Collinson
Grant

An approach to planning, initiating and managing change

Contents

1   Introduction

This document sets out an approach to planning, initiating and managing change. It comprises three interlinked activities, which provide the platform for securing sustained change in people, processes and performance:

- Programme management

- Managing change and building capabilities

- and an integrated methodology for managing projects and change.

2   Approach and underlying concepts

The successful management of change is a critical competitive differentiator for any business. The company that can manage change quickly, flexibly and cost-effectively is more likely to be a winner and long-time survivor in today's highly competitive world markets.
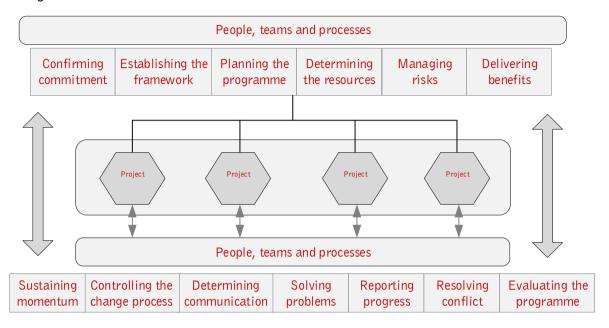
Forward-looking organisations make a considerable investment - in adopting formal procedures and standards and in training managers and specialist staff - to ensure that they have the skills and techniques for managing change. Moreover, they create a culture that encourages change, values experience and rewards innovation.

One of the most effective ways of achieving change and exploiting opportunities is the delivery of carefully planned projects. The management of projects is also a key building block in the development of many people's careers. A good project manager will usually be a good general manager. The reverse does not always apply.

This document highlights the interdependence between managing a major programme of change and the disciplines of project management and change management. It is derived from our generic approach to achieving substantial step-changes in large businesses and needs further development and refinement to fit the particular circumstances of each company.

3   Programme management

When a complex change programme is planned, it is essential to create a robust managerial framework that sets out accountabilities and confirms that the investment in new initiatives is well-controlled and likely to improve performance significantly. In our experience this is best achieved by establishing an overall Steering Group that delegates responsibility to a full-time Programme Manager. The structure should combine the varying components of a successful change initiative.

People, teams and processes					
Confirming commitment	Establishing the framework	Planning the programme	Determining the resources	Managing risks	Delivering benefits

Project   Project   Project   Project

People, teams and processes					
Sustaining momentum	Controlling the change process	Determining communication	Solving problems	Reporting progress	Resolving conflict	Evaluating the programme

The principal responsibilities of the Programme Manager are:

- to confirm the overall vision and strategy for change

- to plan the total programme for change

- to establish and own the processes for change management and project management

- to control the communication processes and ensure that consistent and positive messages are reinforced through formal and informal channels

- to co-ordinate and facilitate change.

In addition, the Programme Manager should assess the inherent risks in taking action and ensure that current projections for performance are not jeopardised. This entails balancing pragmatic action with longer-term vision: maintaining day-to-day results while driving through organisational restructuring and resolving conflicting pressures on resources.

Other important tasks include:

- applying rigorous control to the project management process, ensuring in particular, that projects do not pass 'gates' without approval from the Steering Group

- facilitating the adequate manning of project teams by negotiating with senior managers their full-time or part-time release from other work

- conducting formal reviews of progress at agreed intervals and providing the Steering Group with suitable progress reports

- reviewing the Project Management process, promoting its adoption as good practice throughout the business

- creating mechanisms for assessing its overall effectiveness in supporting the company's goals

- ensuring that the outcomes of projects are sustained after the team has been disbanded

- providing adequate resources for training employees in project management and analytical techniques

- creating and managing a process for the formal evaluation of separate projects and the overall change programme.

Most large programmes of change are planned in phases and include a simple pattern of Planning - Investigation and Analysis - Implementation - Evaluation. This cycle is repeated frequently in each of the phases and for the programme as a whole.

The Programme Manager should be somebody who:

- knows the business well and understands its underlying culture

- has strong interpersonal skills and the credibility to be able to intervene quickly when the situation demands

- has a reputation as somebody who gets things done.

