

# Leveraging Change Management to Become a Better Project Manager

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# Topics

## **Introduction**

- Your experience with change management

## **Change Management impact on PM**

- Case Studies
- What defines change?

## **Understanding Change before Managing it**

- Key aspects of change
- The “MUST” haves in evaluating change

## **Project Managers Role in Managing Change**

- Understanding the challenge
- Ability to lead, manage and influence change



# Your experience...

- How many are working at or with companies which have formal change management?
- How many are currently working on projects with formal change management?



# CM impact on Project Management

Large ERP projects – study of 208 organizations implementing SAP found:

- “Experts who applied CM in their projects evaluated their projects as more successful than projects without CM.”
- “Experts were asked who made the decision to establish CM in the SAP project. In most projects it was either the **project manager (59%)** or the **steering committee(44%).**”

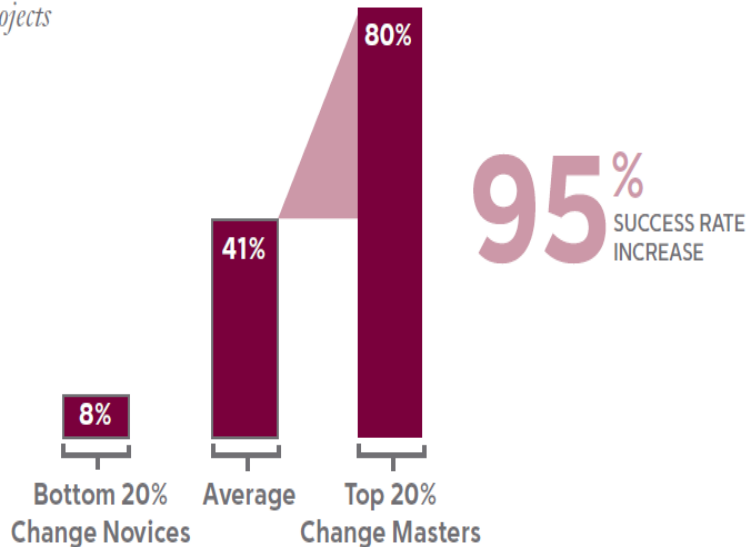
**Source:** IFIP International Federation for Information Processing ; “Research and Practical Issues of Enterprise Information Systems II Volume I”; © 2008



# IBM Study

The top 20 percent of organizations reported an average project success rate of 80 percent, nearly double the average.

■ *Share of successful projects*



## Case Study Findings

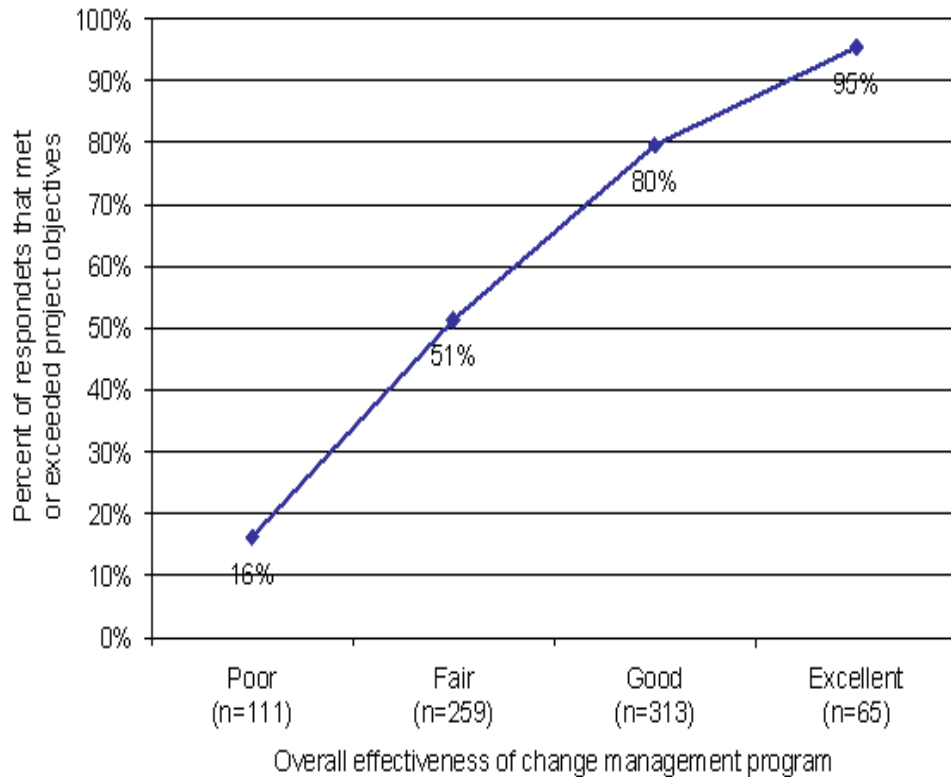
- Without a robust change management process, on average 40% of projects succeed.
- For the top 20% of companies with change management processes, 80% of projects succeeded.
- Strong correlations between successful project and realistic awareness of the change.

