Change Management
White Paper

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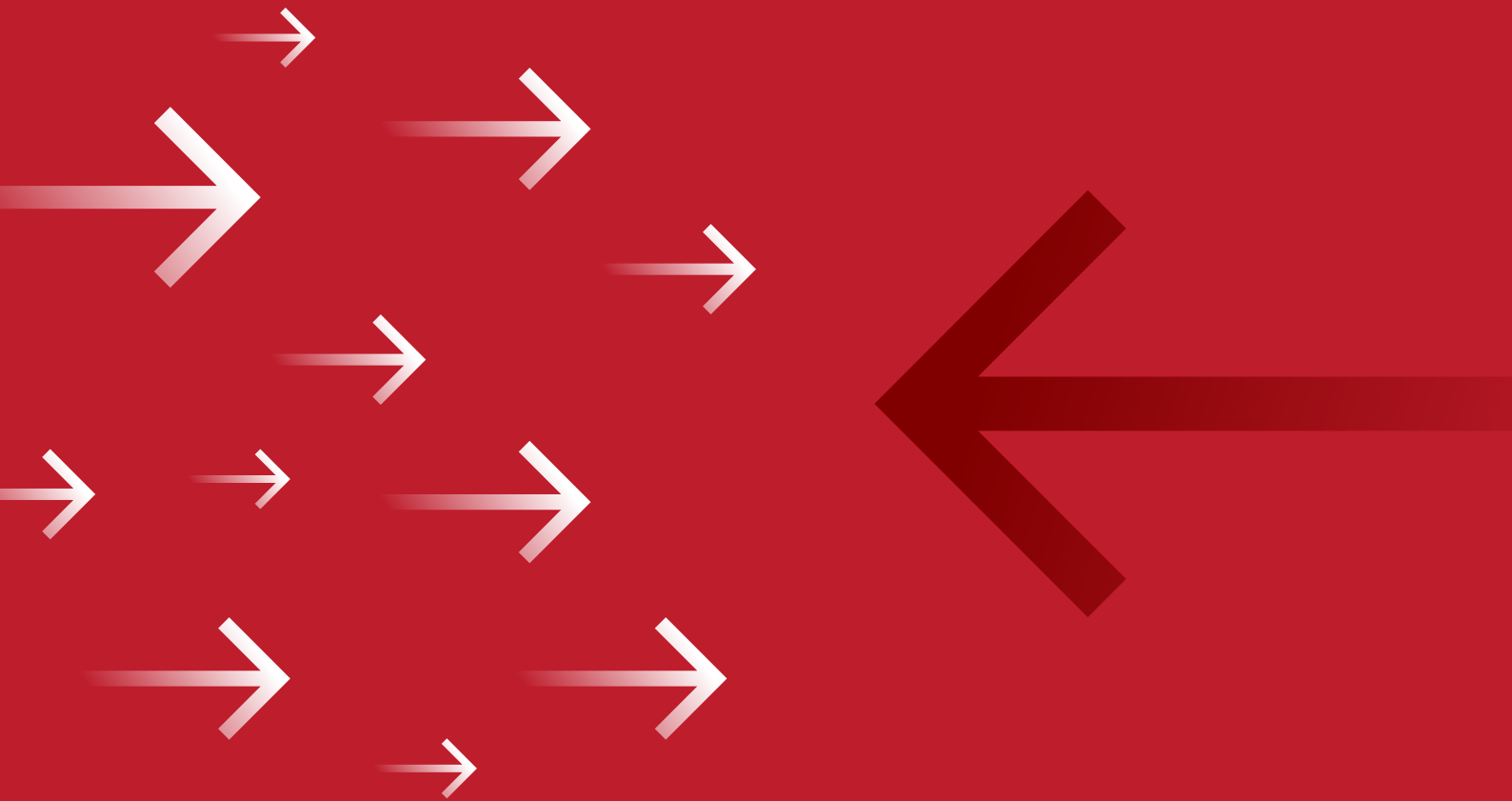GROUP

Organizational Transformation and Change Management

## The road to the successful implementation of new organization tools and processess

The emergence of "digital" in workplace technology and design has helped improve bottom-line efficacy while also promoting more collaborative and innovative cultures across sectors. But taking the jump to a new digital playground can be a scary and difficult journey for many companies.

Traditional change management no longer withstands the test of time. The major trends of today – globalization, digitalization and demographic shifts – all add to the changes in the market and are additionally accelerating change in many other areas. At the same time, the pressure to evolve because of pressure from competitors is growing rapidly, but many companies are inherently resistant to classic change models and projects fail because of rigid organizational structures. Those structures are stuck in the past and they are the reason why employees reject classic, outdated change management. Most often this happens because they have bad experiences and have seen many projects fail in the past. The human way of showing this resistance will most often be exhibiting passive resistance.

