

# Change Management: Essential for successful ERP projects

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The logo for the Change Management Learning Center features the text "Change Management Learning Center" in a sans-serif font. The words "Change" and "Management" are stacked on the top line, and "Learning Center" is on the bottom line. A stylized orange and white graphic element, resembling a curved arrow or a stylized 'C', is positioned to the right of the text.

*Change  
Management*  
Learning Center

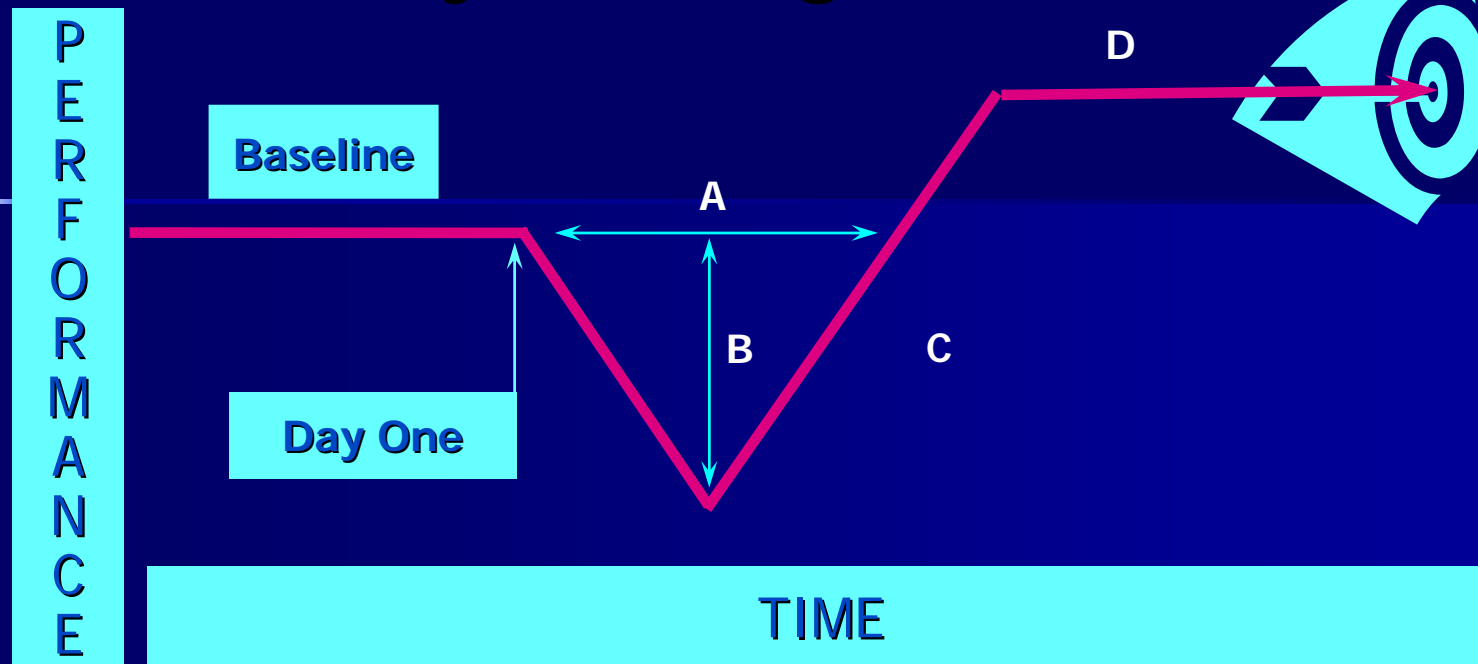
# Agenda

- Introduction to Change Management
- Why Manage Change
- Project Management Vs. Change Management
- Change Management Methodology & Tools
- Change Management Training
- Summary & Questions

# Why Change?

- **Change** is part life
- Rapid change in technology, communications and information mean that organization must continuously **change** to Improve, survive and succeed
- If you do not ride the wave of **change**, you will find yourself beneath it