Source: IBM Study, Making Change Work, 2008 [http://www-935.ibm.com/services/us/gbs/bus/pdf/gbe03100-usen\\_mcw.pdf](http://www-935.ibm.com/services/us/gbs/bus/pdf/gbe03100-usen_mcw.pdf)



# CM Benchmarking

Correlation of change management effectiveness to meeting project objectives



© Prosci. From Prosci's 2009 Best Practices in Change Management benchmarking report

## Key Notes

- Project objectives are only met or exceeded 16% of the time when a weak CM plan is in place
- When CM is excellent the % of exceeded project objectives jumps to 95%
- Overall the greater the effectiveness of the change management program the greater project objectives are exceeded



# More Support for CM

- A 2005 study with 411 participants cited communication as the number **three contributor to success**, behind the role of the sponsor and the use of a structured change management process. – Prosci, <http://www.change-management.com/Prosci-CM-myths.pdf>
- McKinsey study reviewed 40 projects and examined many project variables and in particular, the effect of an Organizational Change Management (OCM) program on a project's ROI. The study showed the ROI was:
  - 143 percent when an excellent OCM program was part of the initiative;
  - 35 percent when there was a poor OCM program or no program.
  - Significant correlation between the effectiveness of change management and the gap between expected and realized ROI



# What Defines “CHANGE”?

**What concepts and buzzwords come to mind when you hear the word “change”?**

**Webster’s Definition of Change is:**

1. a : to make different in some particular way  
b : to make radically different  
c : to give a different position, course, or direction to  
**d : a transformation or transition from one state, condition, or phase to another**



# Definition of Change Management

Defined as the process of assisting the organization in the smooth transition from one defined state to another, by managing and coordinating changes to business processes and systems.

## Project Management



## Change Management

**In promoting change, it is critical to lead transition between current and future state**



# Common Tools

## Project Management

- Project charter
- Project status report
- RACI
- SIPOC
- Timelines
- WBS
- Resource tracking
- Feasibility studies
- Options analysis
- Potential Problem Analysis

Integrate

## Change Management

- Stakeholder analysis
- Workshops, focus groups, employee surveys
- Change impact assessment
- Impactful project kick-off meeting, setting the tone
- Communication plan
- Blogs, wiki pages, intranets
- Organizational skills gap analysis
- Organization development tools
- Roles and Responsibilities templates
- Motivational programs



# Understand Change

Your projects are guaranteed to

**Change**

SOMETHING

**People, Process, or Technology**

Evaluating how much change is necessary is a

**MUST**



# Evaluating the Level of Change

**Evaluate and Rank on a Scale of 1-5** (1=little impact 5= significant impact)

**M**

**Money**

- What is the budget and level of investment?
  - Extensive external resource costs?
  - Is total cost of ownership high? Are there ongoing costs post project closure?
- 

