success provides an opportunity to build on what went right and identify what you can improve.

- After every win, analyze what went right, and what needs improving.
- Set goals Add to My Personal Learning Plan to continue building on the momentum you've achieved.
- Learn about kaizen Add to My Personal Learning Plan, the idea of continuous improvement.
- Keep ideas fresh by bringing in new change agents and leaders for your change coalition.

Step 8: Anchor the Changes in Corporate Culture

- Finally, to make any change stick, it should become part of the core of your organization. Your corporate culture often determines what gets done, so the values behind your vision must show in day-to-day work.
- Make continuous efforts to ensure that the change is seen in every aspect of your organization. This will help give that change a solid place in your organization's culture.
- It's also important that your company's leaders continue to support the change. This includes existing staff and new leaders who are brought in. If you lose the support of these people, you might end up back where you started.

- Talk about progress every chance you get. Tell success stories about the change process, and repeat other stories that you hear.
- Include the change ideals and values when hiring and training new staff.
- Publicly recognize key members of your original change coalition, and make sure the rest of the staff – new and old – remembers their contributions.
- Create plans to replace key leaders of change as they move on. This will help ensure that their legacy is not lost or forgotten.

- Key Points

- You have to work hard to change an organization successfully. When you plan carefully and build the proper foundation, implementing change can be much easier, and you'll improve the chances of success. If you're too impatient, and if you expect too many results too soon, your plans for change are more likely to fail.

- Create a sense of urgency, recruit powerful change leaders, build a vision and effectively communicate it, remove obstacles, create quick wins, and build on your momentum. If you do these things, you can help make the change part of your organizational culture. That's when you can declare a true victory. then sit back and enjoy the change that you envisioned so long ago.