# Why manage it?



## OCM Objectives

Minimize A: Duration of performance drop-off during assimilation period

Minimize B: Depth of performance drop-off during assimilation period

Maximize C: Performance level after implementation

Maximize D: Consolidation of desired performance level

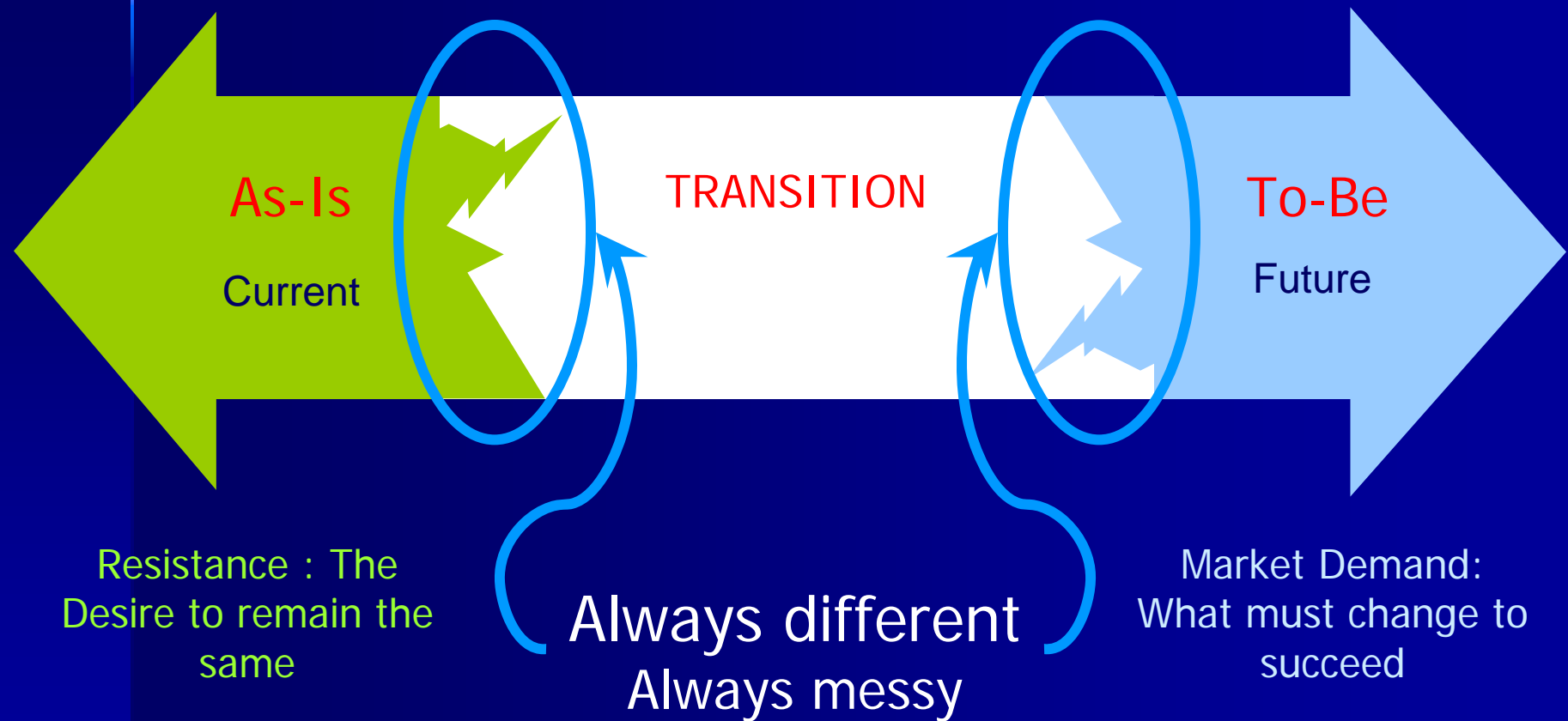
**CM addresses these business-result defining events**

Change Management is about preparing the people...

Change Management is a systematic approach to enable business transformation by encouraging positive changes in any organization, improving competence & productivity, and increasing the performance of the people

All Change Management begins with a basic principle:

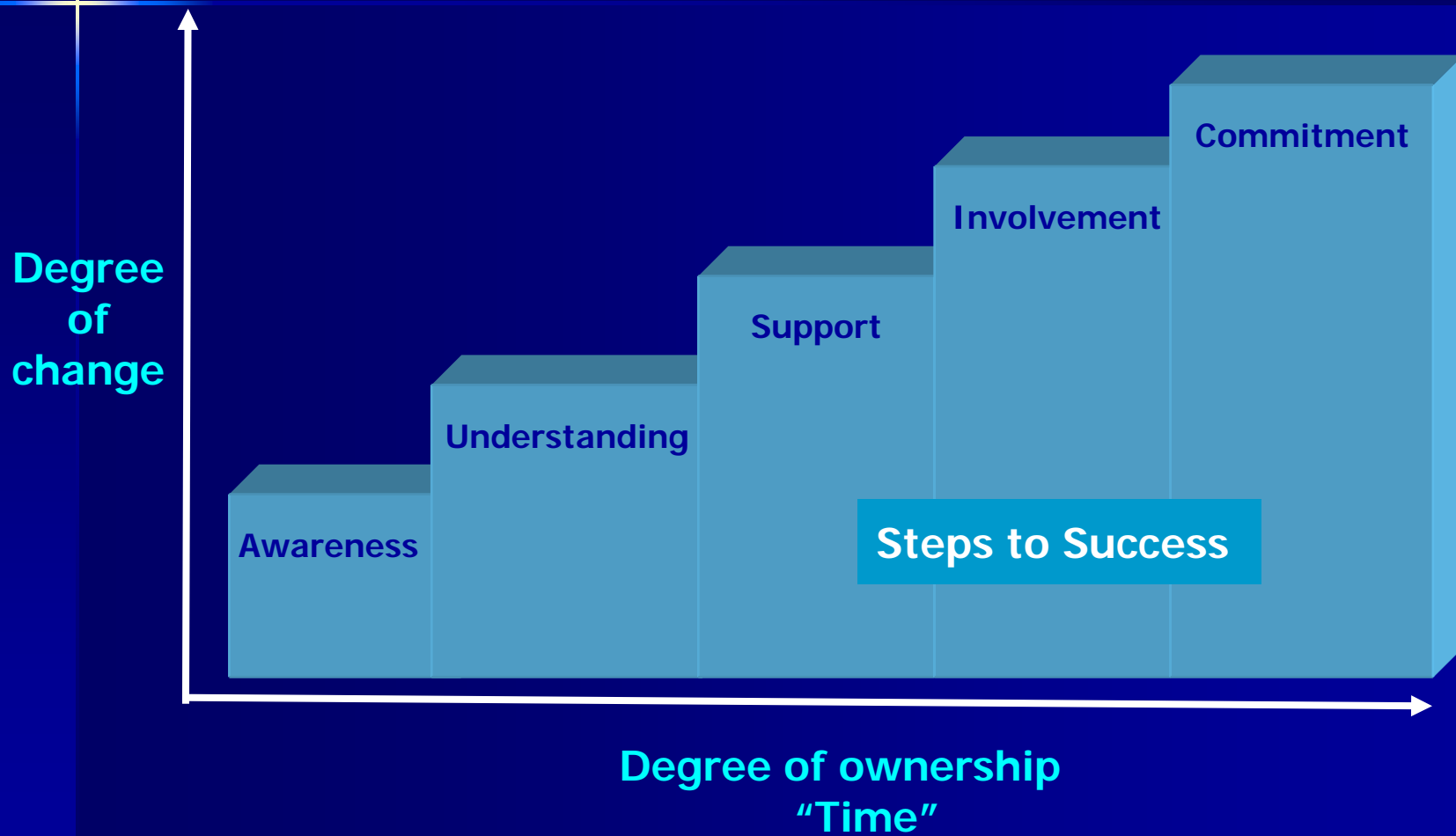
**During change people go through three States:**



# What is change management?

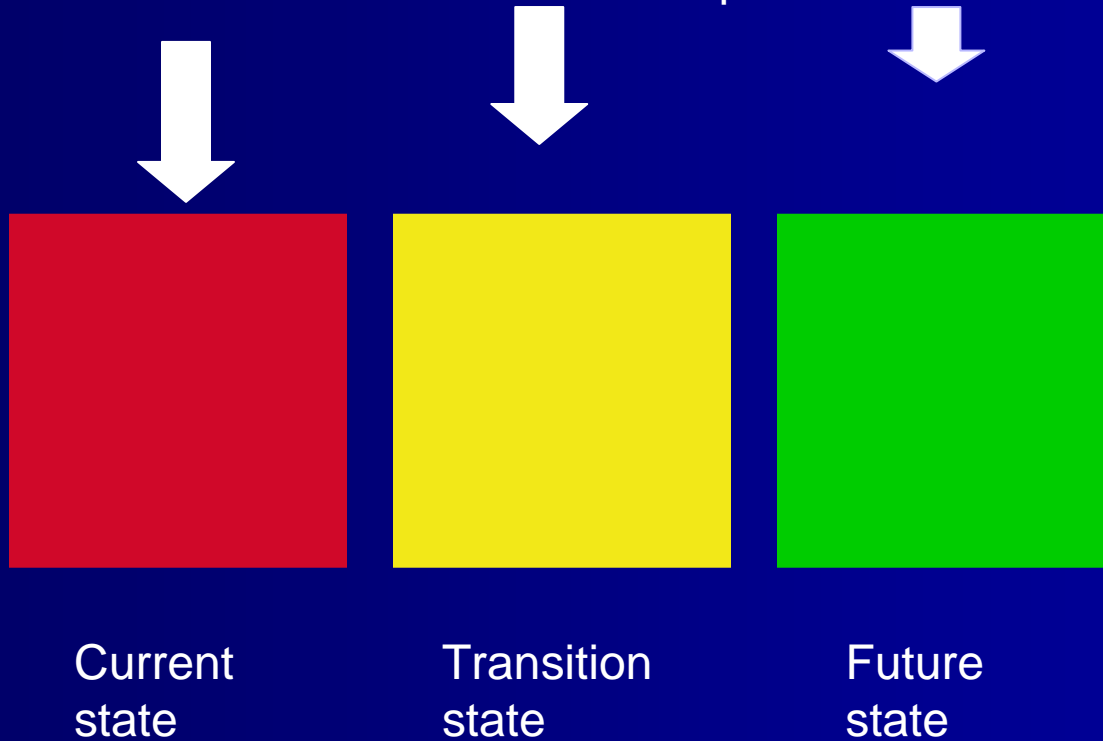
- Change management is a structured process and set of tools for leading the people side of change.
- A leadership competency for enabling change within an organization.
- A strategic capability designed to increase change capacity and responsiveness.

