

Change Management – A Case Study illustrating some techniques used



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What is Change?

- Something one normally does not like or challenging to adopt/achieve!!!!

Importance of Change

- Change is the single most important element of successful business management today.
- Change is with us and will always be here, and **there are two ways of dealing with it:**
 - **Reactively**, by responding only when one has to, usually too late
 - **Proactively**, by planning for change and trying to keep, if not one step ahead, then at least in the vanguard of change

Of course, there is a third option- ignore it and hope it will go away. This was the course followed by dinosaurs, dodos and many companies that could not read the writing on the wall.

Yield or conquer Change

Dinosaurs died out! Mammals did not!



Instead they **embraced change and survived**

"It is not the strongest of the species that survive, nor the most intelligent, but the ones most responsive to change"
~ **Charles Darwin**

Causes of Change

- Business causes
- Technological causes
- Social causes
- Economic causes

What drives Change in Enterprise?

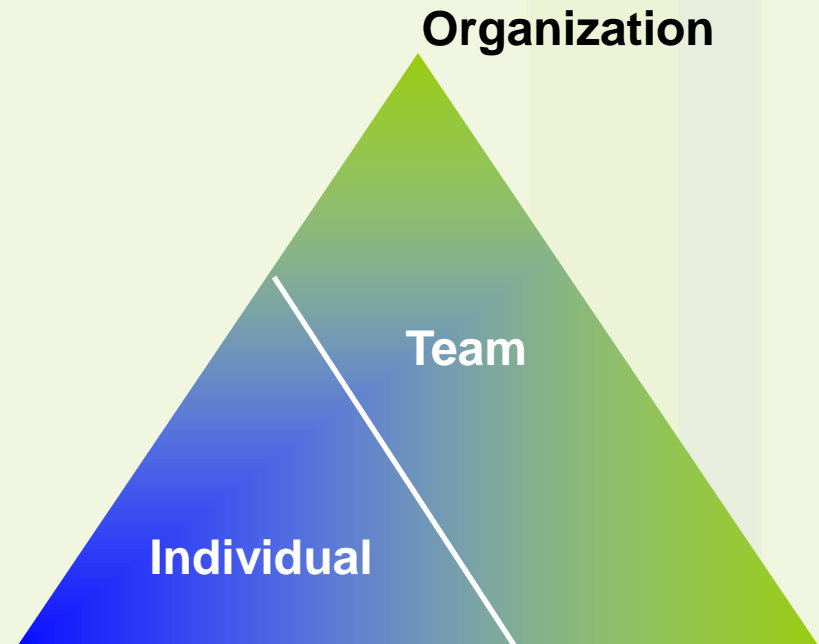
- Competition
- Price changes
- Technology
- Regulation
- Consumer demand
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Change Drivers