**U**

**Users**

- Will the everyday job of the user change significantly?
  - Will the new process change the entire way the organization performs?
  - Are multiple departments and/or functions involved?
  - Do the users currently have the skills to perform within the new process?
- 

**S**

**System**

- How many systems (both technology and process ) will be impacted?
  - What is the degree of change that needs to occur within the system?
  - Is the process going from manual to automated?
  - Can the process run in parallel or is a cutover plan required?
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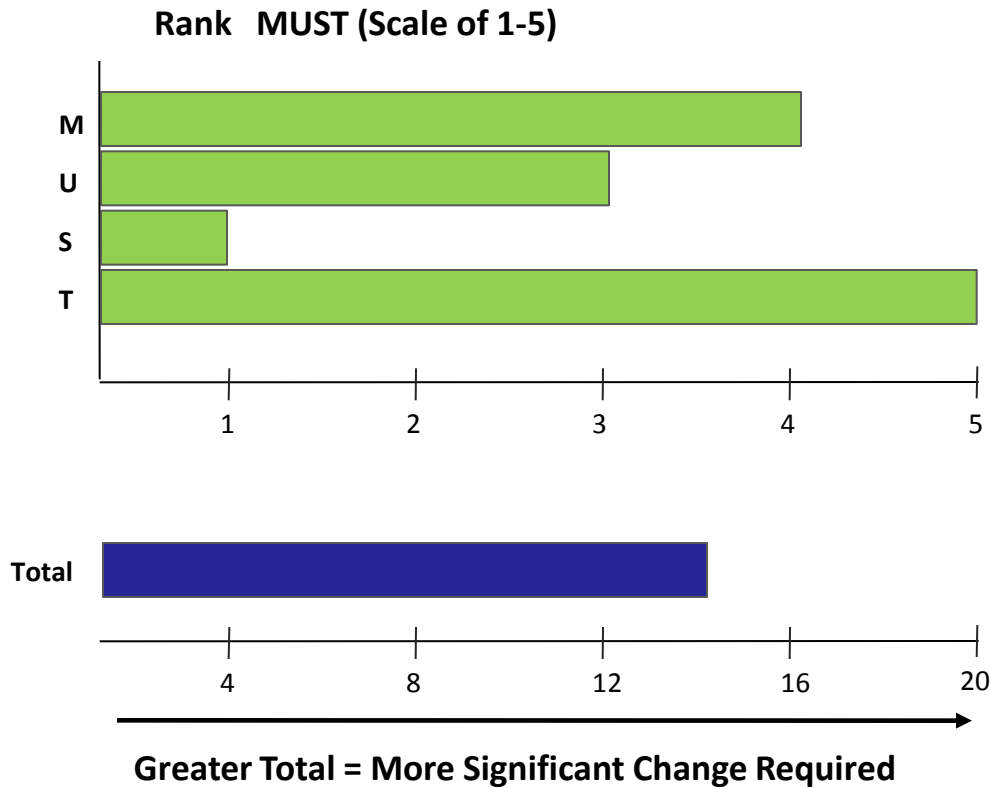
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**Time**

- What is the estimated time to implement the project/change?
- What is the urgency?
- Will improvements be seen early on in the project or will benefits be realized much later?



# Understanding the Challenge



## Key Notes

- Assess the significance of the change by ranking the elements of “MUST” and adding the total
- Based on the level of change required incorporate the appropriate change management activities and tools into your project plan
- The greater the change the more critical the role of the PM becomes