We need to understand each constituency's level of readiness



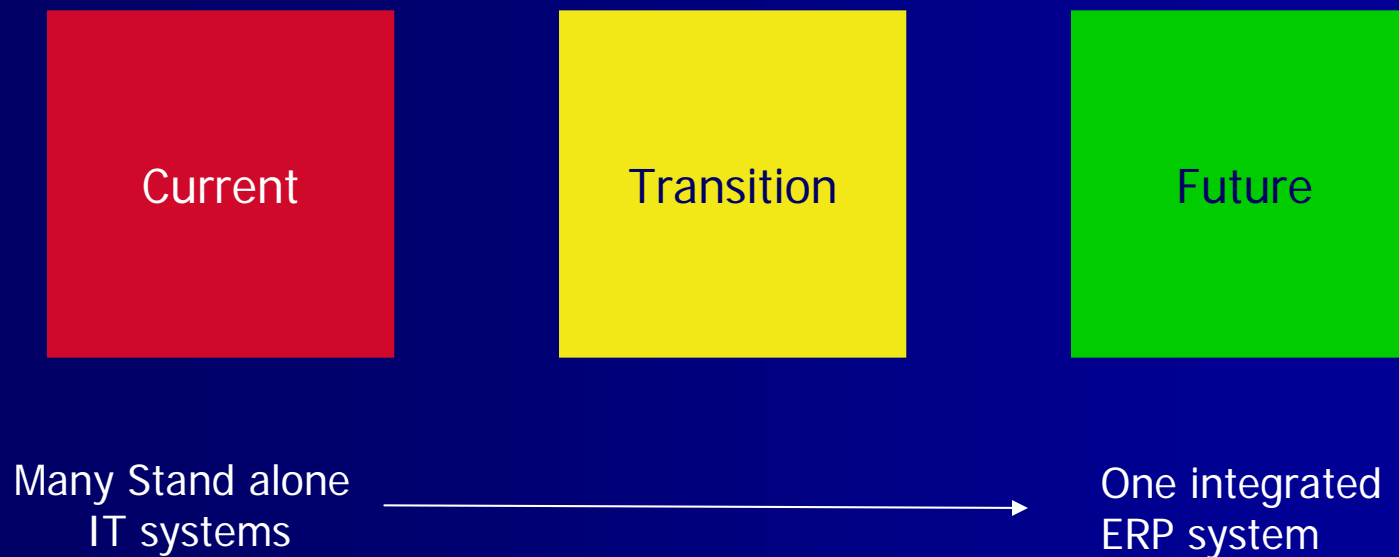
# The three States of change

The future state is unknown or not well understood.  
The transition state creates stress and anxiety.  
Employees are comfortable with and prefer the current state.



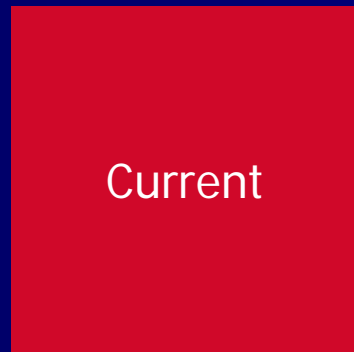
# The three States of change

Typically we take an organizational perspective



In reality, each impacted employee has their own current and future state

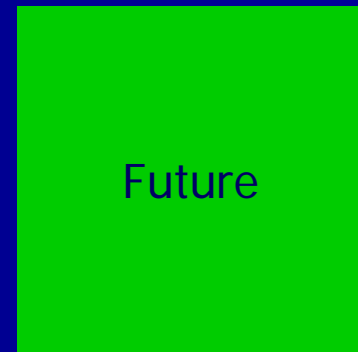
**Organization**



Current



Transition

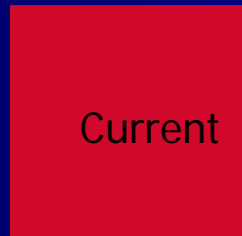


Future

How I do my  
job today

How I will do my job in the  
future

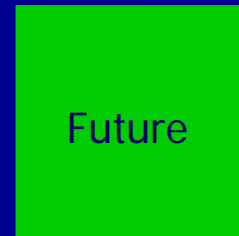
**Individual**



Current



Transition



Future



**Change management is the process, tools and techniques for managing the people side of change.**

**Project  
management**

Concrete and tangible.

Manages process, technology and organizational change.

Well understood and implemented at project conception.

