L Manage the Change

Purpose

To minimize the impact that the project has on the organization and facilitate the users' acceptance of the target systems and processes.

Overview

The stakeholder communications and management plans developed in Phase F – Develop Change Strategy are executed.

The transition management plan and associated communications plans are executed. The results of these plans are monitored and the plans adjusted accordingly.

The overall goal is to generate enthusiasm about the project among all stakeholders, and at all levels. It will therefore be necessary to adjust the messages and means by which they are communicated to stakeholders based upon individual stakeholder attitudes (i.e. whether they are progressing from being change opponents to being change advocates). Also, it will be necessary to monitor and manage execution of change management tasks assigned to project teams.

Deliverable: Stakeholder Management II

The tasks that comprise this phase are:

L1 Build and Maintain Change Network – To empower the project team change leaders to develop change agents throughout the organization.

L2 Manage Communications – Manage communications vehicles and messages.

L3 Revise Change Strategy – Revise change strategy as required.

L4 Develop Organizational Design – To design the detailed jobs and organizational structure required for the organization to successfully function using the new systems and processes.

L5 Identify Facilities Requirements - To determine the facilities needed to successfully implement the new system, processes and job/organizational changes.

L1 Build and Maintain Change Network

Purpose

To empower the project team change leaders to develop change agents throughout the organization.

Overview

Develop a network of individuals throughout the organization that are committed to the ongoing changes resulting from the project. This starts with the project team and is expanded by the team throughout the organization.

Once the change network is built, it is necessary to continually monitor it and ascertain whether the members are still committed to the project or if their attitudes have changed. If attitudes have changed it is necessary to take action to ensure their continuing commitment.

L1.1 Identify/Empower Project Team as Change Agents

This task ensures that the project team, including project sponsors, key users and project participants, is introduced to the change management strategy from Phase F – Develop Change Strategy. This strategy must be operationalized so that all team members, sponsors and key users become change agents to support the Oracle solution.

L1.2 Develop & Maintain Change Agents

Once the project team has been trained to be change agents they need to create excitement about the change and strive to make change agents out of everyone who comes into contact with the project. End users through executives should be excited about what the company will be able to achieve once the new systems and processes are in place.

The goal here is to infect the organization with a burning desire for the new systems and business processes as soon as possible.

Note: There are a number of means by which change agents can be developed. It would be prudent here to consult with a Change Integration practitioner to determine what the best group of activities would be for your particular organization.

Identify those individuals within the organization in addition to the project team who the project wants to be change leaders. These should typically be high level process owners and some key executive stakeholders.

These individuals form your change network.

Deliverable: Listing of desired change leaders, their current position within the organization and whether or not they are part of the core or extended project team

Once change agents have been identified and developed within the organization, it is necessary to continually monitor their attitude toward the project. A great change agent can become a project opponent if they feel that their issues are not being addressed or if they do not feel that they are being involved in the project to the appropriate degree or at the proper level.

Keep tabs on the project change network through periodic meetings or interviews.

Project management should also monitor the project team change agents, especially client project team members.

Based upon the results of the monitoring process, assess whether action needs to be taken with respect to individual change agents that have been developed throughout the organization.

Address any issues affecting change agents. This could be as basic as involving the individual more in the project, or it could be as complex and political as a situation where the person now no longer feels that the project is going in the direction that will be of benefit to his or his department.

L1.3 Manage Stakeholders

Execute the stakeholder communication and management plans that have been approved by client management in Phase F – Develop Change Strategy.

Conduct periodic surveys of the project stakeholders to ascertain their overall attitude towards the project. The likelihood is that some stakeholder attitudes are moving in the desired direction of being project proponents but a few opponents may exist.

Conduct periodic interviews with executive stakeholders to ensure that their concerns are being heard.
Gain an understanding of what their issues are.

Try to determine their feelings regarding:

- How the project has been managed
- The level at which they have been involved
- Whether the project will be successful
- Whether they will gain anything from the project
- Whether their issues and concerns are being heard
- Whether their issues and concerns are being addressed
- How they are informed about project progress and decisions

Also leave time for discussion of any specific issues that they may not have addressed.