Change Management is required at all levels

- Self
- Team
- Organization Level

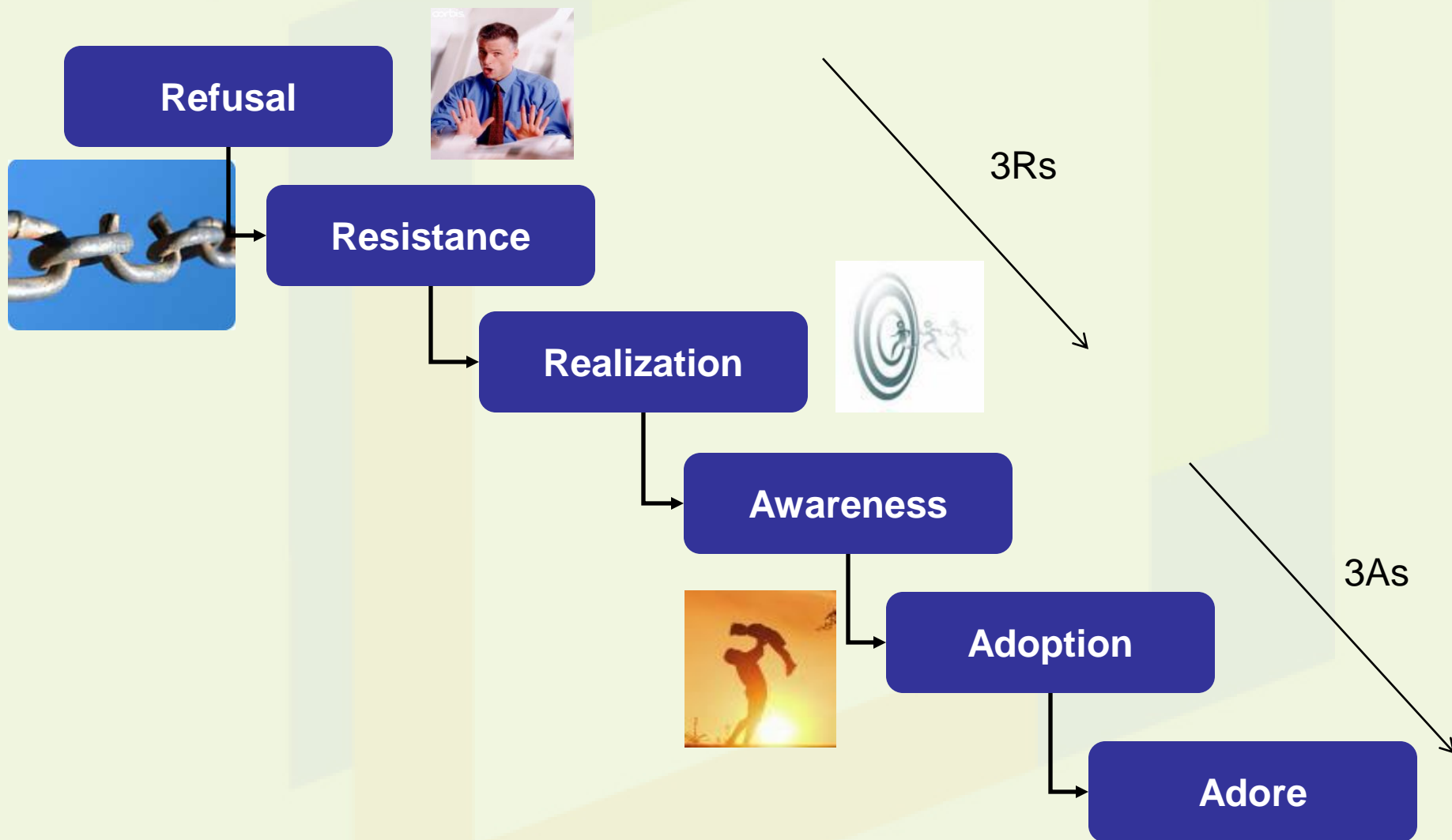


Reasons for Resistance to Change

- Clinging to comfort zone
 - Belief system
 - History
 - Lack of awareness
 - Fear of the unknown
 - Lack of job security
 - Lack of sponsorship
 - Anticipating Reactions
 - Lack of Information
 - Ineffective execution
 - Lack of Trust
 - Lack of Big picture
- These are just a few...