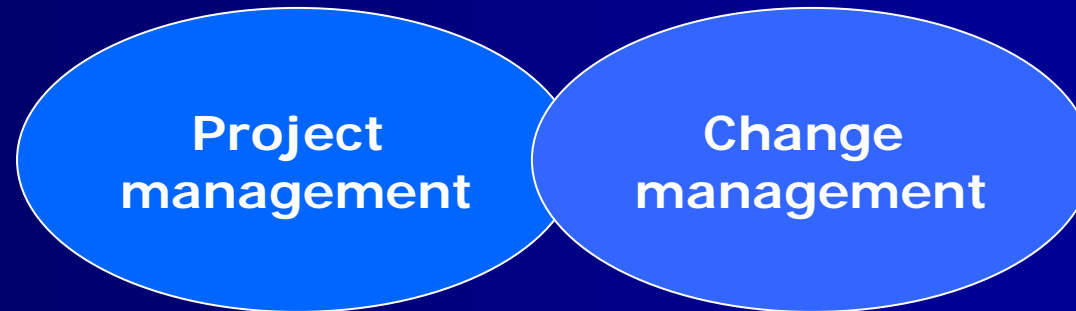
**Change  
management**

Broad, vague, intangible.

Manages the people-side of change.

Typically not well understood and implemented after the fact.

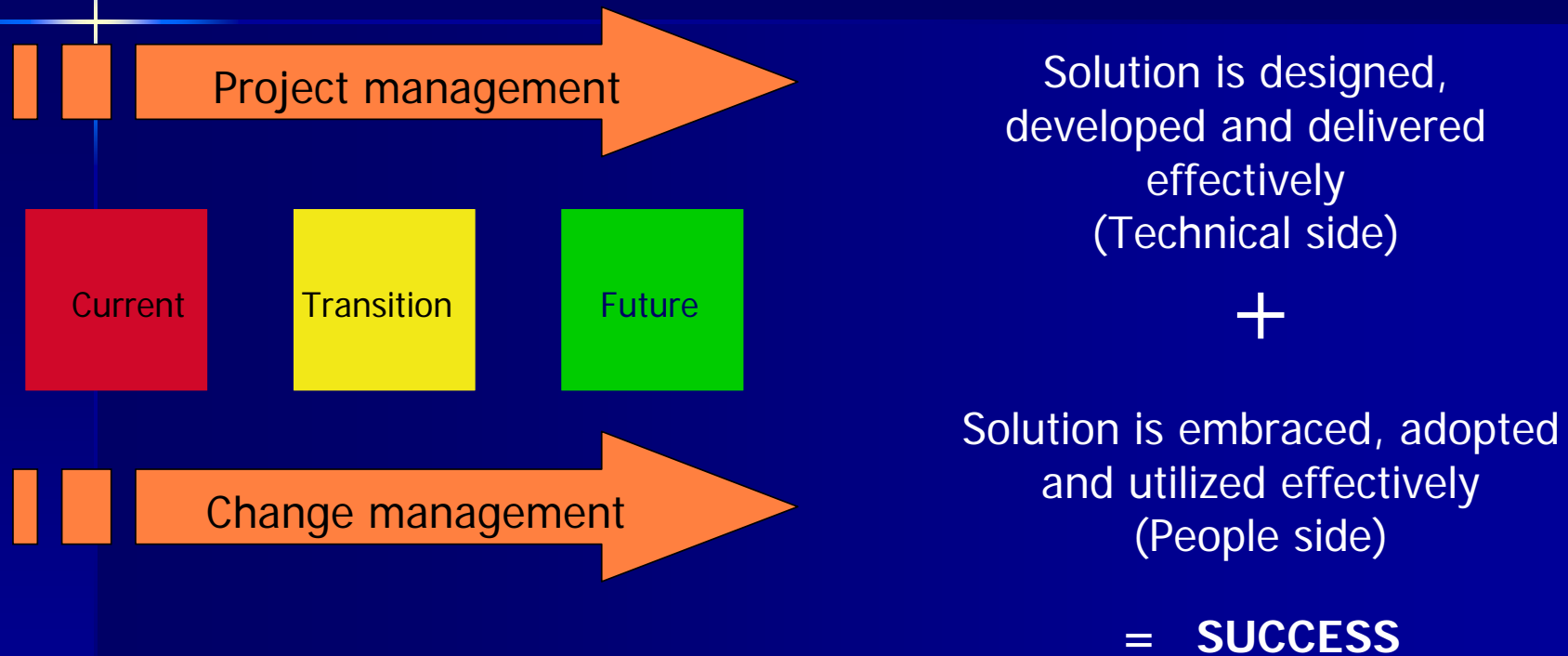
The most successful ERP projects integrate project management and change management at the beginning of the project.



Integrated project management and change management processes.

