Strategy for Change Management

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John Crawford

Focuses on formulating a strategy for running a change management organisation as a multidisciplinary practice

About the Author

John Crawford's *change management experience has been gained in the Financial Industry, directing and managing major business change programmes on a global basis at a senior level, either as a practitioner or consultant.*

John has 30 years of experience of strategic planning and change management in the international arena and local arena. The sectors have been Retail Banking, Commercial Banking, Asset Management, Private Banking, Wealth Management, Investment Banking, Insurance and Bancassurance.

Since the late 1970s John built up a reputation for successfully managing and delivering major projects at Barclays, Standard Bank and other financial organisations.

In the late 1980's and throughout the 1990's, John was responsible for numerous senior planning roles working with the business and for divisions with their own P&L. His role to define strategies for global organisation reengineering, service propositions, change pipeline management and major change initiatives. Thereafter he was responsible for implementing those change strategies. In the late 1990's and early 2000, John worked on a number of discrete business mergers and feasibilities within the Business Group using organisation design tools.

Over the last 20 years John has delivered major business projects that have revolved around business reengineering, process outsourcing, process offshoring and delivery of new B2B & B2C solutions.

During the last decade he has worked as an interim manager specialising in:-

- *Business Strategies*
- *Directing IT and Business Change Organisations*
- *Programme Deliveries*
- *Change Health Check Audits and Mentoring*
- *Trusted Advisor*

In addition, John has extensive experience developing "fit for purpose" company methodologies to guide and support projects. In 1978 he produced a "Rapid IT Development" methodology, in 1987 John was co-author with IBM in writing the bank's first project management methodology. Subsequently in 1989 he wrote the bank's methodology to define how "Request for Proposals" (RFPs) should be created and managed. John is also accredited in the use of Prince 2.

In November 2012, John Crawford, the author published a white paper titled "Building an Effective Change Management Organisation". This white paper is a supplementary paper that focuses on specific strategic topics and complements the original whitepaper.

The author is keen to obtain feedback from the reader so that the guide can be improved over time. Please send comments to Crawford_consulting@yahoo.co.uk

Further details of the author can be found at: uk.linkedin.com/in/johnseymourcrawford/

List of my Publications that can be purchased on Amazon website

Operational Excellence

Attaining operational excellence in change management is an often overlooked way to gain competitive advantage over competitors. Change management must become a responsive, efficient, effective and flexible organisation that delivers quality outcomes at optimum cost with fewer defects and maximum returns on investment budget.

The book published is:

1. Operational Excellence for Change Management

   Available on Amazon.

Transformation

Starting with defining a strategy for change management based on the business's vision, direction, and needs. With the strategy in place and agreed, transforming the existing change organisation state into the required future state by developing and implementing the new change operating model with all the necessary functions and characteristics.

The Book published is:

1. Transforming Change Management Organisation

   This is based on the two whitepapers below and takes the reader to the next level in creating a comprehensive and detailed A to Z guide.

   Available on Amazon.

The two Whitepapers published are:

As well as the free PDF download of the whitepapers, bounded copies can also be purchased on Amazon.

1. Strategy for Change Management

2. Building an Effective Change Management Organisation

Further information can be found on my website: http://crawford-consulting.org/Home_Page.php

Preface

Do we often ask ourselves why the change organisation does not deliver as it should?

Probably the reason is that it evolved organically and was never designed to cope with the volume and complexity of the business strategy and pressures it would create.

Unfortunately some senior management think that a strategy is setting a mission statement or writing a set of goals. This could not be further from the truth - that is step 1.

A successful strategy is how the business plans to achieve the mission and goals. It is called an action plan and needs to be managed with the same disciplines as any project. This paper focuses on the "strategy for running a change management organisation" as a multidisciplinary practice.

It will hold the readers hand and tackle the subject of creating a strategy specifically for a change management organisation, so that it is structured and equipped to delivery change in a professional, effective, measurable and cost efficient manner.

The ultimate objective is to create a fit for purpose change organisation.

Readers of this paper and subsequent papers would typically be COOs, Change Directors, IT Directors and senior management involved in change management.

Benefits for the COO, Change Director and IT Director

What is the question that every company must answer to be successful: "What's our strategy"? It is sad to say that nobody has the answer to that question, except for a few rare cases. That is because everyone has a slice of the answer, but rarely does anyone have the whole answer.

It has to be recognised, that successful businesses are non-stop changing organisms competing on both the domestic and global stage, in delivering innovative products that solve specific problems or needs and provide customer service that is risk adverse and effective through numerous contact channels.

With this in mind, it is critical to have a change organisation that can accommodate the continuous evolving and changing business. Unfortunately in many businesses, there are conflicts in change and IT departments, they commonly do not provide the type of service and competencies the business demands nor integrate its capabilities with the business needs.

This approach is to develop a strategy for running a change organisation like a business that provides services to internal customers similar to a business for its external customers. Services and products must be fit for purpose, available when needed and at a cost that is affordable.