Behavioral Cycle in facing the Change



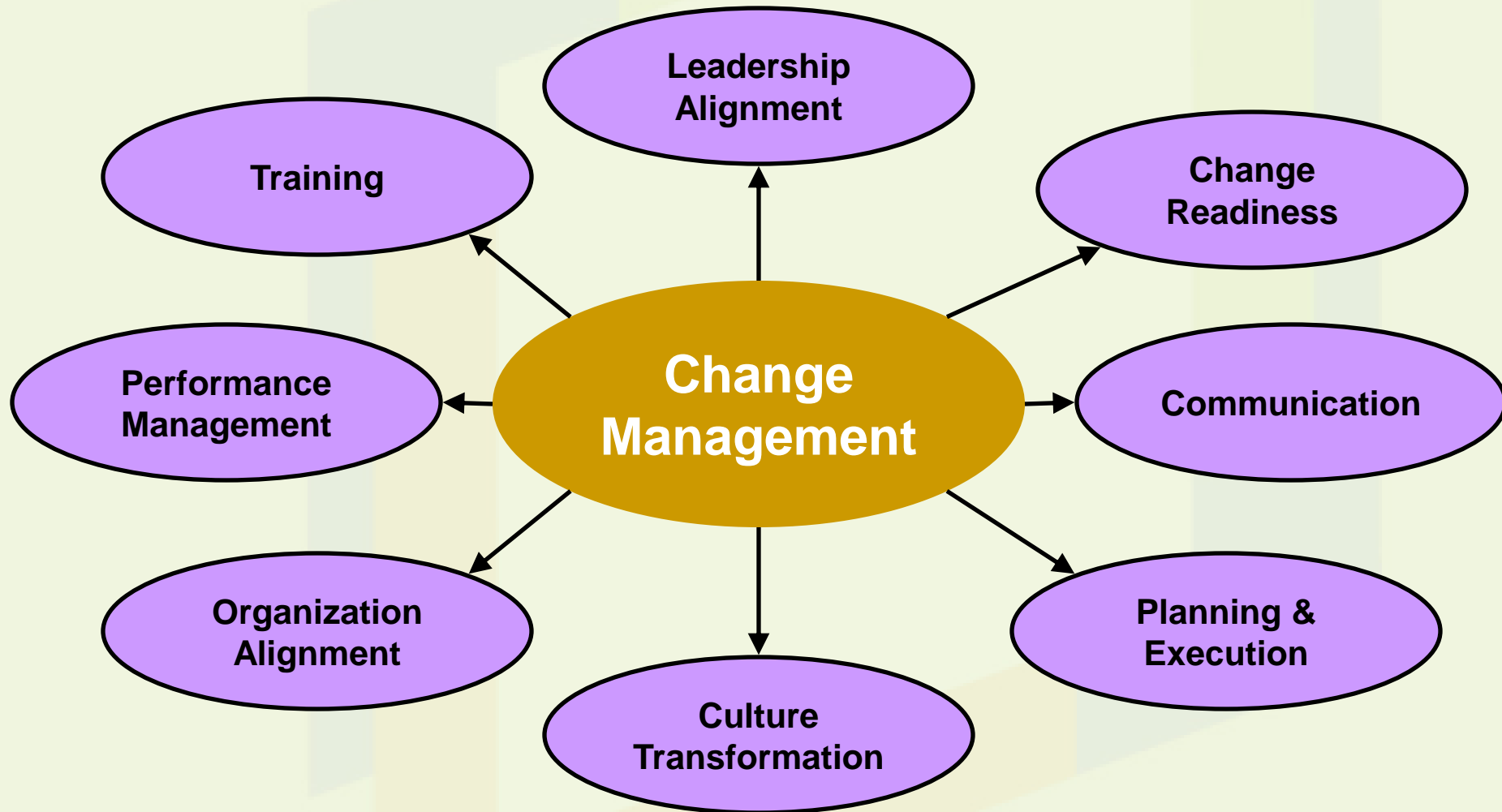
What is Change Management?

- Change Management is a holistic system that requires involvement by Senior Management, Change Managers, Managers and employees to make the whole change successful
- The “art” of managing change is all about proactively positioning an organization to be ready, willing, able to successfully adopt the business change being implemented. Its acknowledging that resistance to change is natural, and proactively identifying and mitigating the causes.
- Ingredients for managing change:
 - The task of managing change (from a reactive or a proactive posture)
 - An area of professional practice (with considerable variation in competency and skill levels among practitioners)
 - A body of knowledge (consisting of models, methods, techniques, and other tools)
 - A control mechanism (consisting of requirements, standards, processes and procedures)