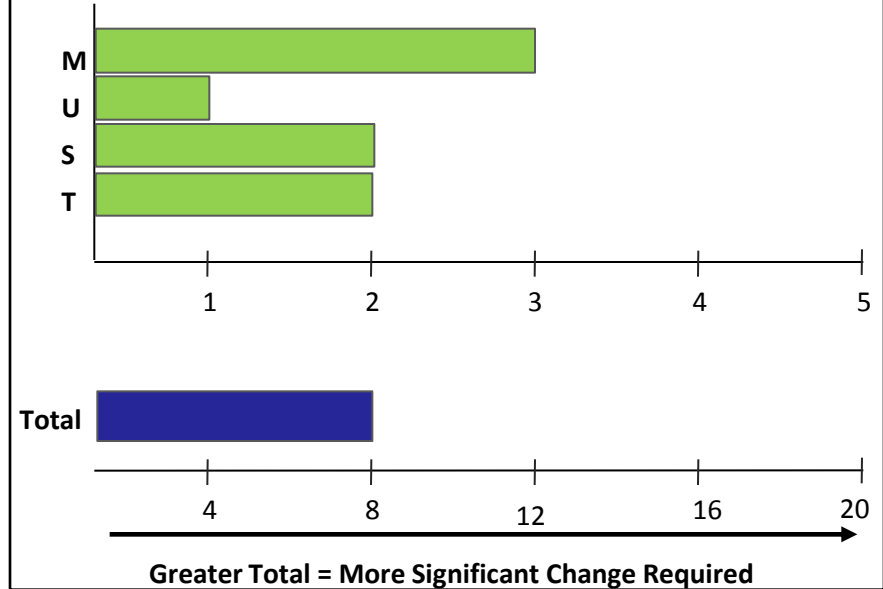


# Scenario 1 – Minimal Change

## Problem Statement

- Insufficient Water for Injection (WFI) supply during peak manufacturing periods caused by insufficient supply to WFI stills
- Plan to add additional WFI train to existing Water Softening Pretreatment system
- Changes will be almost entirely seamless to the user

## Evaluation



## Actions Taken

- Project status updates published to include budget actual versus forecast
- Training of new system on maintenance personnel working with WFI stills
- Communication to manufacturing staff during cutover of new stills

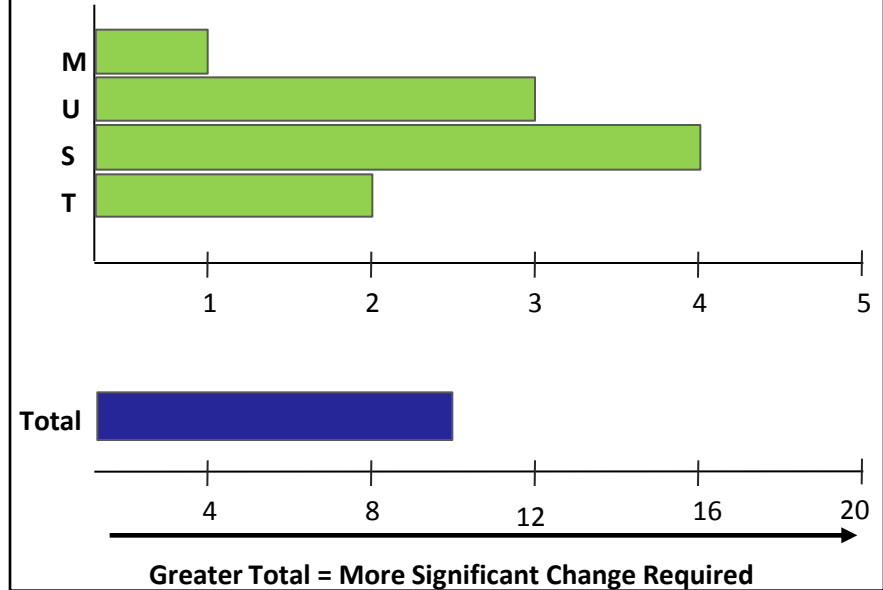


# Scenario 2 – Moderate Change

## Problem Statement

- Current inspection readiness program is poorly organized
- Risks are not clearly defined and mitigated
- Every time seems like the first time, keep reinventing the wheel
- Large capital investment is not required but substantial business process changes may be necessary
- Impact will be primarily on one department