The desired benefits for developing a strategy for running a change management organisation are:

Strategy Benefit	***To Ensure***
Single Accountability	• *Structured organisation to fully support business needs* • *Change management organisation functions as a cohesive entity and achieve a higher level of productivity* • *A proactive organisation* • *Transparent mission and objectives linked to the business's direction and strategy* • *A common understanding of the organisation* • *Goals are developed based on solid research and a common understanding* • *Risks and threats that are systematically identified and addressed*
Integrating Multiple Departments	• *Clear & unambiguous operating model & services* • *No overlapping functions or capabilities* • *All teams working toward the same overarching goals and objectives* • *Managed partnerships where core competencies are missing*
Delivery	• *Single managed pipeline of business requests* • *Single portfolio of change projects with commonly defined metric to allow comparison and prioritisation* • *All competencies functionally report into a single project manager for delivery of change without conflict* • *Resources are allocated as appropriate to top priority projects* • *Employees are focused, engaged, empowered and inspired*
Productivity	• *Adoption of fit for purpose methodologies and tools across all disciplines* • *Cohesive set of principles, operational procedures and policies* • *Creation of critical mass of competencies* • *Removal of unnecessary functions* • *Raises the bar of key competencies that require training*
Budget	• *Brings all elements of the organisation's services together under one designated budget* • *Expenditure can be seen at different levels for all relevant functions and services*
Image	• *A competent organisation that delivers the required services to time, cost and quality, trust is built with the business.*
Customer Satisfaction	• *Single managed organisation that understands customer needs and is designed to support business direction and needs.*
Reporting	• *Single set of information to produce relevant reports for all services at summary & detailed level*

Contents

1. Objective

The first white paper published in 2012 “building an effective change management organisation” focused on the construction of the department taking into account existing capabilities and competencies.

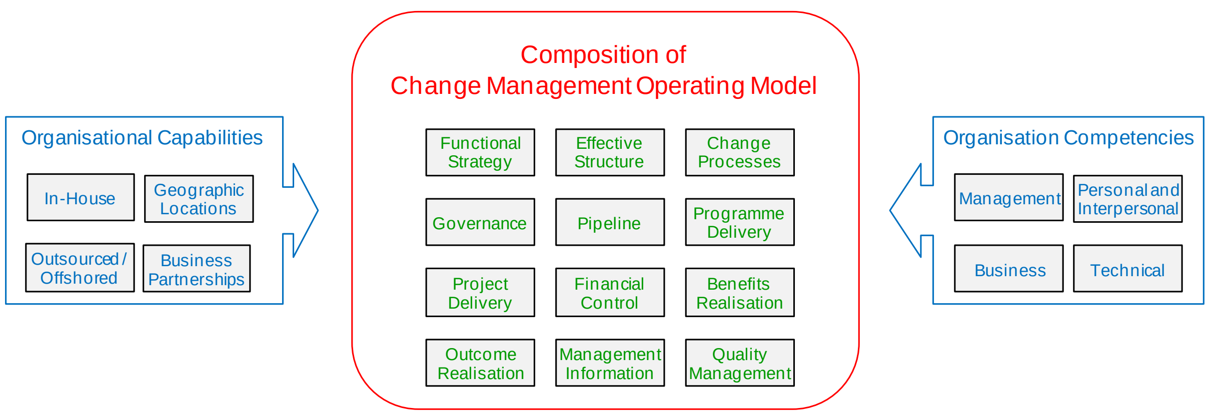
This paper will focus on how to develop an appropriate functional strategy for the new department in executing business strategic change plans. The recommendations will not be prescriptive, but will lay out an approach for individual organisations to flesh out what is best suited to their culture and size.

It is important that “building an effective change management organisation” paper is read in conjunction with this paper, as it deals with the important aspects of the organisations building blocks that need to be covered off in the new organisation strategy.

For a change management department to be successful there needs to be meaningful consensus and collaboration from all internal parties and disciplines in strategy.

The functional strategy must consider:

- the organisations current capabilities
- the organisations competencies
- the agreed change management operating model for the desired change organisation



(For more detail read “Building an Effective Change Management Organisation” Whitepaper)

To run the organisation successfully it is essential to plan and implement an appropriate strategy to gain maximum benefit in discharging the organisation’s prime accountability – that is to say “to implement change to achieve the desired outcome and benefits”.

Normally a functional strategy would be formulated by in-house specialists, but support may be required from external professionals who have experience in transforming a change organisation.

The strategy outlines:

- Why we need to create a new change organisation
- What we are going to create
- Where we are going to create it
- How we are going to create it
- When we are going to create it

The "how" and "when" will become the action plan and sets milestones that are needed to achieved before reaching to the final goal for running an optimal change organisation.

The person developing a functional strategy will have the following competencies:

- Gravitas, is a strategic thinker and decision maker.
- Ability to combine innovation, perception and holistic insights.
- Leadership skills - can marshal consensus and collaboration from all parties to make the new "change management operating model" work
- Pragmatic and systemic skills of a planner to set strategic direction in context of business needs, quality and outcome.

2. Current Problems

Managers are so often preoccupied with immediate activities and issues they lose sight of their ultimate objectives. For a change department to be successful like any other, it must focus on its raison d'être and how best to achieve it.

That is why preparation of a strategic plan is a virtual necessity. This may not be the recipe for success, but without it the department is much more likely to fail.

The term strategy is talked about all the time. It sounds important, big and complicated. It certainly is important, but there is no need for it to be complicated. Quite the opposite, provided there is a sound approach to be used as a guideline, it is possible to identify and document how best to run the department.

The one thing all strategies must have in common is that they tie in with your business's overall change goals. If they do not, the business will never be happy with the department's deliverables.

A strategy should:

- Create a fit for purpose department to support the business strategy.
- Find new ways of approaching old problems.
- Serve as a framework for decisions and securing approval.
- Provide a basis for more detailed planning.
- Inform, motivate and involve functional areas within the change department.
- Assist benchmarking and performance monitoring.

3. Observations

Observation throughout the decades (and supported by Robert J. Derocher) is that it takes more than planning to ensure a successful strategy.

Turning strategy into reality is never easy. While there is no perfect, foolproof model for implementing strategy effectively, there are some common pitfalls that can be avoided.