Organization Change Management



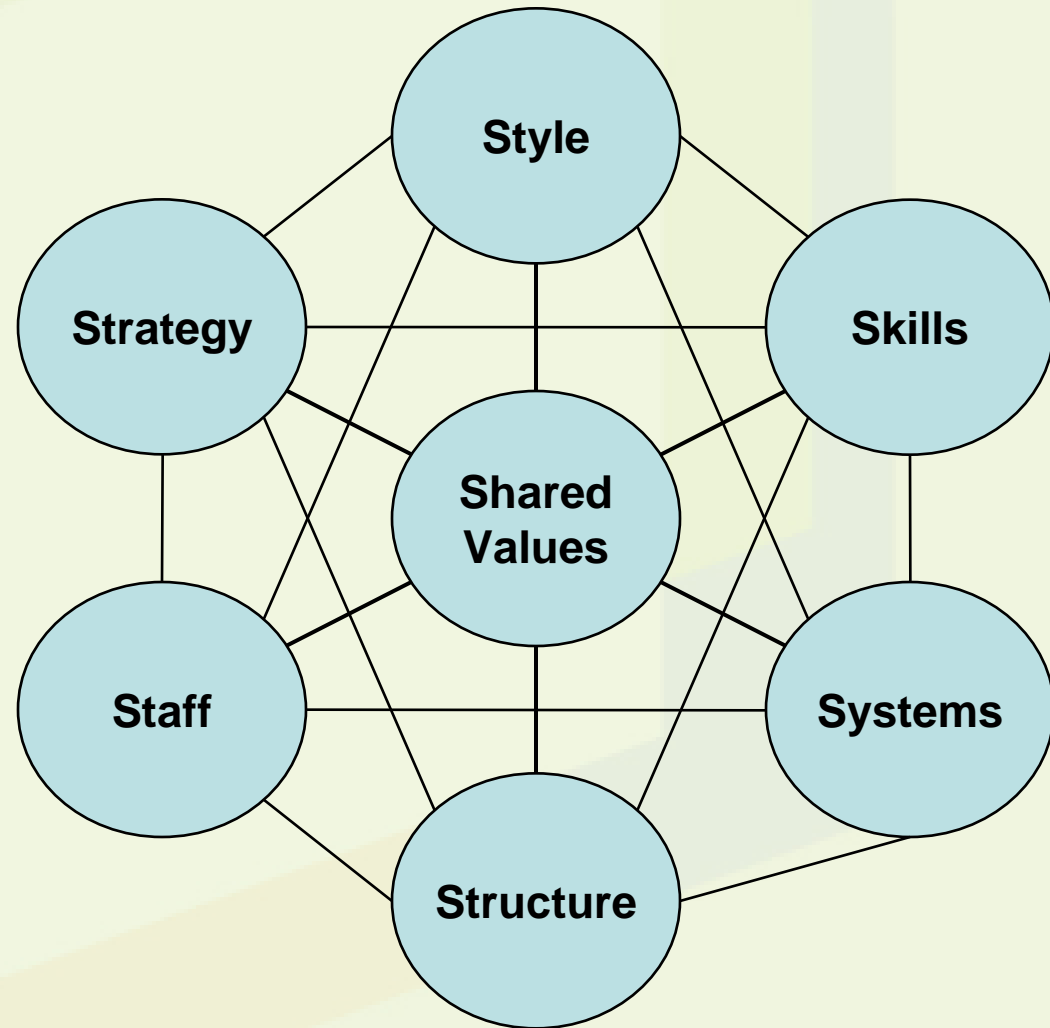
Change Management Functions





Holistic view of Change Management considering McKinsey's 7 S

- **Style:** The way managers as a group behave in their use of time, attention, and symbolic activity
- **Skills:** Capabilities of organization as a whole as distinct from individuals
- **Systems:** Processes and procedures for getting things done
- **Structure:** Who reports to whom; how tasks are divided up as well as integrated
- **Staff:** People in organization, considered in terms of corporate demographics, not individual personalities
- **Strategy:** Coherent set of actions to gain sustainable advantage over competition
- **Shared Values:** Ideas of what is right and desirable (in corporate and/ or individual behavior) that are typical of the organization and common to most of its members



Challenges in Change Management

- **Ineffective sponsorship from Senior Leaders**
- **Resistance to the change from Employees**
- **Poor support and alignment with middle management**
- **Lack of change management resources and planning**
- **Volume; culture; diversity; cost & politics**
- **Lack of baseline/metrics/system**
- **Failure to remove organizational barriers**
- **Lack of ineffective Strategy, planning and EXECUTION**
- **Ineffective Communication**
- **Inability to see the complete path toward end-objectives**
- **Insufficient skills in planning and 'Making things Happen'**
- **'Change' not completely analyzed and validated breadth and depth**
- **Newness – 1st time attempt**
- **...**

Techniques of Change Management...

