Driving Project Success with Organizational Change Management
Agenda

• Introductions & Objectives
• OCM Defined
• Driving Project Success with OCM
• Building an OCM Capability
• Case Study: OPRS ERM Program
Speakers

Carrie Frandsen
UC ERM Program Manager

Caroline Griswold
IBM OCM Consultant

Jasmine Jarvis
IBM OCM Consultant
Objectives

1. Build high-level understanding of the Organizational Change Management (OCM) discipline
2. Learn the first steps for building your organization’s OCM capabilities and incorporating OCM on your programs or projects
3. Case Study - Learn how the UC Enterprise Risk Management Program has been building its OCM capabilities and using OCM to drive project success
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Let’s talk about change…
So why do people naturally resist change?

- Low tolerance for uncertainty
- Fear of the unknown
- Lack of awareness or understanding of the change
- Fear of being exposed
- Self-interest e.g. desire not to lose something of value, focus on self rather than organization

- Threatened power
- Threatened expertise
- Inter-department rivalry
- Organizational climate
- Reward system not aligned
- Past history/Change fatigue
Organizational Change Management (OCM) is the application of a structured method, processes and set of tools that can be used by an organization’s leadership or project management team to proactively manage change.

**WHAT MAKES CHANGE SUCCESSFUL?**
Leadership, employee engagement and honest communication are prerequisites for successful change.

<table>
<thead>
<tr>
<th>Soft Factors</th>
<th>Hard Factors</th>
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<tbody>
<tr>
<td>Top management sponsorship</td>
<td>92%</td>
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<tr>
<td>Employee Involvement</td>
<td>72%</td>
</tr>
<tr>
<td>Honest and timely communication</td>
<td>70%</td>
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<tr>
<td>Corporate culture that motivates and promotes change</td>
<td>65%</td>
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<tr>
<td>Change agents (pioneers of change)</td>
<td>55%</td>
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<tr>
<td>Change supported by culture</td>
<td>48%</td>
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<tr>
<td>Efficient training programs</td>
<td>38%</td>
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<tr>
<td>Adjustment of performance measures</td>
<td>36%</td>
</tr>
<tr>
<td>Efficient organization structure</td>
<td>33%</td>
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<tr>
<td>Monetary and non-monetary incentives</td>
<td>19%</td>
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</table>

*Source: IBM Global Making Change Work Study, 2008, (n = 1,532)
The IBM Better Change Method contains six change enablers linked to value realization.

Each enabler is comprised of topic-specific change modules with step-by-step guidance (Gold Standard material) to enable and accelerate the change program.
# OCM Activity Definitions

<table>
<thead>
<tr>
<th>Activity</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>Change Strategy</strong></td>
<td>• Define what’s changing and why (case for change)</td>
</tr>
<tr>
<td></td>
<td>• Define the associated benefits and impacts</td>
</tr>
<tr>
<td><strong>Executive Sponsorship</strong></td>
<td>• Identify an executive sponsor</td>
</tr>
<tr>
<td></td>
<td>• Engage the sponsor throughout the project lifecycle</td>
</tr>
<tr>
<td><strong>Stakeholder Engagement</strong></td>
<td>• Identify the project stakeholders &amp; associated impacts</td>
</tr>
<tr>
<td></td>
<td>• Actively engage stakeholders to gain commitment</td>
</tr>
<tr>
<td><strong>Communications</strong></td>
<td>• Develop key messages, identify vehicles, build schedule, etc.</td>
</tr>
<tr>
<td></td>
<td>• Deliver communications throughout the project lifecycle</td>
</tr>
<tr>
<td><strong>Training</strong></td>
<td>• Identify any skills gaps &amp; training needs, develop approach</td>
</tr>
<tr>
<td></td>
<td>• Develop &amp; deliver training</td>
</tr>
<tr>
<td><strong>Adoption Metrics &amp; Assessment</strong></td>
<td>• Determine success metrics</td>
</tr>
<tr>
<td></td>
<td>• Monitor metrics and update plans accordingly</td>
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</tbody>
</table>
Purpose of OCM