Here are top ten reasons why strategic implementations fail:

i. Lack of ownership. No one at the wheel to steer the plan to success. Key stakeholders don't know who to go to if things are off course. Check that each major planned activity has an owner and everyone knows who to report to.

ii. The plan is developed without the right stakeholder involvement.

Often stakeholder engagement is overlooked. Engage all stakeholders for contributions and obtain buy in early and often.

iii. Strategy setting and its execution is seen as "the head of department's job"

Yes the "head" with specialist support will develop the strategy, but the execution must be seen as a team responsibility with many team members held to account for different aspects of the execution.

iv. Strategic goals turn into a long shopping list

Select what is really important and prioritise.

v. Employees don't know the department's vision.

Vision and mission statements need to be "plain English". They need to connect staff and management to the department's purpose and understand how it will support the business.

vi. The goals don't get the staff excited.

Top-level goals need be cascaded down to the relevant functional areas within the department so the benefits are understood for the organisation and staff alike. Best to use staff townhalls.

vii. The plan does not scream out "what's in it for me?".

Strategic plans must connect to personal goals and have meaning to the work-lives of the staff, otherwise they will not commit.

viii. Business reviews are poorly managed.

The plan, like any project, must be tied to strategic goals, have deliverables against timelines and have measurable performance metrics.

ix. Progress not communicated across the department

Results and progress both good and bad must be communicated to the right stakeholders and a synopsis issued to the staff. When starting with a strategic initiative, rally the troops by holding a staff townhall. Always keep staff informed.

x. Interpret the external influences

When strategic plans are drawn up, they are developed with the current environment in mind. However external events can throw a perfectly good strategy off course. Always monitor the external market that may question: “does the department strategy reflect reality or does it need to be modified". Hindsight is always a great teacher – try and spot the “curve balls”.

4. Strategic Plan for the Change Organisation

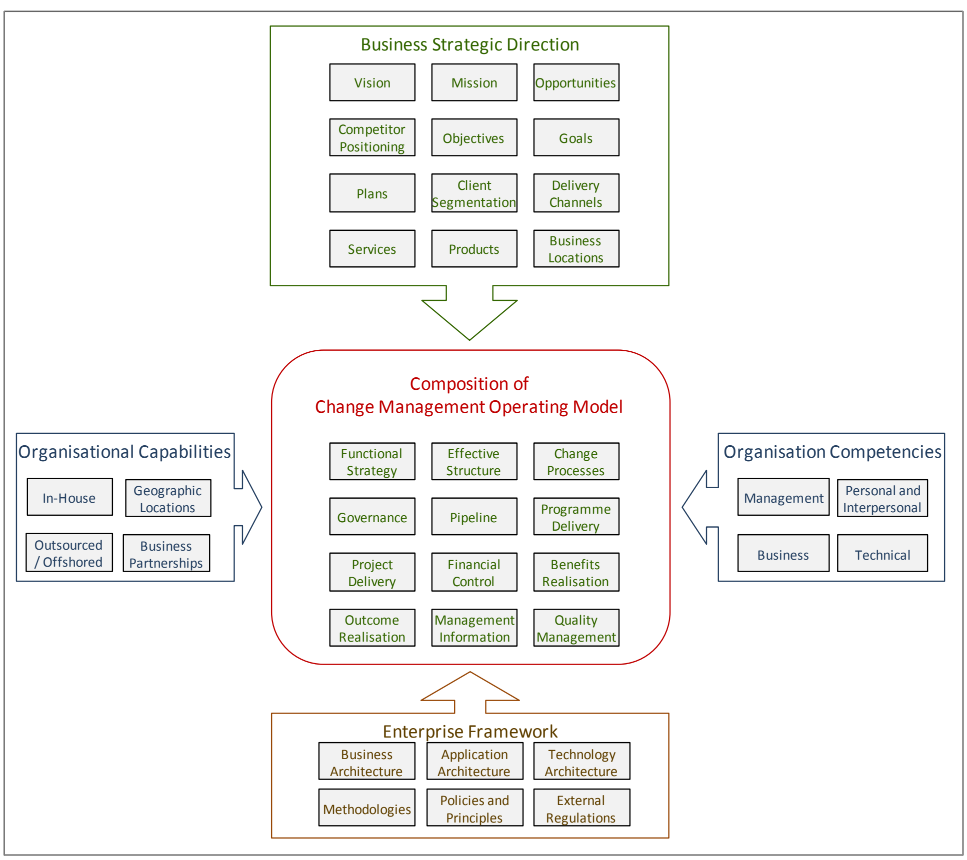
The strategic plan for the change organisation must spell out its goal that supports the business’s strategy and direction.

To summaries, strategic plan is a formal statement of a set of unambiguous goals and their linkage to the strategic objectives. They describe what and how it is to be implemented, who is to implement, when it has to be implemented and how to measure it after it has been implemented. It essence, it is a fully fledged action plan with the necessary controls to manage.

The change department director and assigned specialists will create the plan which must be realistic to achieve the agreed goals with specific actions, timelines, milestones, measurable performance metrics and required budgets. Responsibility for delivering various parts of the plan will be allocated to key individuals, and performance targets will be established which enable the plan to be delivered. It is essential from the outset to clarify how the plan will be managed and evaluated on an ongoing basis. Ensure the plan has incorporated the actions from the BPMM maturity assessment and SWOT which is discussed later in this paper.

To ensure buy in by stakeholders and staff, make sure the business plan has maximum impact by - keeping it succinct and relevant. As well as the formal written document, a professional presentation devoid of jargon for executive committees and staff townhalls should be produced.

Finally, the plan must outline each of the components of the following model:



5. Strategic Framework

In most organisations, there are several levels of strategy. Corporate strategic management is the highest of these levels in the sense that it is the broadest - applying to all parts of the organisation. Divisional strategic management tends to focus on particular customer segmentation and their needs. Both give direction to corporate missions, objectives, goals, values and culture.