Nowadays, companies and employees are forced to adapt fast to new market conditions and evolve, in order to survive and grow. This usually means the modernization of legacy systems and companies, therefore, need a broad management approach so that they can adapt quickly and develop flexibility while retaining, or even increasing, the motivation and creativity of their employees. This often leads to complex transformation projects which often face enormous time pressure driving them to success. It all ends up being a conundrum that is hard to solve and results in frustrations and failed projects.
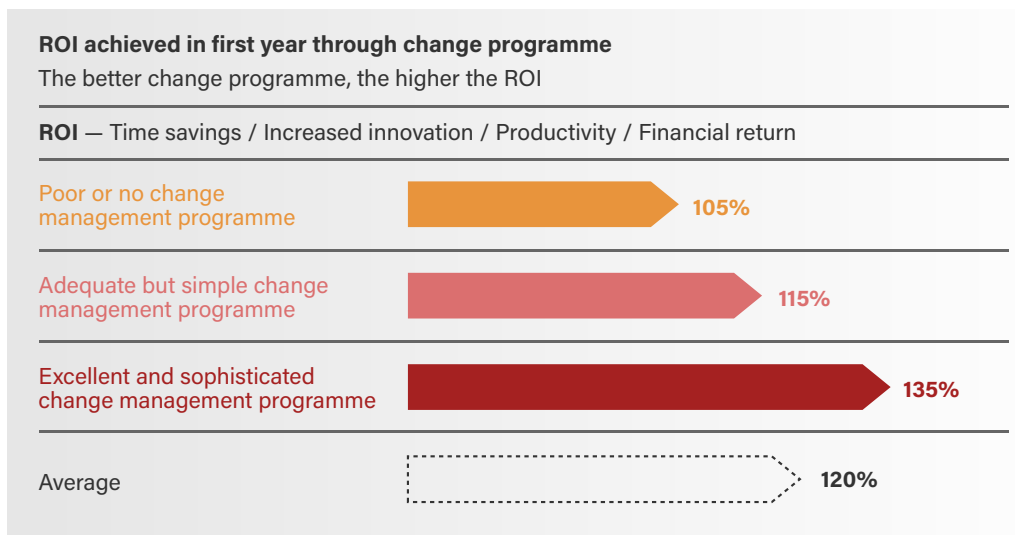
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Since its establishment in 2007, Miadria has been working with organizations with a clear goal - to help organizations to efficiently deliver change that is arising from new technologies, seamlessly. This white paper describes the change coaching approach to bringing sustainable progress to organizations.
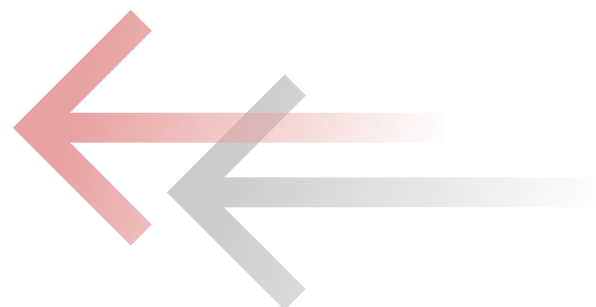
Cloud computing is one factor that has changed the needs of companies and has transformed the workplace in ways not possible before. Miadria is at the forefront of helping companies make the change and we are proud of our unique change management practice.

The Value of Change Management

Innovation and agile management of change in business is essential to stay ahead of competitors. The ROI of change management and the types of activities that make for a successful change management program.

ROI achieved in first year through change programme
The better change programme, the higher the ROI

ROI — Time savings / Increased innovation / Productivity / Financial return

Poor or no change management programme	105%
Adequate but simple change management programme	115%
Excellent and sophisticated change management programme	135%
Average	120%

ROI of excellent and sophisticated change management programs is 135%

Change management programs and activities are key to the success of organizations. According to the 2014 report from Prosci[1], projects with excellent change management are six times more likely to achieve or exceed their goals. And according to Willis Towers Watson[2], companies with highly effective change management activities are three-and-a-half times more likely to outperform their industry peers financially.

When it comes to making workplace changes, such as switching to cloud computing, it is important to note that there are often hidden benefits. For example, when asked for the reasons for embarking on the change before the project, efficiency (42%) and cost-savings (39%) were the top two benefits cited, with innovation just behind (37%). But interestingly, after the change, a more attractive and fulfilling workplace was highlighted as biggest benefit by far (47%).