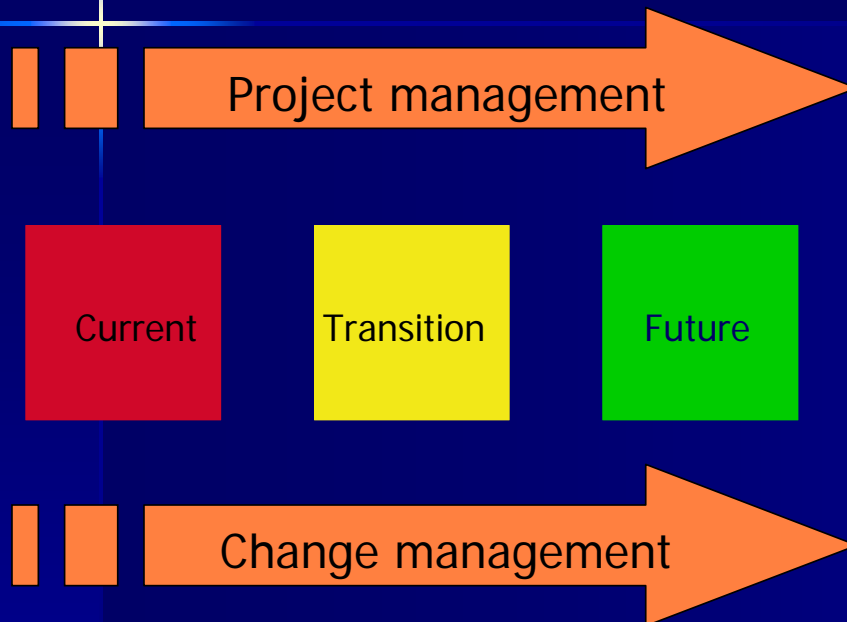
Initiated at the start of The ERP project.

# Successful ERP Projects addresses both the technical and the people side



**Complimentary disciplines with a common objective**

# Successful ERP Projects addresses both the technical and the people side



## Process:

- Initiation •
- Planning •
- Executing •
- Monitoring/controlling •
- Closing •

## Process:

### Organizational:

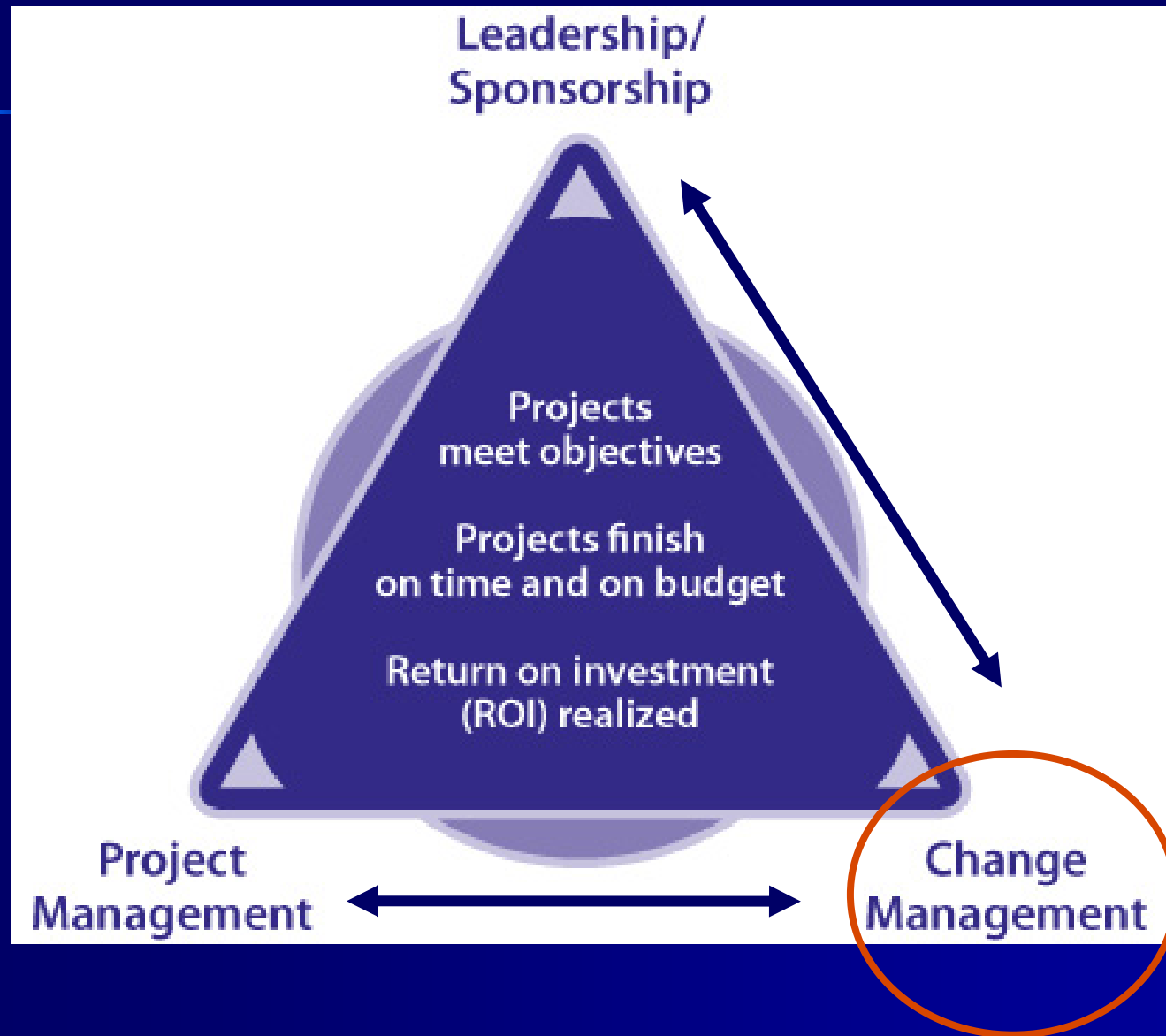
- Preparing for change •
- Managing change •
- Reinforcing change •