4 Managing change and building capabilities

Winning organisations are able to combine the separate but complementary disciplines of managing change and managing projects. They are aware of when formalised project management procedures should be applied and how these can supplemented by understanding the 'softer' behavioural framework of change management. They take action to build the capability of the organisation so that it can react more quickly to competitive forces and initiate its own tactical improvements. This section sets out a framework for managing change and is followed by an overview of project management techniques. In a major improvement initiative both disciplines must be carefully integrated so that the full benefits of each approach are realised.

4.1 Understanding the organisation and its culture

A programme of change starts with a thorough appraisal of the business and its culture, people and history of change. The objective is to determine what values, behaviour and structures - both formal and informal - underpin the organisational culture. A series of diagnostic tools can be used:

- to characterize the prevailing managerial style (open, consultative, autocratic et cetera)

- to recognise the nature of the underlying controls in the business

- to establish the efficiency of both the organisation's formal structures and its informal networks

- to determine the resources available to promote change and any likely shortfalls

- to identify the initial sources of commitment or resistance to change.

We utilise a series of short, questionnaire-based surveys to provide a snapshot of the organisation and its readiness for change. These are reinforced by structured interviews with selected managers. The results provide an objective benchmark against which to measure progress

4.2   Establishing the case for change

All organisations are subject to constant, minor change. But to initiate substantial, step-change the case must be established and proven and the various factors linked to a clear business argument for improving competitiveness and/or long-term prospects.

A clear, compelling business case should marshal quantitative and qualitative arguments and generate a sense of urgency among senior managers. The resulting new objectives will support the development of a fresh vision and strategy for the organisation.

Managers are most committed to ambitious programmes of change for which they have analysed and defined the need.

Which categories of employees will be affected by change and what will their response be?

Category				
Impact on this group?				
Low 1	2	3	4	High 5
Will they be persuaded or told?				
Positive 1	2	3	4	Negative 5
What level of investment will be needed to fully engage this group?				
Low 1	2	3	4	High 5

4.3   Formulating the vison and strategy

A vision of where the business will be, what it will look like and how it should behave in the future should be derived from the case for change. This should be formulated in a series of short, unambiguous statements that set out clearly what has to be achieved and by when. The strategy to reach the vision is the broad route-map that sets out the principal business arguments and competitive reasoning to justify a significant programme of change. At this stage it should also confirm the scope of change:

- Markets and customers

- Products and services

- Organisational structure

- Business processes

- People and reward systems

- Technologies.

4.4   Building the team and supporting infrastructure

The infrastructure for managing a change initiative should be defined to meet the circumstances of each case, but will include a balance between:

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        Sponsor                              Agents

     Steering group                       Project teams



                        Programme
                         Manager



       Supporters                          Targets

   Specialists/consultants          Business units/processes
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Most successful change is achieved by teams, but it is important to recognise the different tasks that individuals have:

- **Sponsor** – the individual or group authorising the initiative

- **Agent** – the people or teams responsible for implementing change

- **Target** – the individual or group who must actually change

- **Supporter** – those people or groups that advocate and facilitate change without having specific responsibility for it, or that support it with specialist skills.
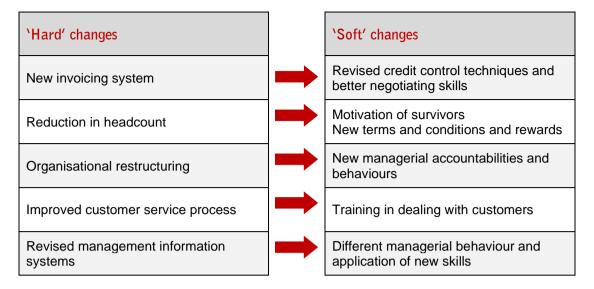
If change fails, it can usually be linked to the failure of one of these groups. If the commitment of the sponsors or agents is in doubt the reasons should be assessed and action initiated to strengthen it.

The team or teams selected to act as the main agents of change should comprise people with a mix of technical abilities and personal styles - not necessarily all senior, but respected within the organisation, not outsiders. The business needs 'movers and shakers' whose commitment is not in doubt, tempered with a few known cynics. Many businesses use membership (or leadership) of project teams as a highly valuable testing ground for managers.