Some of the issues you may encounter are:

1. They may feel that too many of their people are being consumed by the project and current work is falling behind.
2. They do not feel that they have been consulted enough in project activities.
3. They feel too involved in the project (asked to do too much).
4. They do not see that the expected value of the project is going to materialize, given current project scope and/or strategy.
5. The feeling that other departments or divisions will receive more value than their own.
6. Some department heads/managers may feel that the organization is not placing enough focus and budget on given processes.
7. They may feel threatened by the shift of resources as a result of change of responsibilities.

It is important that the appropriate individuals at the appropriate levels in the project conduct these interviews. Some executive stakeholders (e.g. vice presidents in the organization) may feel insulted if a team lead interviews them regarding their concerns and issues in the organization. Be sensitive to the feelings that these Stakeholders may have when appointing people to conduct interviews.

Based upon the surveys conducted, determine the overall attitude of each Stakeholder group. Document each group's issues and concerns with the project as well as their overall attitude towards the project (e.g., excitement, acceptance, and opposition). Document whether each individual group is becoming more open or closed to change.

Based upon the interviews conducted with executive stakeholders, determine the overall attitude of each executive stakeholder. Document each executive stakeholder's issues and concerns with the project as well as their overall attitude towards the project (e.g., excitement, acceptance, and opposition). Document whether they are becoming more open or closed to change. How do they feel about the way in which the project has been managed? How do they feel about PricewaterhouseCoopers?

Input: Stakeholder Management II

Workpaper: Stakeholder Action Plan

Deliverable: Survey

L1.3.1 Update Stakeholder Communication and Management Plan

The approach to managing stakeholders will need to be adjusted depending upon whether the current plan is achieving the desired results or not. Adjust the plan based upon feedback received from project team members regarding their stakeholder interactions, interviews, surveys or other informal discussions with stakeholders. Ensure that the stakeholders are receiving the information necessary and are participating to the degree required for them to make the transition to being project proponents.

Workpaper: Stakeholder Action Plan

L1.3.2 Update Executive Stakeholder Communication and Management Plan

Same as L1.3.1 but for the executive stakeholders

L2 Manage Communications

Purpose

Manage communications vehicles and messages.

Overview

Continually assess the communications vehicles and messages being communicated. Project management may determine that current vehicles are not effective for certain audiences. It is necessary to alter the communications vehicles for certain audiences depending upon whether messages are getting through.

Check with project management to determine the proper messages that need to be delivered and the audiences they must be delivered to at specific points in the project.

For example, if there is a scope reduction affecting a certain group of users, management will need to tailor specific messages to communicate to those users. In this example, a higher level employee, such as a VP, might best communicate the scope reduction so that the group that has been excluded from scope buys into the change.

It is important to celebrate key successes to maintain momentum. Define milestones for project meetings to discuss issues and achievements at key points in the project, e.g., completion of design, integration testing and end user training, etc. These should be points where the good, even better items can be freely discussed and where the achievement of a milestone may be celebrated.

Implement a transition issue resolution mechanism. The transition issue resolution mechanism developed in F3.3.2 is implemented and managed. At this point in the project, it is important to set the stage regarding how decisions will be made. If decisions stagnate, the issue resolution mechanism should be engaged to get decisions made.

This is for the following two reasons:

1. Avert a project delay caused by an outstanding decision.
2. To train the client in how the project will progress.

This should not come as a surprise to anyone on the project since it has been reviewed and accepted by client project management in Phase F – Develop Change Strategy.

As the communications strategy and plan are executed the change team will receive feedback on the effect it is having on stakeholders within the enterprise. The communications strategy and plan may need to be modified, depending upon whether it is eliciting the desired response from stakeholders.

Deliverable: Communications Strategy

L3 Revise Change Strategy

Purpose

The strategy for managing change originally developed in F3 may need to be augmented or changed based upon the feedback obtained in steps L1.2 & L1.3.