[1] Best Practices in Change Management, 2014 edition
[2] 2013-2014 Change and Communication ROI study

Meet the Change

Everyone responds to change differently. Reactions tend to span a spectrum from "Let's go!" to "Don't make me move, ever, please...." Typically, leaders implementing change want everyone to step up to a "let's go" mentality—and then they become frustrated with those who are camped out on the "I'm not ready" line.

Why is change so difficult?
Quite often traditional change programs face resistance on every level of the hierarchy. Change management measures that simply serve to fulfill project milestones without taking into account the willingness of employees to contribute to the evolution of the organization often makes the situation worse.

THE MOST COMMON REASONS ARE:

1. the **vision is not clearly formulated**, so employees do not understand the motivation for change.

2. the **fear of loss of any kind** (prestige, position, prospects) outweighs expectations of the achievable success in the company.

3. management **doesn't succeed in motivating employees** or to function as role models for a willingness to evolve.

4. more experienced employees might have **past experiences of changes that were for the worse** and fear that this will be just another one "those" projects

Change management goal: drive people to recognize and accept the opportunities that change offers.

The difference that new technologies bring to the work process is immense and leaders that understand their importance are leaders that can fully utilize their potential. If there is a consensus and understanding of how important the technology shift really is for the survival of the business model leaders will be able to communicate this clearly to their employees.

Company leaders first have to decide what change is needed and how best to implement it effectively, as soon as possible, and without interrupting business processes. Setting direction is the easy part - it is really a question of taking care that some newcomers in the industry do not completely take you out of the game. The hard part is understanding that the change that new technologies will be bringing will not come overnight. It is something that management has to actively pursue with right strategy and tools.

The best practice is to immediately include change management in the process to start early planning and help guide and direct opinion makers using our expertise.

One of the critical success factors to reduce the *value gap* is change management.

What is a Value Gap?
One of the reasons organisations don't reap the full benefits of their change is that it is often perceived as something that just has to be put in place and they will reap benefits immediately (or better call it installed as in the old world). The difference that comes with new technologies has to be implemented. Installation means that organizations often expect from employees to manage themselves, along with their regular work.

They don't realise that causing change is just a milestone towards full implementation. The real challenge is committing the employees to new ways of working and to change their behaviour so that the change is implemented. This variation between installation and implementation creates a Value Gap.

The cost of installed change is high in terms of people costs, leadership credibility and also your overall competitiveness as an organization. But the answer to closing the gap and implementing a change that sticks lies firmly with your people – and in an approach we developed keeping in mind best practices worldwide as well as our experience from the field.
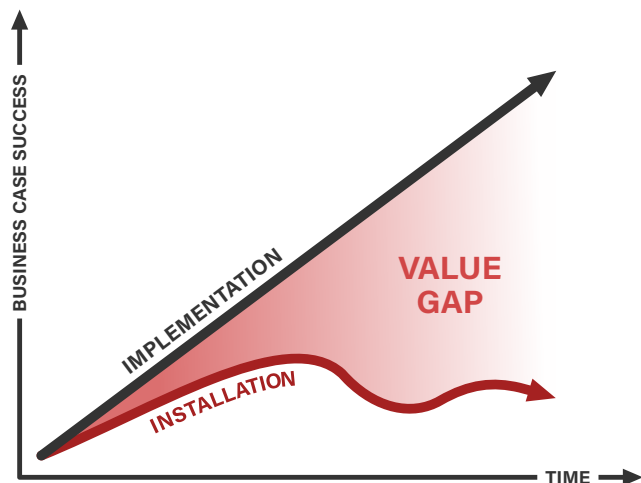
Value Gap - The reason for non-sustained implementations

Meet the Change Management

Managing change fluidly is critical for competency. Our programs equip companies to handle the human side of change and develop solutions for business problems. Our change management plan addresses the company culture as much as technology. We provide participants with a set of skills to influence the course of organizational change, handle resistance and pushback and obtain buy-in from critical stakeholders.

PRINCIPLES OF BASIC CHANGE MANAGEMENT

▶ Create, a **sense of urgency** or "burning platform,"

▶ Build **multiparty alignment** among key stakeholders on what needs to happen, by when, and how, through real (and honest) dialogue, avoiding counterproductive top-down "tell and sell";

▶ Ensure all affected stakeholders feel **involved and heard**;

▶ **Think through** and build out needed enabling tools and processes;

▶ Establish a **core team and network** of change leaders to provide real-time alerts on difficulties and enable ongoing oversight, learning, and adjustment.

WAYS WE HELP OUR CLIENTS BUILD CHANGE MANAGEMENT CAPABILITIES

▶ **Classroom training:** In-house workshops based on your organization's specific needs, complete with custom cases and role plays.