Within the division, there are numerous functional units that would have their own strategy in support of the division. The change management department would be one of those.

Functional strategy's emphasis is on medium term activities and plans to support its raison d'être. The preparation of a strategic plan is a multi-step process. It covers vision, mission, objectives, values, strategies, goals and critical success factors to ensure the change department is fit for purpose.

All strategic planning deals with at least one of ten key questions:

i. What do we do?
ii. For whom do we do it?
iii. What do existing and future customers want?
iv. Are the customer services fit for purpose and future proof?
v. How can we exploit our strengths?
vi. How can we minimise our weaknesses?
vii. How do we exploit opportunities?
viii. How do we avoid threats?
ix. How can technology improve the way we deliver products and services?
x. How can we work smarter?

In order to determine what the "change function" wishes to achieve, the organisation must know exactly where it stands, then determine where it wants to go and how to get there.

The resulting document is often called the "department (or functional) strategic plan".

Once complete, it must pass three critical tests:

i. Suitability

Suitability deals with the overall rationale of the strategy. The key point to consider is whether the strategy would address the key requirements to deliver the business strategic change plan.

- Will outcomes and benefits expected by the business be realised?

ii. Feasibility

Feasibility to steer the department and marshal the resources required to implement the strategy. Resources include funding and people.

- Will the plan be achievable?
- Is the organisation getting the best value for money?
- Is it sustainable into the future

iii. Acceptability

Acceptability by the key stakeholders of the planned performance outcomes.

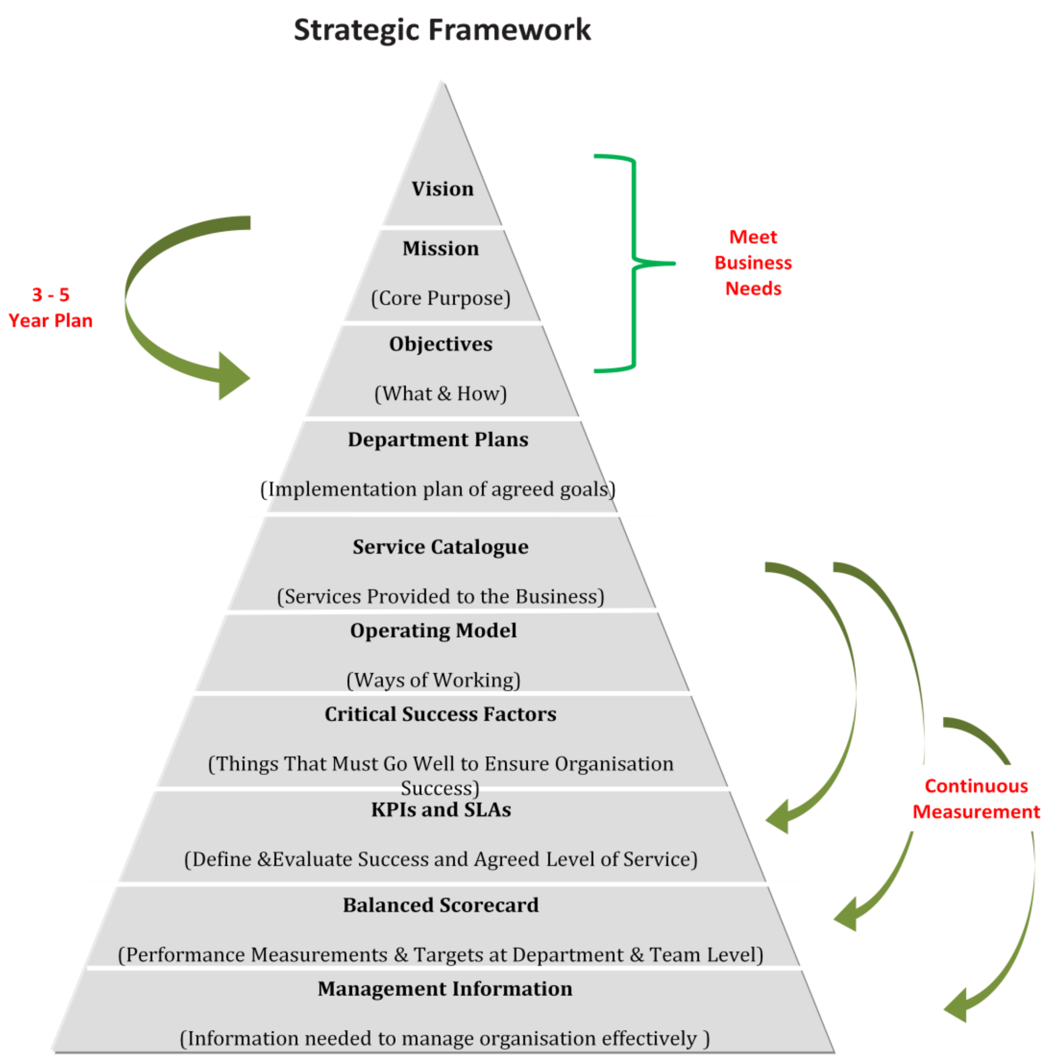
- What is the probability and consequence of failure?

Once the tests have been passed, it requires senior management and staff commitment for successful implementation. A set of checks, balances and a formal balanced scorecard should be used to evaluate the overall performance of the strategic progress towards objectives.

This paper will not focus on the process in developing the strategy as there are available books and papers on the subject already. Instead, the paper will focus on the content that needs to be produced, such as the vision, mission statement and strategic framework.