Overview

Make any required adjustments or augmentations to the change strategy documents. Alter work plans accordingly and communicate changes throughout the project team.

The change strategy is a living document and must periodically be revised depending on how the organization reacts to change activities.

L4 Develop Organizational Design

Purpose

To design the detailed jobs and organizational structure required for the organization to successfully function using the new systems and processes.

Overview

All large-scale systems implementations will impact the job content of all stakeholders and potentially impact the organizational structure. In the case of an Oracle implementation, the integrated nature of the product means very few functional areas will remain untouched by the change. Furthermore, because of the integrated nature of the software, the level to which stakeholders' jobs will be changed or refined in terms of content, responsibility, outputs and measurements, will be significant.

Although a comprehensive "top-down" organizational design is not within the scope of the "typical" engagement, the change team must still focus on the implications regarding stakeholder job content. If a process is changed or the need for a specific system entry is removed, then this change will have a significant impact on the activity and the individual. The sensitivity of this area requires detailed planning and proactive management. This task uses a "bottom-up" approach focusing on job design first and then assessing whether the "right" organizational structure is in place to maximize the effectiveness of those positions.

Any development activity, initiative or change that impacts the organizational structure and subsequent job content should heavily involve the internal Human Resources (HR) function. The HR function should provide an existing structure, skills and expertise, tools and a degree of influence that should be leveraged to full effect. In any organization, the relationship between employees and management is the foundation for high performance. This relationship should not be jeopardized by the lack of involvement from the HR function.

Process change and new system implementations can and should drive organizational change and job redesign. There is a clear relationship between these areas and the linkage must be managed if the expected project benefits are to be attained.

Deliverable: Job Task Analysis

Utilizing functional process decompositions and the tasks from the scripts that have been developed in Phase E – Process Analysis and updated in Phase K – Solution Design, Build and Test, define target jobs to support the new processes and systems.

Input: Target Environment Documentation
Business Process Scripts
Process Flow Charts
Updated Process Decompositions

Workpaper: Job Task Analysis Worksheet

Deliverable: Job/Task Cross-Reference

Review project scope and conduct discussions with client and project management to ascertain the level of job redesign that should be pursued. Use this information as you are designing new jobs to guide you in defining what jobs can be replicated/combined into the new jobs.

Develop job descriptions that include:

- An outline of each task and the outputs from the tasks completed in each job
- The key tools, facilities and skills required for effective performance
- Skills driven by process performance requirements and skills needed to use specific tools and work in certain environments
- Performance measures and targets for effective job performance linked to process performance requirements. This assures that the linkage to the Critical Success Factors (CSF) is maintained
- The job grade, category or value of each newly created job

Within the project scope, develop incentive and reward systems consistent with the target culture. They should align with the organization's design principles for rewarding behaviors that fulfill strategies, Critical Success Factors and achieve performance improvement goals. These may include:

- Compensation, including salaries, wages and incentive bonus payments and the performance criteria for their administration. These criteria should be tied to CSFs and performance improvement requirements;
- Benefits, including remuneration for time not worked (e.g., vacation, holidays, compensatory leave, sick leave), pension plan, health coverage;
- Degree of employee choice in benefits (e.g., cafeteria or flex plans);
- Awards, recognition and other intangible rewards.

See the Performance Measurement Method for more information.

Note: The work products of this step are inputs to job evaluation policies and procedures, assessment of training requirements and space allocation in facilities planning; ensure that there is sufficient detail to support those tasks.

Review: Develop Job Design

Input: Project Scope
Discussions with Client and Project Management

Workpaper: Job Descriptions

Deliverable: Target Skills Job Design
Performance Measures and Targets

Revise/create performance targets. In each area where performance measures have been established, the change project sponsor and senior management must set aggressive performance targets that represent success in achieving the vision. In setting targets:

- Establish targets high enough that achieving them will result in a significant business improvement;
- Realize that targets can and will be changed throughout the business process and target environment;
- Ensure that they are set in areas where performance improvement will yield significant business benefit;
- Ensure that they are aggressive enough to force the organization to change;
- Ensure that they are reachable so that the implementation teams do not lose their motivation.