## Evaluation



## Actions Taken

- Quality sponsor assigned, buy-in received from 1st and 2nd level managers across the organization where staff will be impacted
- Project communication plan developed; project objectives and timeline communicated to those affected by project, project status updates published
- Workshops created to gather process requirements
- Created training plan for all users of the new process

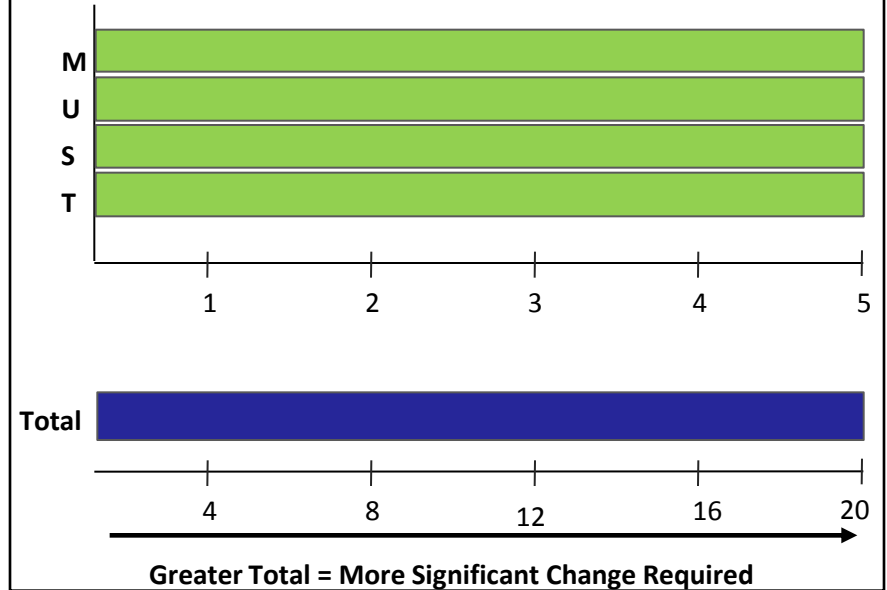


# Scenario 3 – Significant Change

## Problem Statement

- Company wide initiative endorsed by upper management to streamline and improve business processes through the implementation of an ERP system
- Large capital investment required
- Since migration to a new system will occur all users will have to be trained
- Expected implementation time is 12 – 18 months

## Evaluation



## Actions Taken

- Change management activities started day one with initial project evaluation, budget allocated to CM activities
- Executive sponsor assigned, sponsor to be highly visible and supportive
- Extensive stakeholder analysis including interviews, focus groups, surveys
- Comprehensive communication plan, incorporating several types of media (posters, intranet, e-mail), informational meetings, workshops
- Map organizational changes, including new structure with revised job descriptions and roles and responsibilities
- Extensive training plan to increase system acceptance and ensure knowledgeable staff



# PM as a Change Manager

Influencer

The Power to Change Anything

Choose influence over serenity.