The strategic framework is a structured way to articulate a successful approach for the change function to meet the business needs, manage effective relationships and support the goal of operational excellence. These will be driven by the agreed functional objectives, as discussed later.

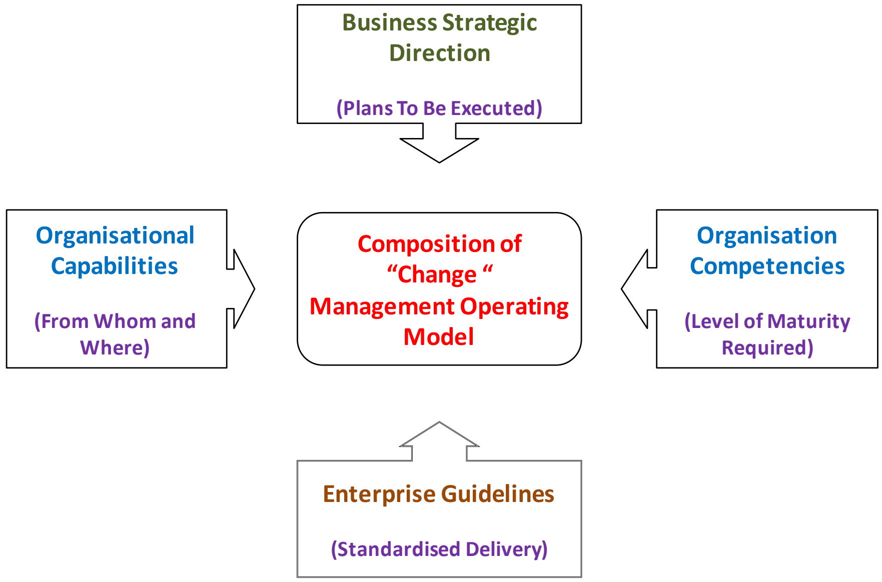
The following diagram is the framework outlining the subject matter headings that need to be produced to sustain a successful change management department.



6. Building an Effective Change Organisation

The previous white paper "building an effective change management organisation" explained what change management is. It then focused on the building blocks for the composition of a "change management operating model"

This diagram provides a schematic representation of major influential organisational characteristics that must be well understood before considering the composition of the required "Change Management Operating Model" (CMOM).



7. Vision and Mission

As mentioned earlier, the business strategic plan is typically drawn up at divisional level. The change strategy must show how the plan will be executed and structured as any other strategic plan starting with a vision and mission statement.

The Vision statement defines the desired or intended future state of an organisation in terms of its fundamental objective and/or strategic direction. Vision is a long-term view, it concentrates on the future. It is a source of inspiration. It provides clear decision-making criteria.

The Mission statement defines the fundamental purpose of the change function and succinctly describes why it exists and what it does to achieve its Vision.

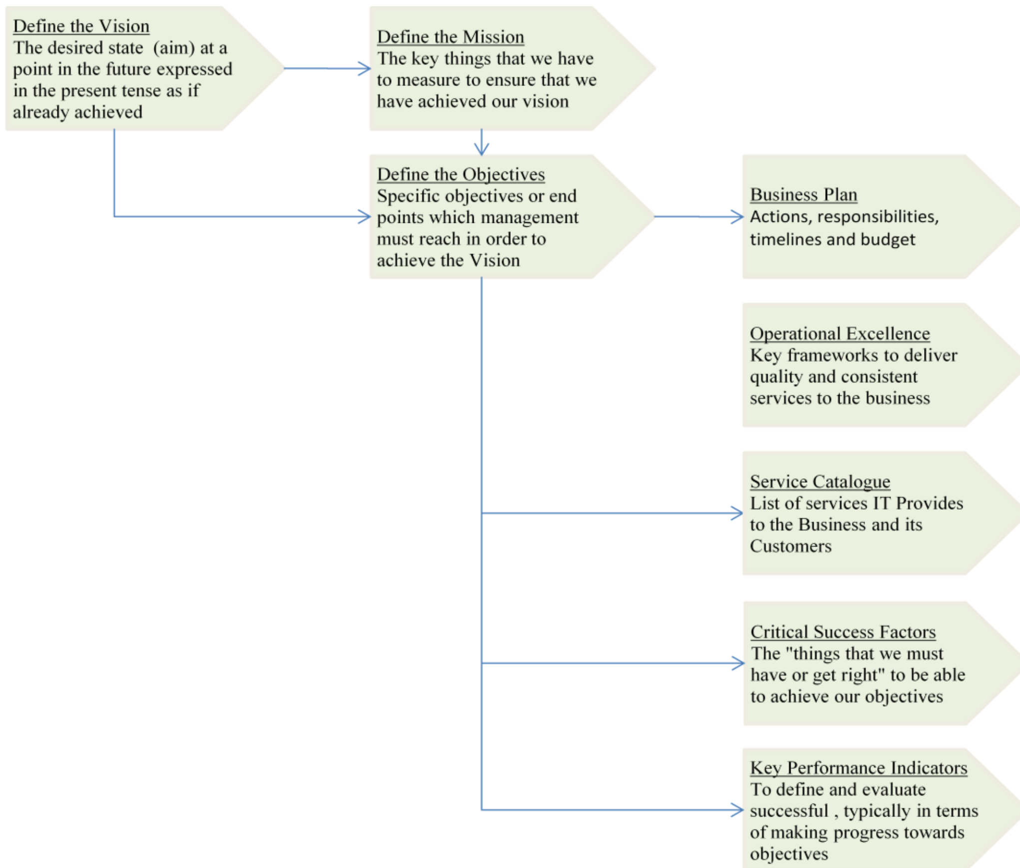
Typical illustrations

Vision Statement:

Our capabilities will be driven by the need to execute the strategic plan and build solutions according to the target business and IT architectures, to service existing and future customer needs who contribute consistent high value earnings for the organisation. We will earn our business's trust through continuous improvement driven by integrity, partnership, behaviour, teamwork and innovation.