Input: Performance Measures and Targets

Workpaper: Performance Targets

Deliverable: Target Skills Job Design
Performance Measures I

Determine the skills gap between the current jobs and target job design. Identify the skill requirement gaps by job. This level of skill analysis will be dependent upon the HR practices of tracking skill requirements by job.

Input: Target Skills/Job Design
Skills Inventory

Workpaper: Gap Analysis

Map jobs and position counts to business units to ensure that jobs (based on process tasks) are congruent with business unit responsibilities. Draft an initial organizational chart for each unit and document in graphic or schematic format.

Input: Organization Charts
Target Skills Job Design

Workpaper: Job/Task Cross-Reference

Review the project scope to determine the level of organization redesign that should be pursued. The level of organization redesign should also be discussed with project management prior to beginning this task.

Compare outputs and inputs of business units. Build an overall, annotated organization chart that connects and displays the relationships and responsibilities among all of the business units. If possible, display jobs within each unit. Obtain target business process designs from Phase E and resolve discrepancies between the processes and the annotated organization chart. Organization design principles must be tailored to the particular situation. The successful translation of the strategy into principles can be an extremely valuable tool when developing structural alternatives and selecting amongst them.

Inputs to brainstorming organization design principles can include earlier work products and deliverables, e.g., current macro-organization structure, associated issues and opportunities and potential design principles. Customer needs, market demands, peer/competitive best practices and capabilities, and the enterprise's own capabilities also provide useful input regarding organization changes that could be made. Other inputs include survey and focus group results that provide insight into needed organizational change, relevant organizational best practices and models, and sample organizational restructuring outputs.

Based on these inputs, begin brainstorming organization design principles for use in building or selecting an organizational structure alternative. While use of generic design principles should not be encouraged, reviewing some examples may help the team get started. Relevant examples may include:

- Organize to efficiently deliver unique and competitive customer service
- Lines of responsibility, authority and accountability should be clear, consistent, short and well communicated. Authority should be commensurate with accountability
- Spans of control should fully utilize management talents and minimize organizational levels
- Organizational roles and responsibilities should be clearly designed to avoid fragmentation or overlap
- The structure should be designed to provide fulfillment and growth and promote job satisfaction
- The organizational design should reflect the target culture
- The organization should strive to profitably serve all customer segments.

Any of several facilitation techniques can be used for the organization design principles. Discuss the task/job implications for the organizational structure and present possible structural alternatives to the change leader and senior management team. In presenting each alternative, discuss:

- The alternative's general characteristics and applications, strengths and weaknesses
- The match of the alternative to customer requirements, the organization design principles or any previously defined process or culture vision elements
- The degree to which the alternative represents a "stretch" for the organization (this is an important indicator of the degree of performance improvement that may be possible)
- The implications of the alternative for other organizational dimensions
- The alternative's specific ability to resolve issues and capitalize on opportunities found in the organization and to support the enterprise in achieving its CSFs

Dissect and question each alternative. It is common for the discussion to cause participants to rethink the initial set of organization design principles, resulting in revision or augmentation of those elements. Capture any additional design principles that come from these discussions. Define the roles and responsibilities of each business unit in terms of satisfying the requirements of major customer segments, performing parts of the value chain and being responsive to the organization design principles.

For each defined business unit, outline the roles involved in managing that business unit and specify the skills required to perform the roles (this can be an individual job, in the case of a more vertical organization, or a team definition, in the case of a more horizontal organization). The completed framework describes:

- The business unit's scope boundaries; i.e., which customers will be served and what processes will be included in each unit's role/responsibility statement. Existing business units can be redesigned to fit the new framework; new business units can be created where no unit exists to serve customers or perform processes as required.
- The competencies required (at a high-level) to perform and manage the work allocated to each business unit.
- The performance measures and targets for each business unit and how each unit supports supplier and customer requirements and links to the business case for change.