Champions can instil a sense of urgency and a spirit of 'can do'. They should be identified at an early stage, trained when appropriate and used to promote the messages for change and to cascade the programme throughout the organisation.

4.5   Planning for change

A rigorous programme for managing change is driven by a comprehensive project plan. This describes in detail each stage of the programme, how it will be realised and what resources will be allocated to it. A winning change programme integrates and balances 'hard' and 'soft' elements. Each becomes a catalyst for the other, but only when they are managed in parallel:

'Hard' changes		'Soft' changes
New invoicing system	➡	Revised credit control techniques and better negotiating skills
Reduction in headcount	➡	Motivation of survivors New terms and conditions and rewards
Organisational restructuring	➡	New managerial accountabilities and behaviours
Improved customer service process	➡	Training in dealing with customers
Revised management information systems	➡	Different managerial behaviour and application of new skills

The complexity of the plan should reflect the perceived complexity of the project. Before the final plan can be assembled a decision must be taken whether or not it should include the following elements:

- the vision and strategy for change

- the business case and objectives

- the sponsor(s) and their needs and expectations

- the resources required and their availability

- how much training will be required to support the project and its implementation

- a cost and benefit analysis

- risks inherent in the project

- timescales

- alternative options for action

- major packages of work

- responsibilities of teams and individuals

- the critical path analysis

- communications

- quality assurance

- assessment of success or failure.

The core project-planning tool is a Gantt chart with associated schedules of resources and milestones. Depending on the complexity of the project, it may be necessary to have a separate procurement schedule and a quality plan. In every case, there should be a self-standing but linked communication plan

Extract from a Microsoft Project plan

ID	Task Name	
8	Analysis, Requirements & Data + Tools Investigation	
9	Requirements Specification	
10	Produce memo to send to MDs & CDs	CMB[50%]
11	Approve memo & distribution list	HC,JB
12	Issue memo / await & chase responses	CMB[20%]
13	Acquire & brief project staff - BA & DA	CMB[29%]
14	Prepare for SBU & Sales Division workshops	CMB[30%],BA[25%],DA[25%]
15	Confirm specification of PR User Requirements (Workshops)	CMB[107%],BA[25%],DA[3%]
16	Determine priority of PR user requirements (Workshops)	
17	Produce PR user requirements document	CMB[137%],BA[105%]
18	Distribute PR user requirements specification for sign off	
19	PR User requirements specification signed off	10/10
20	Agree / confirm approach to PR project in light of interim Nottingham approach.	CMB,HC,JB

(Timeline header: Qtr 3, 2000 — Jul, Aug, Sep; Qtr 4, 2000 — Oct, Nov, Dec; Qtr 1, 2001 — Jan)

4.6   Communication and consultation

A carefully constructed communication plan is an integral part of every programme of change. Too often programme managers forget that communication should be a two-way process. It is vital to elicit employees' opinions and listen to their fears and concerns, rather than foist information on what might be an unreceptive audience.
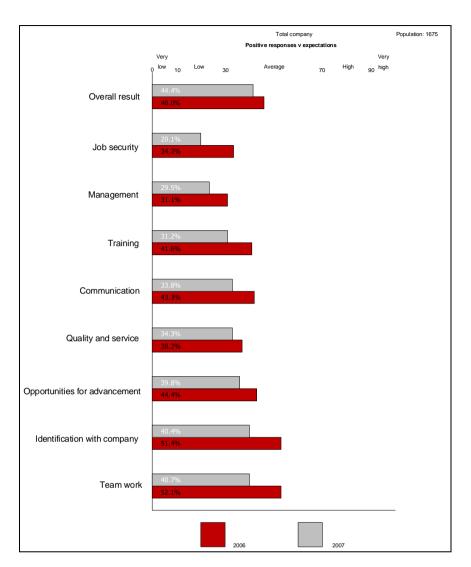
At different stages in the exercise managers should consider formal and informal mechanisms for assessing employees' reaction to change and their relative commitment to new working practices. This can be achieved through paper or web-based surveys, focus groups and/or structured and semi-structured interviews. With a continuous stream of informed comment coming back from the coal face, it is possible to refine and adapt the change programme to enhance its prospects of success.

Communication is a sophisticated process and its planning must match its execution. The key messages should be aligned with the published vision and strategy, and consistent, honest and expressed frequently.