### Individual:

- ADKAR •



## Establishing a framework for successful projects



# What is missing?

## Executive role

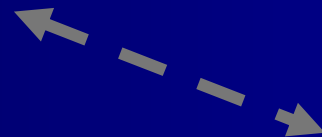
Strategy  
Authorization  
Funding  
Resources

**Sponsorship**

## Project role

Daily oversight  
Scheduling  
Budget  
Issue tracking  
Implementation  
Results

**Change management**



# Primary reasons for applying change management

- Increase probability of **project success** and **achieve the stated business results**
- Manage **employee resistance** to change
- Build **change competency** into the organization



# The human factors that impact project ROI

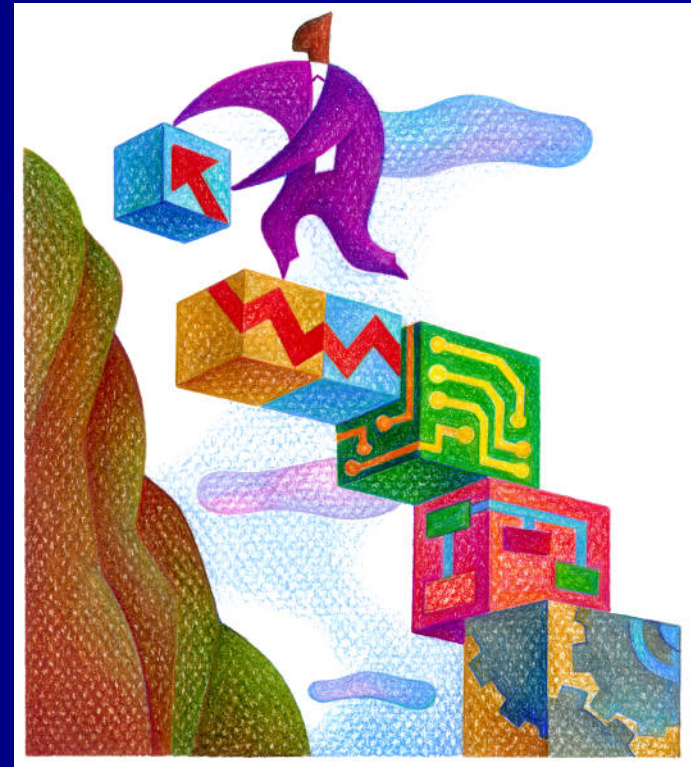
- **Speed of adoption**
  - How quickly are people up and running on the new systems/processes/job roles?
- **Ultimate utilization**
  - Of the total population, how many are using the new solution?
- **Proficiency**
  - Are individuals realizing the benefits to their daily work as expected?

# Change Management Framework

- The ADKAR Model
- The change management process:
  1. Preparing for Change
  2. Managing Change
  3. Reinforcing Change

# The five building blocks for successful change

Awareness  
Desire  
Knowledge  
Ability  
Reinforcement



# The ADKAR Model

ADKAR was developed by Prosci Research after studying the change patterns of more than 700 companies.

ADKAR represents the five goals of change that must be achieved for the change to be a success.

ADKAR is the most effective tool for managing change at an individual level and guides activities at an organizational level.

In the  
toolkit

*Preparing for  
Change tab*

*Managing  
Change tab*

*Reinforcing  
Change tab*

### Phase 1 – Preparing for change

Define your change  
management strategy

Prepare your change  
management team

Develop your sponsorship model

### Phase 2 – Managing change

Develop change management plans

Take action and implement plans

### Phase 3 – Reinforcing change

Collect and analyze feedback

Diagnose gaps and manage resistance

Implement corrective actions and  
celebrate successes

# Phase 1 -Preparing for change

## Phase 1 – Preparing for change

Define your change  
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Prepare your change  
management team