Patterson, Grenny, Maxfield, McMillan, Switzler  
McGraw-Hill 2008

Model

You Have to be the Change you Want to See

Mahatma Gandhi



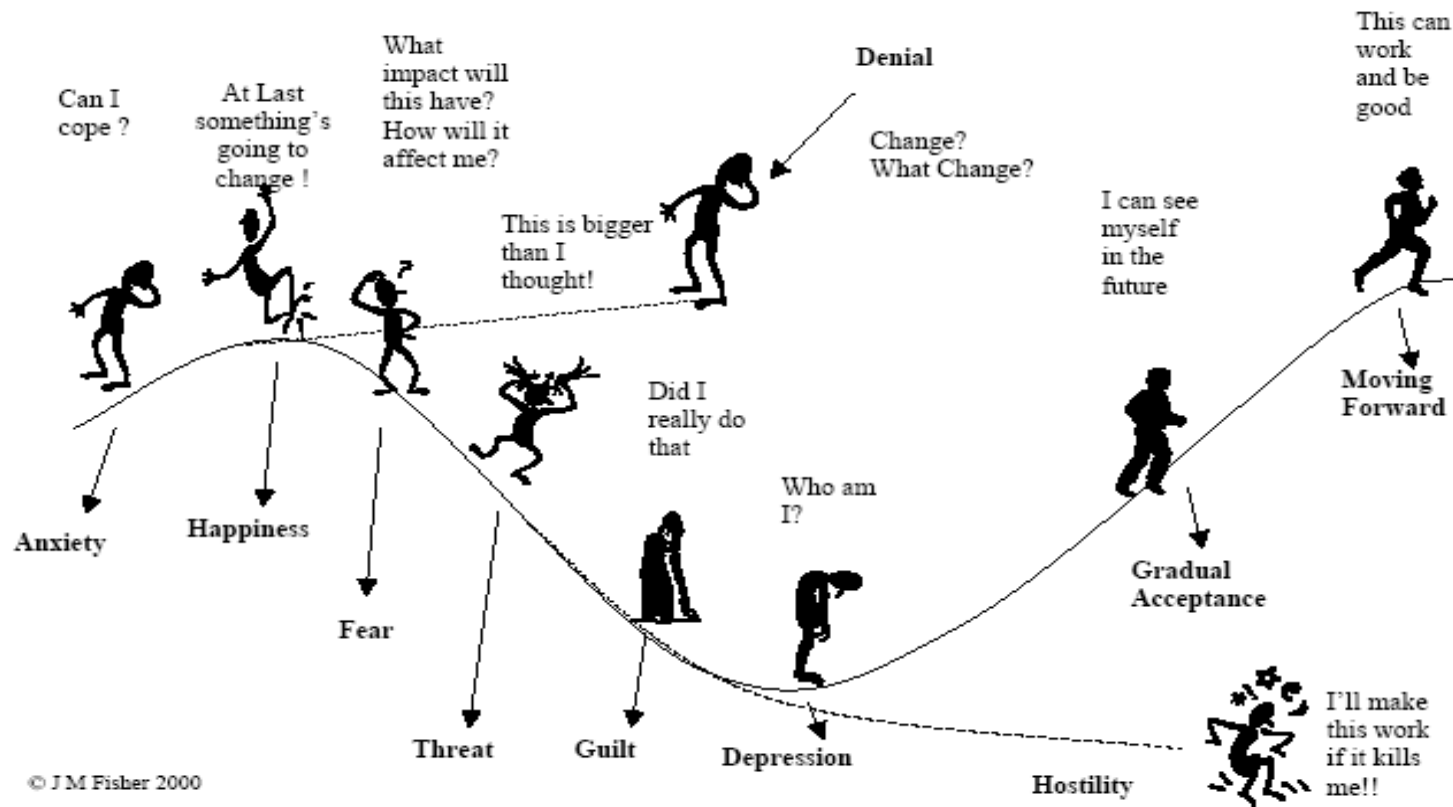
# PM – Lead, Manage, Influence

Sample Questions	Why Critical?
What activities is the sponsor responsible for?	Active and visible sponsorship key to successful project
Why are we doing this project?	When reasons for the project are understood and accepted, minimizes confusion
Are staff roles changing with the new process/system?	Training staff on new process critical to successful adoption of the new process
How and who do you plan to communicate project updates?	Effective communications and development of communication plan key to maintaining buy-in and build excitement.
Are employees involved in designing the system/process?	Involvement from senior and middle managers, and frontline employees facilitates acceptance
Who is accountable and responsible?	Clear roles and responsibilities decrease confusion increase likelihood of project success

# Personal Change Model



## The Process of Transition



All people go through this cycle at different paces. PMs generally have an advantage of early project awareness, speeding up the change cycle. Awareness for others affected by the project generally lags the PM.



# Additional Information

## Tools available

- Communication plan example
- Stakeholder analysis

## Other resources

- <http://www.change-management.com/>
- Books and articles by John Kotter

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