The plan should consider:

- who needs to be kept informed - employees, customers, suppliers and owners?

- what do they need to know?

- how much about it do they need to know?

- how often must they be kept informed?

Again, in a complex programme of change, the communication between different change teams, as well as with programme managers and employees, will be important to consider and manage.

Comparing results from annual surveys of employees' opinions

4.7 Managerial competences

Although the ability to manage change should be a core managerial attribute, some are clearly better equipped than others. The organisational culture provides the framework for honing managerial skills, but a major project offers the opportunity for assessing the gaps and adding new competences.

A range of different skills might be considered:

- **Leadership** – the ability to provide inspirational behaviour.

- **Political** – an understanding of the complexities of internal and external relationships and the driving motivations behind change.

- **Team-building** – the ability to assemble, motivate and manage multi- disciplinary teams

- **Analytical** – the ability to employ a range of analytical techniques and to be able to manage complexity whenever necessary.

- **Developmental** – the ability to recognise training and development needs in others and take formal or informal steps to meet them.

- **Motivation** – the ability to demonstrate energy and commitment in testing circumstances while keeping an eye on the ball.

Apart from the opportunities that the change programme itself offers, there are numerous other approaches that can be utilised to enhance the overall managerial capacity of the business. Regular and one-off appraisals of managers should indicate which are the most appropriate techniques:

- coaching/mentoring with a more senior manager

- secondment to other responsibilities to broaden experience

- attending short, external training programmes at selected business schools (which in most circumstances can be tailored carefully to meet managers' precise needs)

- directed, self-learning programmes (often, but not exclusively web- based), under the supervision of a senior manager or peer in order to maintain focus and commitment

- enrolment on a longer-term development programme, for example a part-time or distance learning MBA.

4.8   Implementing the new organisational structure

The new organisational structure (and its associated new working procedures) can be implemented, in stages if necessary, when each of the previous steps is in place. The project plan will determine the scope and timing of each package of work, its timing and interdependence with the others, and who is responsible for its execution. The components of each package might contain:

- a new organisational chart with revised managerial accountabilities and headcount

- flow-charts to define the key business processes and their underlying sub-processes

- a description of the impact of changes in the organisation and business processes on relationships with customers and/or suppliers and any other parties affected

- a description of the main effect of the changes on employees, including any necessary changes to terms and conditions of employment and reward

- an assessment of the principal risks inherent in the proposed change and the actions necessary to mitigate them

- a summary of the expected benefits and when they should be realised.

4.9   Achieving quick wins

Because success breeds success, it is extremely useful to secure tangible gains early on in a project. This reinforces the commitment of all, wins over the waverers and secures the approval of project sponsors.

The opportunity for quick wins should be built into the project plan - so they should not be unexpected. They should provide mechanisms for testing new ways of working that provide confidence that larger initiatives in the pipeline can be realised satisfactorily. Early success should be celebrated and communicated widely throughout the organisation

4.10 Monitoring and review

Every significant programme of change should have formal processes for monitoring and review:
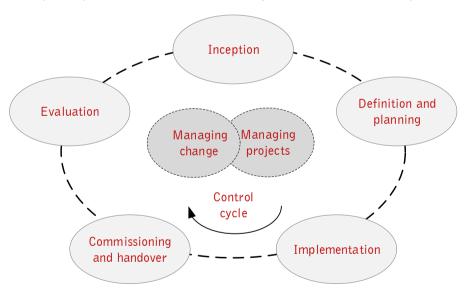
- to ensure that the programme maintains its momentum and delivers benefits when and where they have been planned (this process should normally be an integral part of the project plan)

- to capture data and learning experiences that have longer-term lessons for the management of change in the business and that will contribute to the success of future initiatives.

5 An integrated methodology for managing projects and change

The following pages set out the main elements of each phase in the project management cycle - and, where appropriate, indicate the critical elements of change management. These are the skills and behaviours of individuals and teams that facilitate the evolution of the organisation and underpin superior performance. Project management has its own vocabulary which must be adapted to fit the structure and culture of the business. This will reinforce the ownership of a new in-house methodology. In addition, the business should create its own standard documentation for reporting and controlling projects.