- **Change has an executive sponsor with the necessary authority over the people, process and systems to authorize the change**
- **The executive sponsor builds the necessary sponsorship coalition for the change**
- **The executive sponsor participates actively and visibly with the project team throughout the entire project**
- **The executive sponsor establishes the need for the change (why the change was happening) directly with employees.**
- **The executive sponsor and managers effectively manages resistance from employees**
- **An assessment of the change and the organization's readiness for change**
- **A change management team develops and implements plans for communication, sponsorship, coaching and training**
- **Anticipate areas of resistance need to be identified, and special tactics were developed and implemented**
- **Feedback and measurement systems need to be established**
- **Engagement of the primary sponsor and sponsorship coalition instituted**
- **Face-to-face communications**
- **Involvement of employees in the overall process**
- **Communication on the Change Management plan**

...Techniques of Change Management

The best way to implement large-scale change efforts is to use a model that enables accountabilities to be assigned, progress measured, and self-interest realized. Although many models exist, there are five key steps to implement successful change projects.

1. **Define the current state:** If you begin with faulty premises or flawed information, your starting will be on quicksand. Make sure that you and the client are confident of the current state to be changed.
2. **Define the future state:** Create a clear goal that is both a valid "stretch" but also a pragmatic reality. Be careful about "reach exceeding grasp" or you may create an environment in which people "are never successful enough." There must be small victories.
3. **Determine key sponsors and implementers:** Who will be responsible for exemplifying and endorsing the change, and whose self-interests must be appealed to in order to successfully implement it?
4. **Adjust environment, feedback, and rewards to support desired change:** Banners in the cafeteria do not change behavior, and money will change it only temporarily. It's the consultant's job to find and appeal to the rational self-interest that will support the desired change.
5. **Review progress against metrics with management:** One of the greatest weaknesses of change efforts is that they aren't crisply measured with isolated variables and objective indicators. It's as important to show implementers the progress as it is to show your buyer.

Managing Change – a practitioners's view

MANAGING CHANGE

Preparing for Change

Major Issues:

1. Why do we need to change?
2. What is the present state like?
3. What will the future state be like?
4. What is going to change?
5. What is not going to change?
6. Where are we most vulnerable in making this change work?
7. What will be the key success

Beginning the Change

Major issues:

1. What is our change strategy
2. How do we best operationalize changes?
3. How do we best use our change levers?
4. How do we position change as a challenge?
5. How do we minimize impact of losses experienced by those most affected by change?

Cementing the Changes in place

Major Issues:

1. Ensure using the change levers effectively.
2. Ensure that subunits are aligned with changes
3. Ensure that all involved:
 - ✓ Understand the purpose of change
 - ✓ Have a picture of desired outcomes
 - ✓ Play a part in planning and implementing change
 - ✓ Acquire new behaviors