The team can consider the following questions when envisioning organizational structures:

- What kind of culture will the enterprise need to be able to implement for its organizational vision? For instance, will the enterprise need to be more empowered? Or will they need to have greater access to information and better decision making by those who have customer interaction?
- What kind of process management implications can be found in the new organizational structure to assure desired process performance?
- What kind of skills will people need to manage and work in the organizational structure?
- What technological capabilities will be needed to enable the new organizational structure to succeed?

The results of this kind of questioning should be an enterprise-wide perspective regarding the design.

Before implementing any potential job changes or job change plans, review the skills gap and job design analysis with management to ensure that the proper direction has been followed. Document and resolve any questions or issues. Obtain management's approval on any job change plan.

Note: Management may change the level of organizational change as the project progresses to a more tactical level.

Based on the target job design, the skills analysis and those personnel holding current jobs, match current personnel against target jobs and determine the individual skill needs required by each individual. Determine the number of personnel required to fill the target jobs to achieve performance targets. Begin evaluation of redeployment issues and job change issues. Involve affected parties such as union organizations, Human Resources or government agencies in this analysis.

Input: Gap Analysis

Workpaper: Example – Target Skills Job Design

For each aspect of the target environment (processes, systems, skills, culture, structures, technologies and facilities), determine the gaps between the current and target environments and document them. Use vision or performance measures and targets wherever possible. An accurate idea of the gaps between aspects of the current and potential target environments is required to evaluate the feasibility of achieving the potential target environment and determining the change actions that must occur to achieve the target environment.

Workpaper: Organization Change Definition

Develop a resolution plan for each current staff member that may be affected by organizational change. Resolution options may include:

- Redeployment into new position
- Remaining in the same position but receive training to satisfy new skills requirements
- Retraining for immediate or future redeployment
- Outplacement/retirement

Document vacant positions for which no staff have been redeployed. This supports the later task of developing a recruiting plan. This task may require several iterations. Employees should be evaluated against the requirements of vacant positions created by the first round of redeployment. In determining the redeployment of individuals with scarce skills, the costs, timing and feasibility of retraining and redeploying other staff or of recruiting from outside the organization should be considered.

Input: Target Skills Job Design

Develop a plan for managing logistics and scheduling of:

- Redeployment – What individual skill sets can fill target jobs? When can they fill them? Do individuals want to do the target jobs?
- Retraining – Who? When? Via what courses? For what internal positions?
- Outplacement – To other divisions? To other companies? What type of assistance will be provided? Severance?
- Recruitment – Use agency/headhunters? From other internal departments/divisions?

Input: Understanding of HR Policies and Practices

Develop a schedule for phased transition or cutover to the target environment. Transition/cutover activities may include:

- Milestone event celebrating implementation of new organization/farewell to old organization
- Initiation of workforce adjustment and communication of subsequent assistance with moving into new position, beginning training or undergoing outplacement
- Considering a strategy for retaining key employees until the completion of the project
- Initiation of new processes, policies and structures

For each implementation activity, determine:

- Time frame considerations:
  - Time and date of activity (if completed the same day started)
  - Start time/date for activity
  - Duration of activity

  - Time/date of deadline for completion of the activity
- Criticality or priority
- Resources required
- Attendees and/or participants and their roles and responsibilities
- Dependencies
- Completion criteria
- The minimum transitioning of roles & responsibilities to the company that are required for cutover

Develop schedule for a phased transition or cutover to the target environment, including all activities. Analyze the organizational change implementation plan to assess risks and develop an approach to minimize risks. Coordinate implementation schedule with other implementation efforts. Prepare organization change plan for presentation to management.

Workpaper: Target Organization Envisioning Session

Complete a structured walk-through of the organizational change plan. Resolve any questions and issues and, if necessary modify the plan. This step may require more than one meeting. Obtain formal written approval of the organizational change plan and authorization to proceed.

Coordinate with Phase N – Cutover Planning to ascertain whether the minimum organizational transitioning has occurred to facilitate going live.

L5 Identify Facilities Requirements

Purpose

To determine the facilities needed to successfully implement the new system, processes and job/organizational changes.