Mission Statement:

The change management department will provide a comprehensive set of cost effective products and services, in a timely and efficient manner through a number of diverse delivery channels to external customers, through deploying people, processes, information technology and other resources and by building strong and focused business relations. The diagram below shows a number of key strategic elements that will be derived from the vision and mission statements.



8. Objectives

Objectives give the change department a clearly defined target – i.e. what it aims to achieve. Once agreed, plans can be drawn up, actioned and then progress measured

The following, for illustration purposes, are possible derived objectives from the mission statement:

Salamied Mission Statement	Objectives
The change management department will provide a comprehensive set and cost effective provision of products,	• Solutions are flexible and scalable to meet planned volumes • Coherent solutions to deliver full range of product and organisational propositions • Support increasingly sophisticated client needs together with delivering superior service that as a minimum meets client expectations
and services,	• Effective customer centric services

Salamied Mission Statement	Objectives
in a timely and efficient manner,	• Improved "time to market" for new products and services • Improved service reliability and availability • Increased user and customer satisfaction with IT services • Build efficient and comprehensive E2E automation solutions to minimise manual processes • Minimise manual processing for events such as "exception handling"
through a number of diverse delivery channels,	• All solutions to provide E2E capabilities to customer delivery channels • Effectively deliver products and services to customers at any location through standard channels and through e-commerce for client self service channels
to external customers,	• To ensure we retain profitable customers and build a new stream of loyal customers.
through deploying people,	• A proactive leadership style and people culture
processes,	• Align and build upon the existing business architecture and operating models • That integrate with IT solutions to provide the complete set of deliverables to enable the desired outcome
information technology,	• Align and maintain application and integration architectures for the total product value chain and set of support services with the target business models. • Deliver and maintain EAI timely application integration with robust audit and back out capabilities • A consistent high quality standard of system functionality in line with client/business needs
and other resources,	• Complement CMOM capabilities, by using a tight inventory of suppliers for additional services and specialist knowledge • Exploit organisation's purchasing power with suppliers to drive down costs • Manage with investment budget to achieve the strategic goals, planned delivery releases and tactical short term solutions • Run an effective risk management environment
and by building strong and focused business relations,	• Develop an enduring and effective partnership model between senior business stakeholders and service providers such as IT and external partners

Once the draft objectives have been drawn up and agreed, the second step is to modify to adopt the following SMART criteria:

S (Specific) objectives are aimed at what the business does, e.g. a lender might wish to cross sell mortgage protection to 10% of its borrowers, an objective specific to that business.
M (Measurable) by adopting objectives the business can put a value, e.g. project costs within 5% of budget estimate.
A (Agreed) objectives which are accepted by all concerned.
R (Realistic) objectives should be challenging, but they should also be achievable with the resources available.
T (Time specific) objectives have a time limit when they should be achieved

9. Service Catalogue

This term comes from the ITIL management concept defined by UK Office of Government Commerce in support of IT service delivery and change delivery.

This paper uses the term as a list of change management services provided to the business as part of department's raison d'être.

The objective of the service catalogue management is to provide consistent information about all agreed services internally and to the business.

The goal is to ensure that everybody knows what services are offered, their benefits, for whom, competencies, capabilities and quality required. This will drive out all the necessary end-to-end value chains for delivering each of the services.

Each service with its deliverables should document:

- A description of the service
- Timeframes or SLA for fulfilling the service
- Who is entitled to request/view the service
- Costs (if any)
- How to fulfil the service

It should be written from the business's viewpoint. An illustration of possible services and their deliverables:

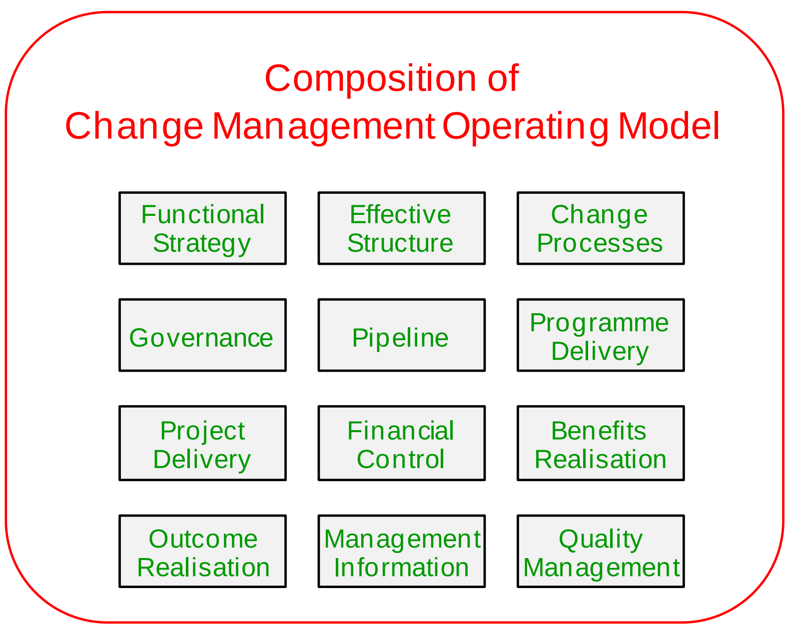
Service	Deliverables
Demand Assessment	Outcome assessment per change project
	Solution options per change project
	Business case per change project
	Prioritised and authorised list of change projects
	Roadmap and milestones per change programme
	Consolidated demand by resources (Budget & staff)
	Resource availability over time
Solution Delivery	Business solution per change project
	Realising benefits
Target Future State	Target business operating model
	Target IT architecture
Financial Projections	Budget collation and assessment
	Expenditure projections
Realised Results	Measurable outcome
	Measurable benefits