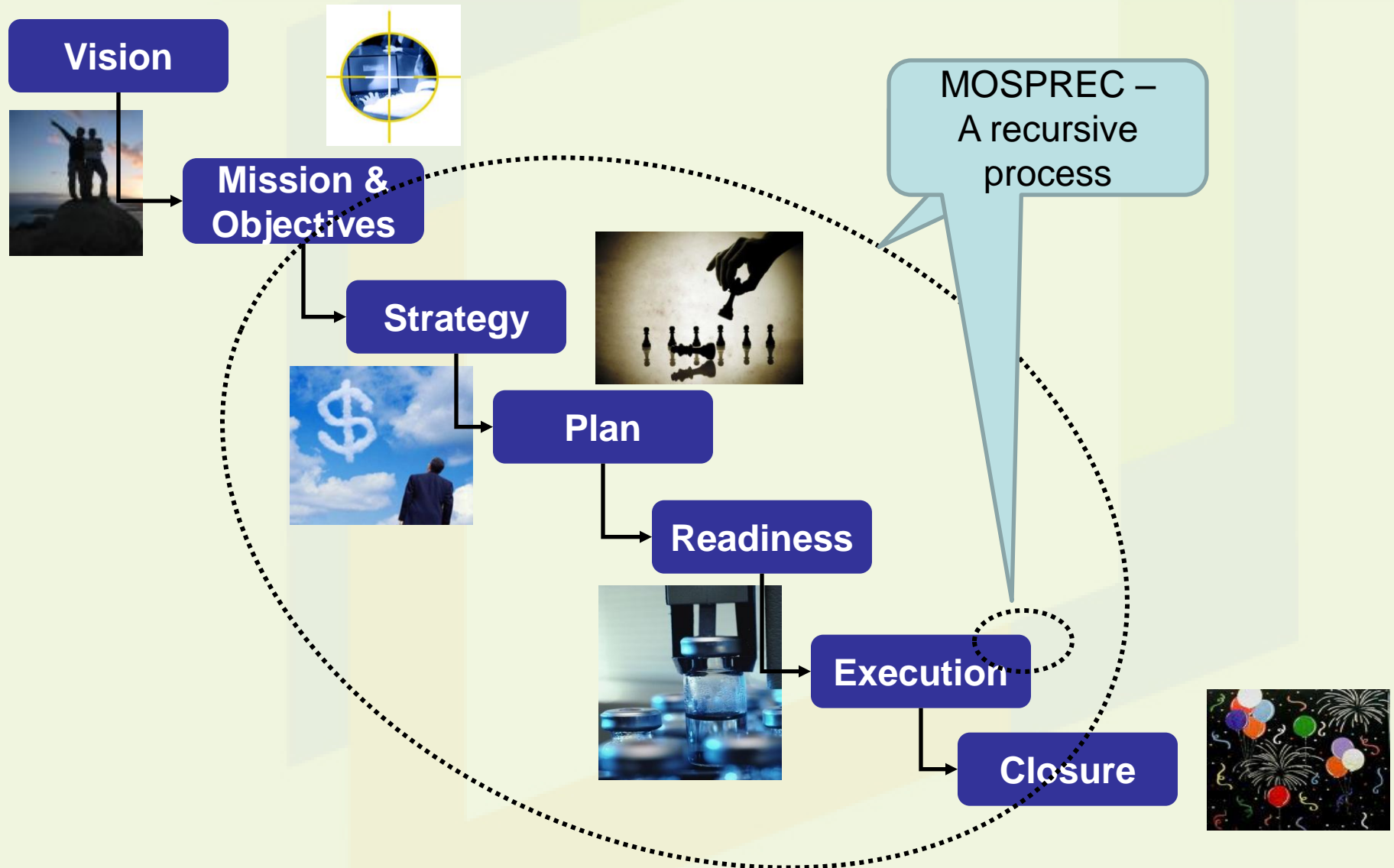
CHANGE LEVERS

- | | |
|--|-----------------------------------|
| ■ Clear understanding of the need for change | ■ Effective two way communication |
| ■ Quality of leadership | ■ Measurement systems |
| ■ Commitment of sponsors | ■ Infrastructure aligned |
| ■ Clear vision of future (VMV) & strategy | ■ Reward systems aligned |
| ■ Change structure | ■ Organization structure aligned |
| ■ Education and training | ■ Skill of change agents |

MAXIMS TO LIVE BY

- | | |
|--|-------------------------------------|
| ■ Communicate, communicate, communicate | ■ Think outside the box, experiment |
| ■ Continuous improvement is critical to survival | ■ Create ownership/involvement |
| ■ We'll keep trying until we get it right | ■ Walk the talk |
| ■ Celebrate successes | ■ Hold people accountable |