OCM Activities

Stakeholder Buy-In & Commitment

Increased Probability of Project Success

Source: IBM Commitment Curve
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Studies on organizational change

Making Change Work Study—2008

Examined how organizations manage change and gained practical knowledge about how to increase the likelihood of project success

Change Diamond with 4 Facets

Making Change Work Study—2014

Gained insights into the new environment of continuous transformation and the attributes of organizations that are highly successful in managing change

Change Maturity Model
Practitioners reported that on average only 41% of projects were considered successful.

44% of all projects failed to meet either time, budget or quality goals, while 15% either stopped or failed to meet all objectives.

When nearly 60% of projects fail to meet objectives, significant expense is incurred in wasted money and lost opportunities.

Source: IBM Global Making Change Work Study, 2008, (n = 1,532)
The top 20% of organizations reported an 80% project success rate, nearly double the average.

Share of Successful Projects

- The top 20% of organizations reported an average project success rate of 80%, reflecting a 95% increase above the average number of successful projects.

- Conversely, the bottom 20% reported project success rate was a dismal 8%.

Source: IBM Global Making Change Work Study, 2008, (n = 1,532)
What accounts for the vastly different rates of success?
Analysis identified four important focus areas that were highly correlated with project success

Why organizations excel:
The Change Diamond

- Right Investment
- Right Impact
- Better Skills
- Better Change
- Real Insights
- Real Actions
- Solid Methods
- Solid Benefits

- Detailed analysis of our study results revealed a highly significant correlation between project success and four important areas of focus: real insights, solid methods, better skills and right investment.

- These four change-related focus areas are represented graphically as four facets of what is called the Change Diamond.

- When combined effectively, taking actions to address each of the diamond’s four facets provide a synergistic benefit even greater than the sum of their individual impacts resulting in even greater project success rates.

Source: IBM Global Making Change Work Study, 2008, (n = 1,532)
The Change Diamond

**REAL INSIGHTS, REAL ACTIONS**
Strive for a full, realistic awareness and understanding of the upcoming challenges and complexities, then follow with actions to address them.

**SOLID METHODS, SOLID BENEFITS**
Use a systematic approach to change that is focused on outcomes and closely aligned with formal project management methodology.

**BETTER SKILLS, BETTER CHANGE**
Leverage resources appropriately to demonstrate top management sponsorship, assign dedicated change managers and empower employees to enact change.

**RIGHT INVESTMENT, RIGHT IMPACT**
Allocate the right amount for change management by understanding which types of investments can offer the best returns, in terms of greater project success.
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To build an organizational change capability, organizations must have a clear understanding of their current change maturity and the steps needed to build or mature the change program overtime.

### Organizational Change Management Maturity Model

<table>
<thead>
<tr>
<th>Informal</th>
<th>Emerging</th>
<th>Formalizing</th>
<th>Scaling</th>
<th>Embedded</th>
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<tbody>
<tr>
<td>Build the muscle</td>
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<tr>
<td>No standard approach to manage organizational change</td>
<td>No formal organizational change management method or associated learning</td>
<td>Standard change management method in place</td>
<td>Formal change-management training for all relevant roles and change efforts coordinated centrally</td>
<td>All change-relevant roles upskilled by formal training to ensure change capabilities broadly available to manage diverse change activities</td>
</tr>
<tr>
<td>Make change matter</td>
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<tr>
<td>No change-specific activities built into project plans and measurements</td>
<td>Change-specific measures as a part of project status</td>
<td>Change management activities and tools consistently applied to specific projects</td>
<td>Enterprise-wide application of a standard change discipline across a transformation portfolio of projects</td>
<td>Continuously invest in and integrate change management activities; apply formal methods and tools; regularly monitor adoption of change</td>
</tr>
<tr>
<td>Lead at all levels</td>
<td>Lead at all levels</td>
<td>Lead at all levels</td>
<td>Lead at all levels</td>
<td>Lead at all levels</td>
</tr>
<tr>
<td>Rely upon top management to act as change leaders</td>
<td>Leaders coached on fundamentals of change management and change-leadership skills are part of personal goals and development plans</td>
<td>Leaders enabled to create commitment to change among different stakeholders</td>
<td>Leaders at all levels held accountable and strong emphasis on enabling both top and middle managers as change leaders</td>
<td>Change is embedded into the corporate culture of the enterprise and as part of every organization member’s mindset, behavior and way of working</td>
</tr>
</tbody>
</table>