Develop your  
sponsorship model

## Phase 1 – Preparing for change

Define your change management strategy

Prepare your change management team

Develop your sponsorship model

### Define your change management strategy

Identifying change characteristics

Assessing the organization

Creating a change management strategy

Collect and analyze feedback

Diagnose gaps and manage resistance

Implement corrective actions and celebrate successes

# Phase 2 – Managing change

## Phase 2 – Managing change

Develop change management plans



Take action and implement plans

## Five channels for managing change

1. Communications
2. Coaching
3. Training
4. Sponsorship
5. Resistance management

# Phase 3 - Reinforcing change

## Phase 3 – Reinforcing change

Collect and analyze feedback



Diagnose gaps and manage  
resistance



Implement corrective actions and  
celebrate successes

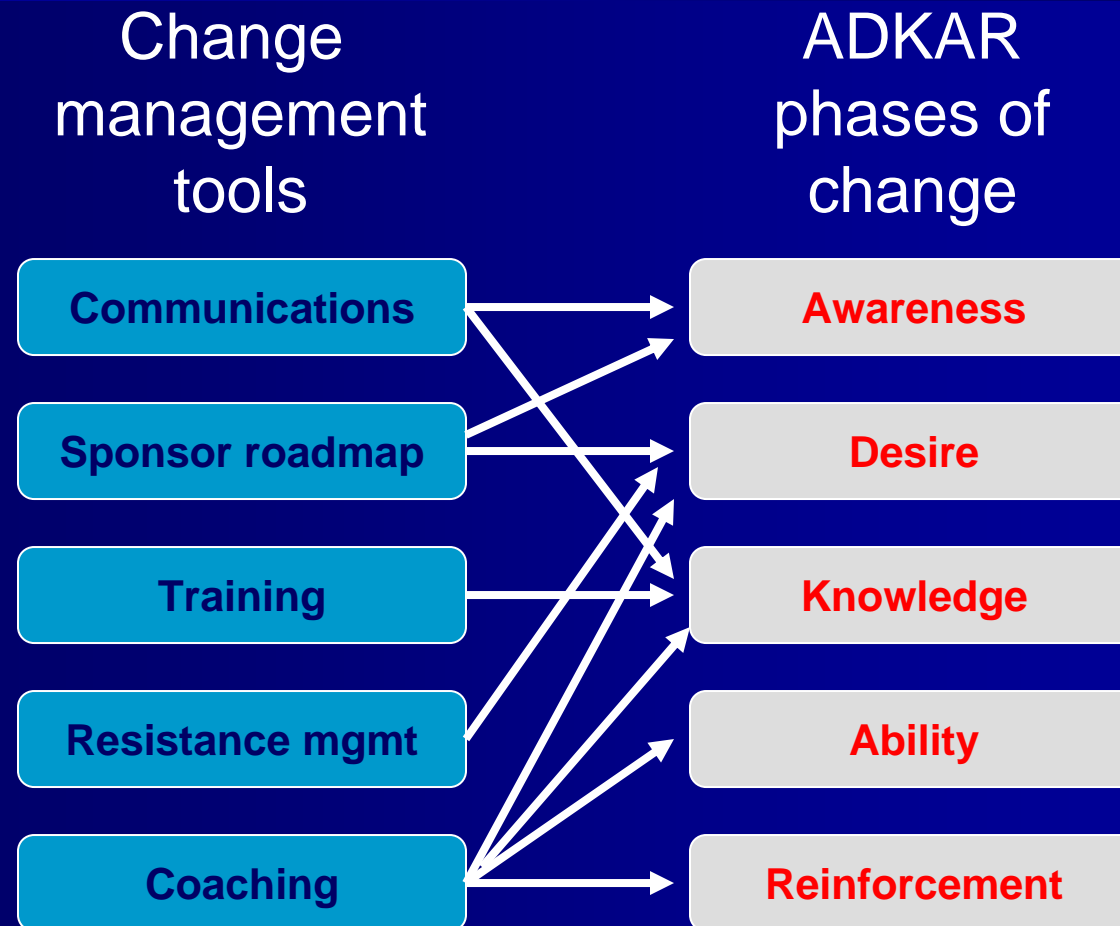
# Foundation for Prosci's process

- Research-based (results from more than 900 organizations)
  - What is working, what is not working
  - What would project teams do differently next time
- Resulting processes and tools:
  - Easy to apply
  - Structured
  - Results-oriented
- Customers range from the United Nations to some of the largest Fortune 500 companies in more than 20 countries

# Change Management Training

- Utilizes best practices research
- Is designed as a proactive process to accelerate change and manage resistance before problems arise.
- Provides tools, templates and checklists that are integrated into an easy-to-use framework for managing change at all levels.
- Is based on a knowledge-transfer model that allows you to build your internal change management competency.

# Change Management Tools effect Change Phases



Change Management <b>Strategy</b>	Change Management <b>Activities</b>	Change Management <b>Outcomes</b>	<b>Business Results</b>
Assess change	Communication	Awareness	On time
Assess org	Sponsorship	Desire	On budget
Assess sponsor model	Training	Knowledge	Achieve business objectives
Assess risks and challenges	Coaching	Ability	lower costs-
Develop special tactics	Resistance management	Reinforcement	increased- revenue

**Thank You**

**Questions?**