Change Management Roadmap Deployed



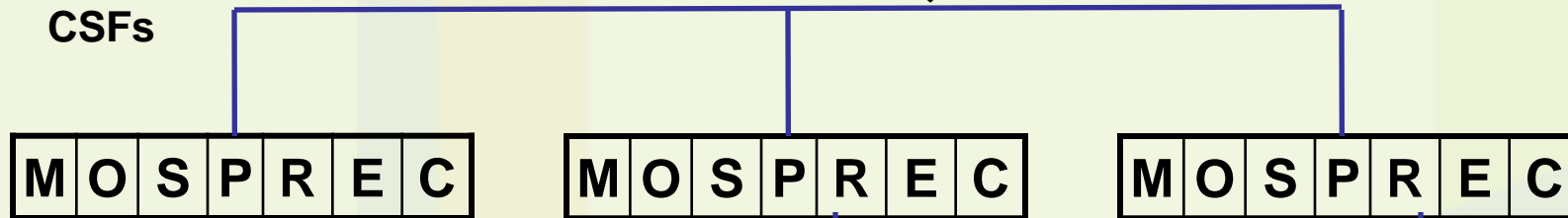
MOSPREC used at each level

Vision

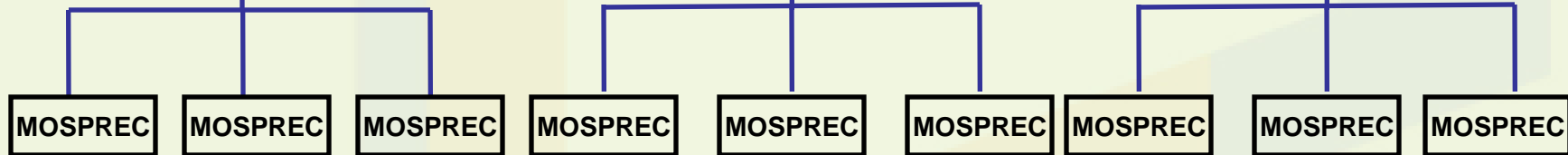
Level 0 CSFs

Mission	Objectives	Strategy	Plan	Readiness	Execution	Closure
M	O	S	P	R	E	C

Level 1 CSFs



Level 2 CSFs



What
Why
How
Who
When
Where

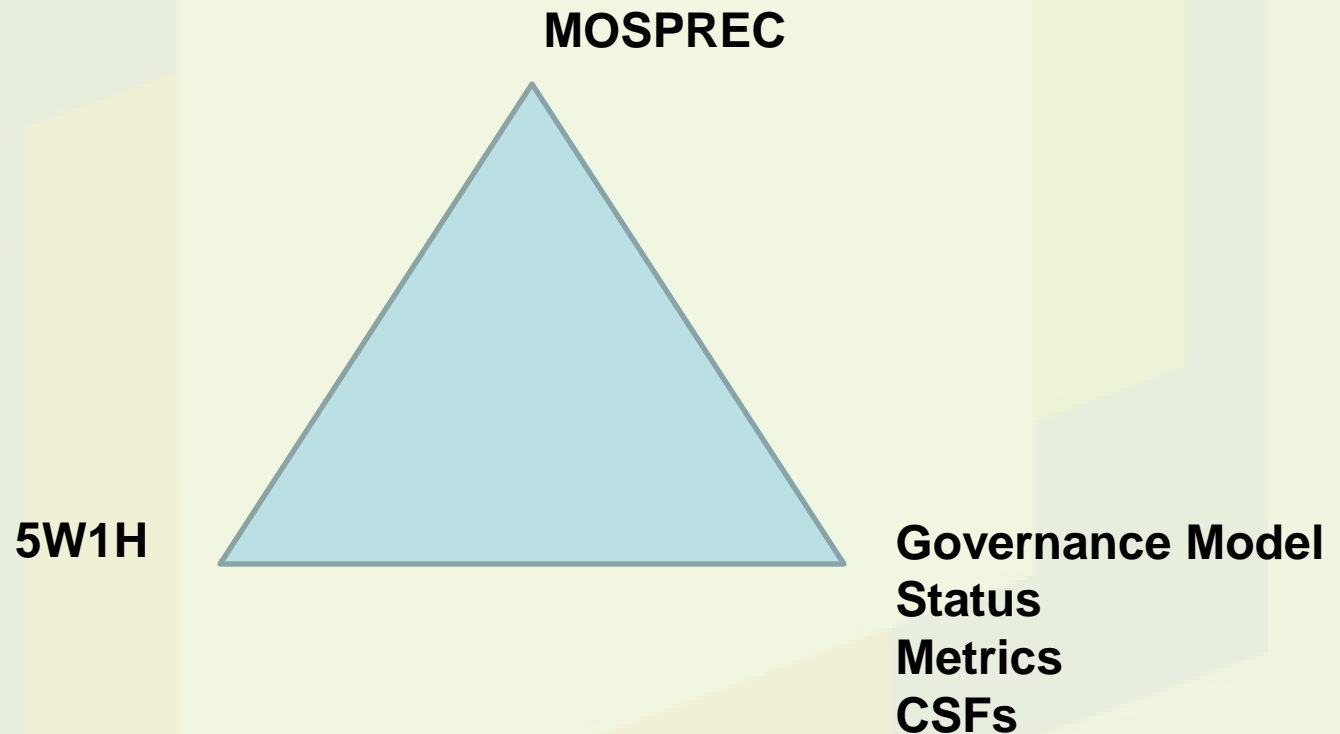
Fundamental Questions asked at every level/ any task