Source: IBM Global Making Change Work Study, 2014
What can you do to get started?

• Conduct an OCM maturity assessment to determine “as-is” maturity
• Identify desired maturity level and associated timelines
• Develop a plan to close the gap. Key activities might include:
  – Determine the organization level at which the change program will exist (programmatic, departmental, functional, enterprise)
  – Build the business case and secure executive and financial support
  – Set specific criteria for success upfront to be able to demonstrate results, be prepared to make course corrections as needed
  – Adopt or build a formal change management method and supporting assets, embed in project management plans and apply consistently to projects (but allow for tailoring)
  – Define the “change manager” role (career path, job description, competencies)
  – Build change management skills across the organization (executives/change leaders, project managers, change managers, informal change champions)
  – Develop a change management community of practice to share methods, assets, best practices, lessons learned, etc. organization-wide (SharePoint TeamSite)
IBM’s Better Change Maturity Assessment allows for quick understanding of actions to mitigate the change capability gap

New Better Change Maturity Assessment!

- Based on IBM’s own approach to building enterprise-wide change capabilities and the findings of the latest Making Change Work study
- Find answers to the question: “We’re not change experts, but how do we get there?”
- Leverages IBM’s new online change maturity assessment
- Includes a workshop to develop action plan

How to get started?

- Contact Caroline Griswold to coordinate your organization’s individual IBM Better Change Maturity Assessment.
- Email: Caroline.Griswold@us.ibm.com
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• Develop an OCM capability to drive user adoption and increase project success rates
• Move the program from informal to formalized by the end of 2015

Source: IBM Global Making Change Work Study, 2014, (n = 1,390)
ERM PMO - OCM Action Plan

1. Conduct as-is assessment of any existing OCM-related processes or tools
2. Develop future-state OCM method/processes and align to ERM project management method
3. Build supporting OCM toolkit
4. Train ERM team on method and toolkit
5. Incorporate OCM on new ERM projects, update toolkit based on user feedback
Align OCM to Project Management Method

Plan & Mobilize
- Change Description
- Executive Sponsorship Checklist
- Communications Approach
- Adoption Metrics

Discovery
- Stakeholder Analysis
- Initial stakeholder survey, interviews, focus groups

Iterative Design & Development
- Tactical Communications Plan
- Training Plan

User Acceptance Testing
- Training Delivery

Deployment & Close Out
- Adoption Assessment

Ongoing Stakeholder Engagement & Communications
A project example: UC Ready Enhancement Project

- **Background:**
  - System-wide roll-out of a new continuity planning tool
  - Includes key enhancements to system functionality and enables a shift from department-level to campus-level continuity plans
  - Impacts a diverse set of stakeholders at each location across the UC system
  - Needed to understand stakeholder impacts, concerns, information needs etc. for each group and develop targeted messaging and engagement strategies
  - Developed approaches and materials centrally, provided guidance and support to local BCPs and allowed for local customization

- **Duration:** February 2015 – ~September 2015
A project example: UC Ready OCM

- Change Approach
- Stakeholder Analysis
- Stakeholder Surveys
- Communications Approach/Timeline
- Communications Materials
- Training Approach
- Training Materials
Thank you!

For additional questions or information contact:

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