5.1 Inception

There are five key phases in the execution of any successful project. A formal decision 'gate' between each phase provides the framework for a systematic and controlled process.

Key considerations for managing change
Assembling and building effective teams
Understanding underlying motivations and pressures
Resolving conflicts
Considering the impact of proposals throughout the whole business
Negotiating internal contracts and confirming personal commitments to action

The inception phase has several stages:

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Preliminary screening to ensure the idea has merit

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- Confirm that a similar project does not exist

- Appoint the initial study team

- Identify client's needs and expectations

- Develop initial stakeholder list

- Identify and record constraints and assumptions

- Review resource requirements

- Evaluate options and alternatives

- Perform cost and benefit analysis

- Evaluate project complexity

- Full project proposal and charter

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Project approved to proceed to the next stage, rejected or put on hold

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5.2 Definition and planning

Project definition

Key considerations for managing change
Creating the climate for strong leadership and team building
Negotiating with line managers for the release of staff
Using diagnostic tools to analyse the portfolio of managerial and specialist skills
Understanding the aptitude of managers
Building ownership of tasks and new accountabilities
Balancing conflicting demands on resources and time

There are four main stages:

- Appoint a project manager

- Assess the necessary resources

- Draft the initial implementation plan

- Conduct an initial review of risks and create a log.

Project planning

Key considerations for managing change
Ensuring that communication is two-way
Creating opportunities for employees to contribute wherever possible
Ensuring that messages are consistent and reinforced by managerial action
Confirming everybody's understanding of the necessity to complete assigned tasks on time and/or report under-performance

There are 15 main stages:

- Confirm client's requirements, the project's scope, the stakeholders and their interests

- Establish a structure for the project work

- Define a matrix of responsibilities

- Perform critical path analysis

- Develop the initial Gantt chart

- Develop the procurement schedule for additional, external resources

- Select HR

- Optimise the schedule

- Develop final MS project plan, Gantt chart and estimate of resources

- Estimate project cashflow

- Develop communication plan

- Develop quality plan

- Review risks and update risk log

- Freeze project baseline plan

- Review and validate cost and benefit analysis.

> **Project plan approved to proceed to implementation, more data requested, or the project rejected or put on hold**

5.3 Implementation

Key considerations for managing change
Preparing for and managing successful meetings
Demonstrating leadership and sensitivity to colleagues' concerns
Ensuring that team members have the appropriate skills

Key considerations for managing change

Resolving problems and removing barriers to progress by using the right techniques

Testing how the principal communication messages are being received and changing them if necessary

The implementation phase has ten key stages including two feedback loops to ensure satisfactory progress is being maintained:

- Confirm the process for dealing with changes in the project

- Develop project reporting and a schedule of milestones

- Hold launch meeting

- Issue work plans

- Monitor and measure progress to plan

- Sustain communications

- Solve problems

- Update project records

- Review risks and continue to plan ahead

- Plan for sustainability.

Project plan approved to proceed to commissioning, more data requested, or the project suspended or terminated

5.4   Commissioning and handover

Key considerations for managing change

Clarifying the effect on people of revised methods of working

Building commitment to accept new working practices

Reviewing the short and longer-term developmental needs of managers and others

Managing the politics sensitively to tie up loose ends and ensure that sponsor's needs have been met

Commissioning has nine key stages:

- Confirm post-project operating processes

- Identify line management responsibility

- Develop commissioning schedule and confirm needs for implementation

- Review and validate cost and benefit analysis

- Update risk log

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Steering group approves the commissioning plan
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Address any concerns of the steering groups

- Execute commissioning plans.

Handover has four stages:

- Confirm criteria for completion

- Review project status – all tasks complete or not?

- Sign off completion

- Complete project records.

5.5 Evaluation

Key considerations for managing change
Learning and applying the lessons derived from formal review and embedding them in future activity
Understanding the cultural changes that have been achieved and taking steps to ensure that they are secure

There are seven main stages:

- Prepare evaluation report

- Overall review by the steering group

- Report and steering group's comments noted by the process owner

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Determine any necessary changes to the overall methodology for managing projects
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- Complete final post-project review – at a time determined by the steering group

- Revisit the cost and benefit analysis

- Prepare final summary report.

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