Overview

This task produces a requirements definition for the target facilities environment as well as a design which integrates the technical organization and people needs. Facility requirements should meet the organization's goals and future business needs in the most satisfactory and cost-effective manner. The impact of technology can be felt to the extent that systems and other forms of technology are common to most organizations but expertise in designing facilities supporting automation generally is not. Items that should be considered in "planning technical space" include:

- Heating/ventilation/air conditioning (HVAC) requirements for dedicated, centralized system areas (e.g., computer rooms, copy center)
- Impact of computer use on workspace design, ergonomics and selection of office furniture
- Design and engineering of integrated cabling systems including distribution methods, wiring closets and conduits
- Health, safety and welfare issues and statute/legal compliance

Note: The organization's internal facilities department should perform the majority of this task. It is important to understand the impact that the process and systems changes are going to have on the organization overall.

Review target business processes and units to determine space requirements for jobs based on task volumes, frequencies and tools or equipment used. Evaluate job space requirements in terms of management policies and job specifications to ascertain what type of space should be allocated for each job, e.g., decentralized spaces for offices and cubicles or centralized spaces for large equipment, workgroups or interaction with the public. Estimate dimensions for each workspace type based on tools/equipment and space needs.

Integrate with phase 'Maintain Technical Infrastructure & Establish IT Readiness' to ascertain the technical and physical facilities requirements.

Multiply workspace requirements by the number of positions estimated for each job to determine and allocate adequate and appropriate space to each job. Map the proximity requirements determined by working relationships within and among the various processes and business units using bubble diagrams or adjacency matrices. Determine space required for public or clientele access.

Identify target facilities requirements by naming and describing the capacities and qualities of the facilities required to support performance of business processes and use of the systems and technologies required to achieve the organization's vision.

Based on organizational and process maps, estimate and document in narrative or schematic form (see Reference Materials section R0275 - Bubble and Adjacency Diagrams and Block and Stack Plans):

- Space requirements for business processes or units including:
  - Name and purpose of process
  - Volume or frequency of process performance
  - Population densities: number of people using the space during performance of the process
  - Workstations, furniture, tools and technologies required
  - Workgroup numbers and proximity
  - Traffic patterns
  - Interpersonal contact requirements: visitor space and conference rooms
  - Health, safety and welfare requirements and compliance
  - Environmental, ergonomic or aesthetic requirements (e.g., ambience, noise level, appearance)

- Infrastructure to be developed, including required capacities for:
  - Cabling for communications/computing, electrical, HVAC or mechanical needs
  - Computer room
  - Mail room
  - Central file room
  - Duplicating or print shop or
  - Library

For each defined space or physical location, document (using Facilities Inventory form):

- Name (or other unique identifier), address or other location description
- Floors to be occupied, if multi-story structure
- Space to be occupied
- Space to be unoccupied/available
- Whether space is to be owned or leased; if leased: costs, terms, options
- Any ongoing costs associated with space outside of leasing costs

Define facility performance measures and targets that should link to CSFs or process performance measures.

Workpaper: Facilities Development Discussion

Review descriptions of current and target facilities to locate gaps. Estimate what portions of current facilities can be refurbished, reused, sold, donated to charity or discarded.
Estimate the cost of developing new facilities to fill in the gaps. Consider the salvage value of assets to be retired.

Develop and prioritize criteria for a successful transition to the target facilities. These may include time frame requirements and acceptable levels of impact of the transition on the organization. Ensure these requirements are communicated to the client if they are taking responsibility for planning and executing the facilities transition.

Note: Be sure to review any client prepared plans for the new facilities to ensure that they will meet the target environment's needs.

Review: Facilities Development

Inputs: Job/Task Cross-Reference
Target Skills Job Design
Process flowcharts
Process decompositions
Space Allocation
Facilities Inventory
Space Allocation

Deliverable: Facilities Inventory
Space Allocation

Manage the Change Checkpoints

- ✓ All target job functions documented
- ✓ Project team ownership of change deliverables established
- ✓ Change alignment based on periodic interviews/surveys
- ✓ Facilities requirements defined