▶ **Coaching:** one-on-one assistance on individual areas of development and/or and advice on a difficult situations they are facing.

▶ **Action learning:** using "live" activities or challenges as a basis of applying the skills and concepts reviewed

▶ **The "Guides"** programme.

AREAS OF APPLICATION

▶ **Product changes** - Any new tool requires time to get users back to speed.Tool power users may need more support and training

▶ **Policy changes** - With regular inflow of new tool features, organization needs to adapt its policies on how to use them

▶ **Process changes** - New tools may require changes in internal processes and procedures

Spark the change with less pain and contact us to learn how we can help your organization walk through the change harmlessly.

Change management in digital transformation

The most challenging aspect of digital transformation isn't the technology: It's effectively managing change and getting people to embrace it.

Although companies plan to spend $1.2 trillion on digital transformation in 2017, less than half (44 percent) of IT decision makers are extremely confident in their organization's ability to achieve the vision, according to "Executing Digital Transformation", a March 2017 study by PointSource. Many of the roadblocks are related to organizational structure and culture.

Getting transformation right is critical. February 2017 research from McKinsey shows companies that get digital transformation right win market share, and those that don't actually have a negative ROI for their investments.

Digital Transformation - Do it right, or don't do it at all

In almost every consulting project, organizations want developers to create and install technology that auto-magically solves their problems. Instead, businesses need to start by closely examining their own business processes, to identify opportunities for improvement, and auditing their systems to target interdependencies and weak links. Without these steps, new technology won't make a meaningful difference.

And now we're into change management, because we're changing how the organization does business and the roles of the employees.

According to a study by Forrester Consulting and Accenture Interactive, company culture and organization tend to lag behind process and technology when it comes to digital readiness. For digital transformation to succeed, you need to make cultural change and educational aspects of transformation a highlight of your plan.

How we do it

Miadria change management team has devised a line of activities which ensure quality management so that the change is accepted and sticks with the employees. Starting with the planning and working on through a wide array of activities to the after the change is adopted.

MAXIMUM 3 MONTHS

| PLANNING PHASE | GETTING STARTED | MOTIVATION & INCLUSION | GLOBAL GO-LIVE | AFTER GO-LIVE |

Miadria's Change Management Metodolgy

The Planning phase

In the Planning phase, we identify the executive sponsor, authoritative name to back up the mission and promote the change. Aligning the new technology with internal stakeholders across the firm is vital. Then we build a change management team. The size of the team is less important, what matters is attitude and passion of the team members.

To best prepare for the change management, the team works closely to create collaterals to:

MEASURE READINESS ▶ PREPARE COMMUNICATIONS ▶ DELIVER TRAINING

To be able to understand the end users, with the team we discuss the change impact, i.e. identify what will be different once the company switches to the new solution. These changes are then addressed in the training or through communications.

To have the transition run as smoothly as possible, after the Planning phase, change management projects are divided into three phases:

GETTING STARTED ▶ MOTIVATION & INCLUSION ▶ GO-LIVE

Note: Timeline for each phase varies with the size of the company and its legacy system, but, it should not take more than three months.

Getting started
This is a phase of intensive research, planning, and often creativity. At the end of the phase, a small group of employees that are going to be the most advanced users of the solution begins to use it.

The user community is profiled to 1) target user groups that might need extra help making the switch to the new solution, 2) tailor the change management approach to the company's users, 3) understand any specific needs and incorporate it in our project plan (localization, accessibility needs…)

Motivation and inclusion
The purpose of this phase is to have a cross-section of highly motivated users and users whose involvement will be very important to the overall success of the project (typically 5-10%) begin to use the new solution, so they can gain experience with the new services. These users we call Early Adopters and they will typically include a wide array of employees roles and functions - including most of the managers and their assistants. It will all depend on the solution we are implementing.

During this phase, we deliver communications and training for Early Adopters and launch a marketing campaign to the entire company. This is the period in which we also kick off the "Guides" program and gather input from users involved in the getting started phase to adjust the communications accordingly. In short, this phase is our "dress rehearsal" for the Global Go Live.

Global Go Live
Now the company is ready for the switch, but some communication is still necessary to ensure training runs smoothly.

We keep surveying users to measure their preparedness for the switch. When the results are acceptable, we deliver communications and training to users.

After Go Live
At this point we ask: Are we attaining the client's goals with the rollout and how we can do it better? We provide full support to the client so that all new employees are trained immediately as they join the company, existing employees are provided with regular additional training so that they can always be up to the speed.

If you want your move to the cloud to be successful change management is the crucial part that will ensure that you reap all the benefits.

Contact us to find out more.

Get in Touch

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