

Aligning Culture and Managing Change to Deliver the Benefits of Systems Implementation

What are we seeing in our client base?

Business Case

- Not clearly aligned with strategy
- Operating targets not defined or benchmarked
- Crafted for initial justification only

Project Structure

- Team has limited authority to make organisation and process changes
- Tasks to realise benefits not integrated into overall plan
- At crunch time, schedule and budget supercede benefits realisation.

Assimilation

- Assumption that everyone's at same level of readiness
- Generic changes not tailored to fit site needs
- Effort required to sustain behavioral change is underestimated
- Expectations are not managed aggressively

Benefits Ownership

- Limited executive ownership engagement
- Initiative managers not held responsible for delivering business benefits
- No direct links to rewards

Execution

- Resources required to "scale-up"/ rollout organisation and process change is underestimated
- Contingency plans are not fully developed and/or budgeted
- Legacy systems and processes allowed to remain "online" through migration period

Realizing Result

- Inability to articulate "cause and effect", vis-à-vis other initiatives
- Operating assumptions not actively maintained during extended life cycle
- Poor "marketing" of results achieved
- Real results fall short due to unanticipated issues.

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Five Components of Successful Change

■ Leadership and Vision

- Clearly articulate the vision and develop leadership skills and capabilities

■ Communication and Stakeholder Management

- Manage stakeholders and deliver effective communication

■ Training and Development

- Build individual's skills through training and development

■ Culture

- Align the current culture to support the business vision and strategy

■ Value Realisation

- Develop performance management structures to support new strategies and goals and drive benefits realisation

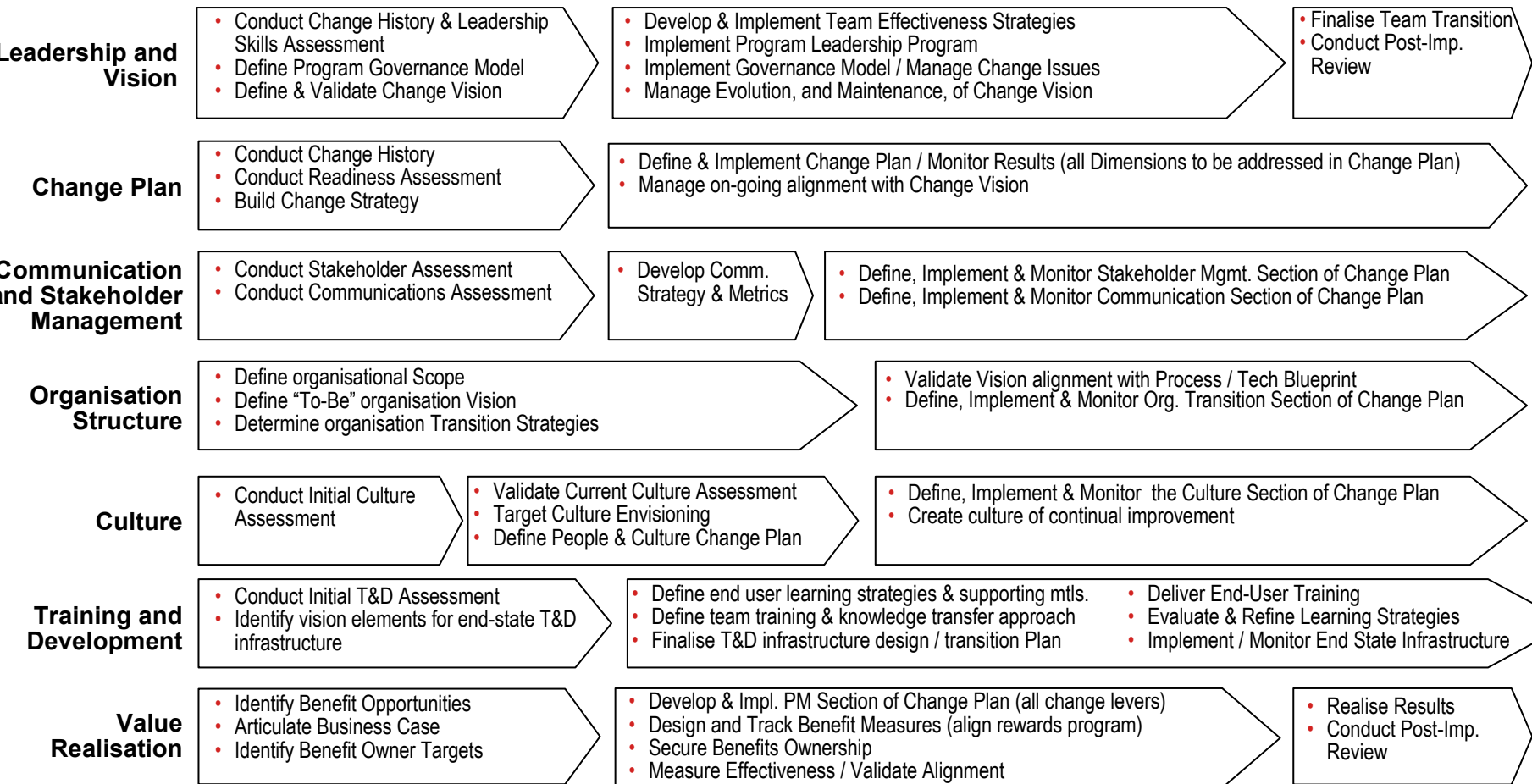
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Managing Change to Deliver Benefits