- **What** is to be achieved?
- **Why** is this to be achieved?
- **How** is this to be achieved?
- **Who** has to achieve or owner?
- **When** is this to be achieved?
- **Where** is this to be achieved?

Change Management - Task Template

S. No.	Task	Owning Unit	Due Date	Status

Change Management Framework



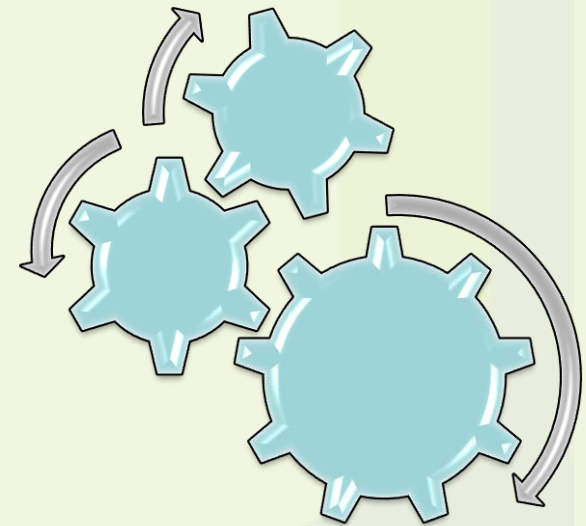


Treat Change as Project & Change Management as Project Management

- Create a change management group
- Breakdown Change into Projects and integrate change management into project management (9 PMKAs)
- Assign change management Dedicated resources to projects
- Implement measurement mechanisms (CSFs, Governance Model)
- Initiate Structured change management at project launch
- Mandate the use of change management
- Active and visible executive sponsorship
- Frequent and open communication
- Employee participation
- Apply MOSPREC at every level

Select the Right Team for Change

- A small dedicated team to manage change can have a major effect on an organization. Selecting the right individuals is, therefore, critical.



Conditions for Success

- **S**hared vision
- **U**nderstand the organization (people, people, people)
- **C**ultural alignment (people, people, people)
- **C**ommunication
- **E**s at Best (Execution, Experience, Energy, Enthusiasm, Excitement)
- **S**trong leadership
- **S**takeholder buy-in

Types of Skills needed

- Planning
- Execution
- Domain
- Technology
- Leadership
- Management

Bonus/Essential Skills...

- Communication
- Negotiation skills
- Conflict management skills
- Dealing with difficult people
- Coping skills
- Understand geographical/ cultures

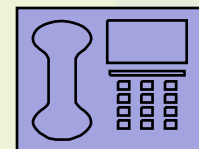
Do we really manage change?

Quite often, we try to grapple with it in the best possible way! 😊

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Thank you