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Leadership – Key Issues:

- Senior leadership must be clearly aligned and on board to champion the change mandate. Should be a strong & clear case for change
- Senior leadership must accept responsibility to actively promote and sponsor the mandate through an effective leadership and communication program
- Consistency of message is key. Leadership behaviors are the most powerful messages and should be consistent with written or verbal messages
- Metrics and rewards of team members and leaders must be aligned with change objectives. Team members should feel they have “skin in the game”
- Roles, responsibilities and governance model should be clearly defined and monitored for effectiveness
- Team members must clearly understand linkage to career progression and personal development opportunities
- Creating consensus around change vision

Change Plan - Key Issues:

- Lack of sponsorship will undermine the most effective change strategy
- Congruency issues between benefit objectives, timing objectives, and resources made available for the program
- Need for change must be clearly understood, and Rewards structure should be aligned accordingly (Metrics and Compensation)
- Governance model must be tailored to program, with role clarification for every member and clearly understood by team members and stakeholders
- Co-ordination of IT and non-IT resources
- Ensuring business continuity during transition

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Communication and Stakeholder Management - Key Issues:

- Positioning as organisation change rather than system change
- Clear communication of need for change
- Over-coming fear of new technology
- Managing involvement of impacted community
- Helping impacted community understand linkage to Rewards Program (metrics and compensation)
- Breaking down functional, geographic & business unit barriers
- Sustaining interest throughout the lifecycle
- “Connecting the dots” – how do our efforts relate to other improvement initiatives

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Culture - Key Issues:

- Understanding of external marketplace factors which may dictate changes to culture
- Leadership culture & behavior internal to organisation may not be consistent with Change Vision objectives
- Managing alignment between values and strategy
- Belief culture change is “only an HR issue”
- Belief culture change can be achieved simply through loud and frequent communication of change goals
- Belief that culture change is something that “unfolds” and is therefore unnecessary to plan for
- Business leaders failing to make linkage between desired value / cultural changes and their own demonstrated behaviors
- Leadership understanding of time commitment required to successfully implement cultural change

Training and Development - Key Issues:

- Identification of appropriate learning strategies and technologies for client culture in order to accelerate learning, optimise results, and reduce overall implementation costs
- Effectively integrating training material development with process, organisation, and application design to ensure accuracy of final product
- Designing, developing, and delivering role- and/or process-based training programs that truly address the day-to-day job responsibilities of the end user
- Developing an effective means of assessing employee readiness for go-live
- Proper allocation of resources (personnel and hardware) to create and maintain infrastructure required to support end-user training
- Development and implementation of a maintenance plan to support on-going training needs stemming from system and/or process changes

Value Realisation – Key Issues

- Conduct stakeholder analysis
- Monitor/re-enforce benefits ownership
- Define key management actions required to achieve benefits realization
- Assess leadership, organisation structure and cultural enablers needed to drive change
- Evaluate/align performance scorecards and incentive compensation
- Develop action plan for value realisation

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