10. Operating Model

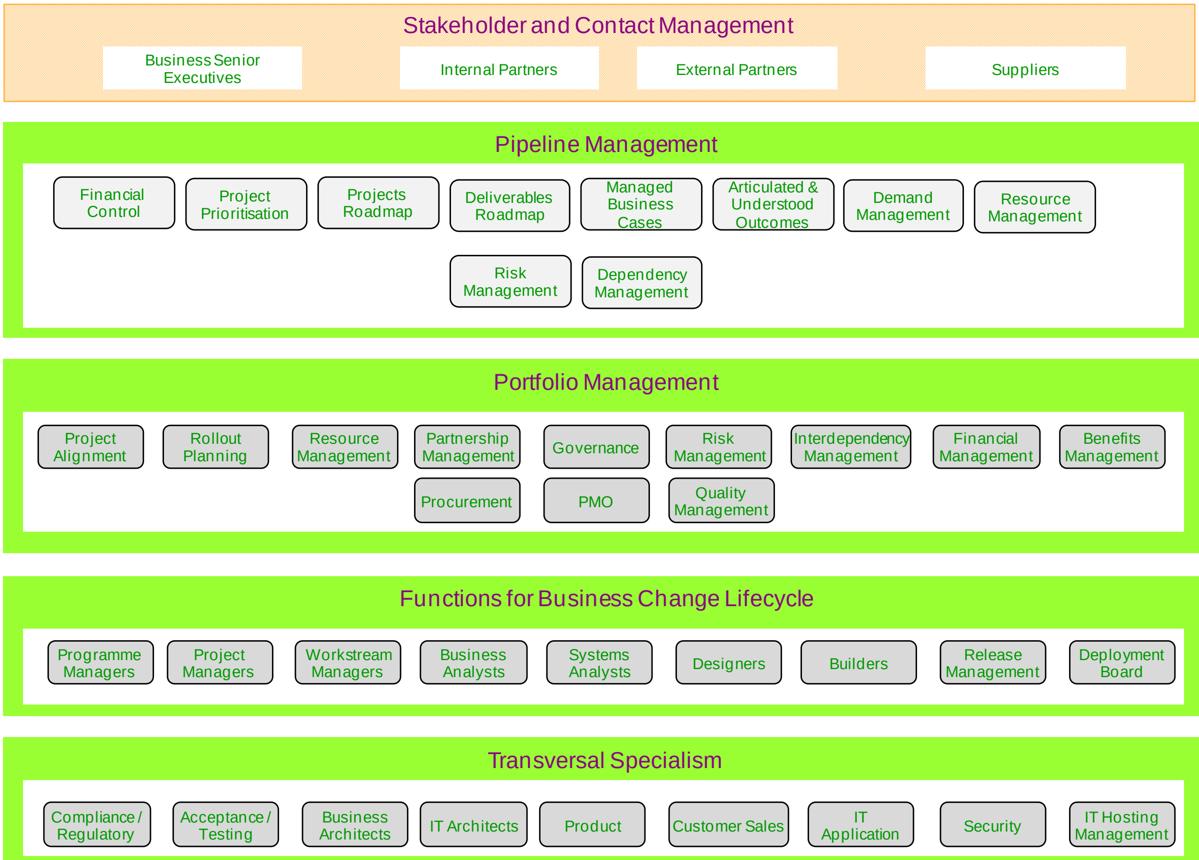
Logical Model

The previous white paper "building an effective change management organisation", looked at how to construct the department by examining capabilities and competencies. The major components within the operating model to be built would be similar to the diagram below.

Additional granularity needs to be applied and reaffirmed as it has to support the agreed service catalogue and deliverables.



When broken down to its constitute parts, a detailed functional model would look similar to the illustrated model shown below:



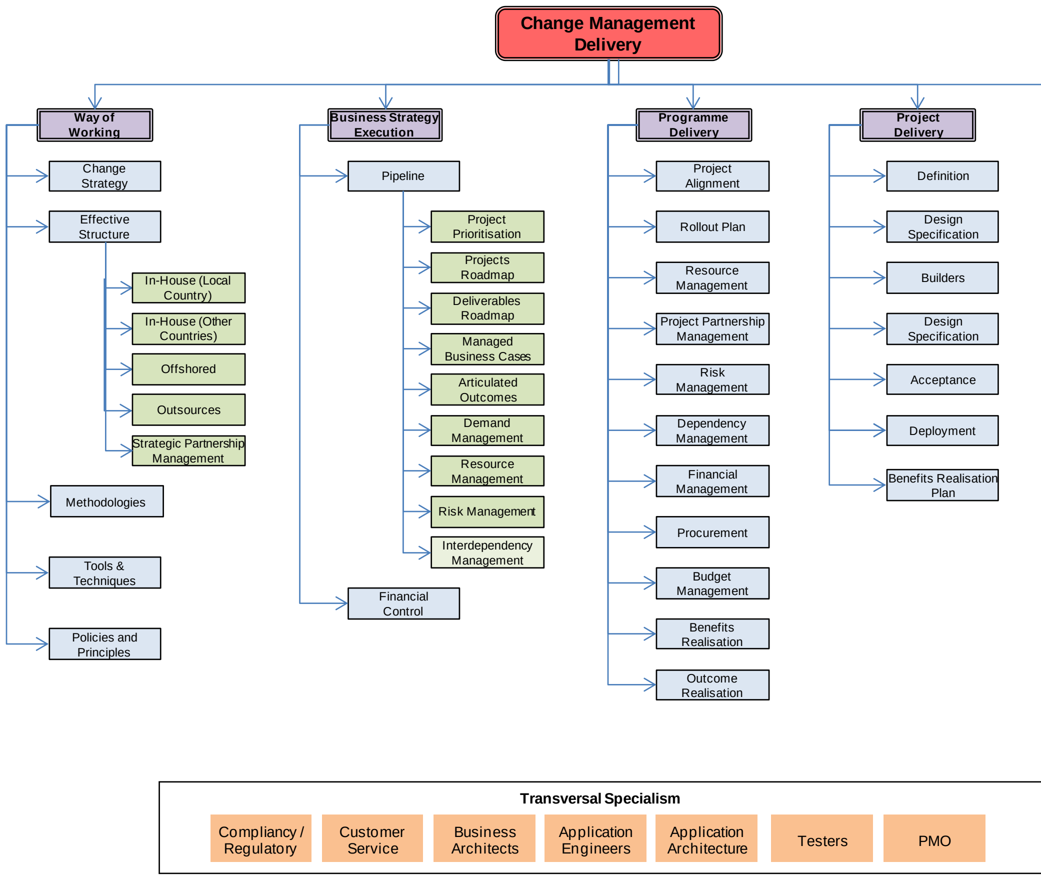
Organisational Model

The previous paper then examined in detail the necessary functions that should be present in a change management operating model (CMOM) and is represented below as a hybrid between a physical and logical model.

Before the reader uses the structure as a template and checklist for designing their functional organisation, they must ensure that all the functions are present to deliver the service catalogue discussed in an earlier chapter.

For a large organisation with a number of divisions of reasonable autonomy, there would be justification for creating a CMOM for each.

For smaller organisations, it would be sensible for senior appointments to be dual hatted where they have more than one functional responsibility.



Team Dynamics

Teams are created for conducting tasks that are high in complexity and have many interdependent subtasks. They normally have members with complementary skills and generate synergy through a coordinated effort, but need to learn how to help one another to achieve the end goal.

Teams come in all shape and sizes; strategy, pipeline, change, oversight and specialist transversal. They all:

- Have a common goal
- Have a reason and purpose to exist
- Leverage off each other's experience and ability
- Believe working together will lead to more effective performance
- Want to be successful
- Are held accountable by the organisation for results

For the management of change delivery, there are seven key players that need to work together to secure success. In summary these players consist of:

- Business Sponsor is accountable for achievement of goals and is typically the originator of the idea. They approve the project plan and business case, remove obstacles to progress, make effective executive decisions and ensure establishment of communication channels with other parts of the organisation.
- Stakeholders who need to make the time to support and understand what the team needs from them, make clear their requirements and needs, and contribute to team progress.

- Programme manager is accountable for planning, structuring, leading and executing the largest projects or programmes of high risk and complexity. Responsible for managing the programme team consisting of project management, business analysts and other specialists.
- Project manager who contracts with the programme manager and sponsor to manage the project as defined by the plan and business case.
- Workstream manager who contracts with the project manager and is responsible for one or more planned workstreams in a change project.
- Team leader of specialists who guides the team to high performance by keeping them focused, aligned, organised and energised.
- Team members who hold themselves mutually accountable for achieving team goals in the most effective and efficient manner possible. Members are expected to take responsibility for their own tasks and inform on progress.

Irrespective of the job title, sponsors, managers and team leaders adapt their style to ensure that the collective team has the right level of support and direction to work effectively together to achieve the desired outcome.

They must be:

- Inspirer: Making sure the team and the wider business is aligned, focused and committed to a common direction.
- Provider: They remove barriers, provide information, help manage resources and set priorities
- Mentor: Helping staff learn new skills and raise their confidence.
- Assessor: Continuously alert to issues and risks that could jeopardise the achievement of the task.
- Motivator: Pursuing performance is the sum of motivation and ability. Motivation is not easy to explain or put into practice. Maslow, Herzberg and others have produced numerous papers on the subject, and it is best for the reader to study them separately.
- Facilitator: To guide staff though unfamiliar topics or solve complex problems.

Roles and Responsibilities

Taking into account the actual positions required as shown in the organisation diagram above, it is possible to draw up a job profile per position specifying:

- Complexity of the role.
- List of functions.
- List of responsibilities and duties.
- Accountability of key deliverables.
- Management skills.
- To whom the position reports.
- Years of experience in different business and / or technical roles.
- Knowledge of specific set of products, processes and /or technology.
- Qualifications .

Once the positions have been agreed, a responsibility assignment matrix (also known as RACI) can be drawn up to show what is expected of the different roles for communication and acceptance.

The common definition for RACI is:

i. R – Responsible for producing the deliverable
ii. A – Accountable for signing off the delivery as fit for purpose
iii. C – Consulted for input and creation of the deliverable
iv. I – Informed of the completion

There is also an alternative coding and extension to RACI which is more comprehensive but still similar in concept, known as RACINM:

i. R - Reviews the deliverable
ii. A - Approves the deliverable
iii. C - Creates the deliverable. Usually there is only one person who is responsible for creating the deliverable, although many people may provide input.
iv. I - Provides input
v. N – Is notified when a deliverable is complete
vi. M - Manages the deliverables (such as PMO, or person responsible for the document repository)

An example in the use of RACINM.

	Business Sponsor	Stakeholder	Programme Manager	Project Manager	Workstream Manager	PMO
Programme Plan	A	R	C	I		M
Project Plan	A	R	A	C	I	M
Project Specification	N	R	R	A	C	M
Project Acceptance Plan	N	N	R	A	C	M

11. Critical Success Factors

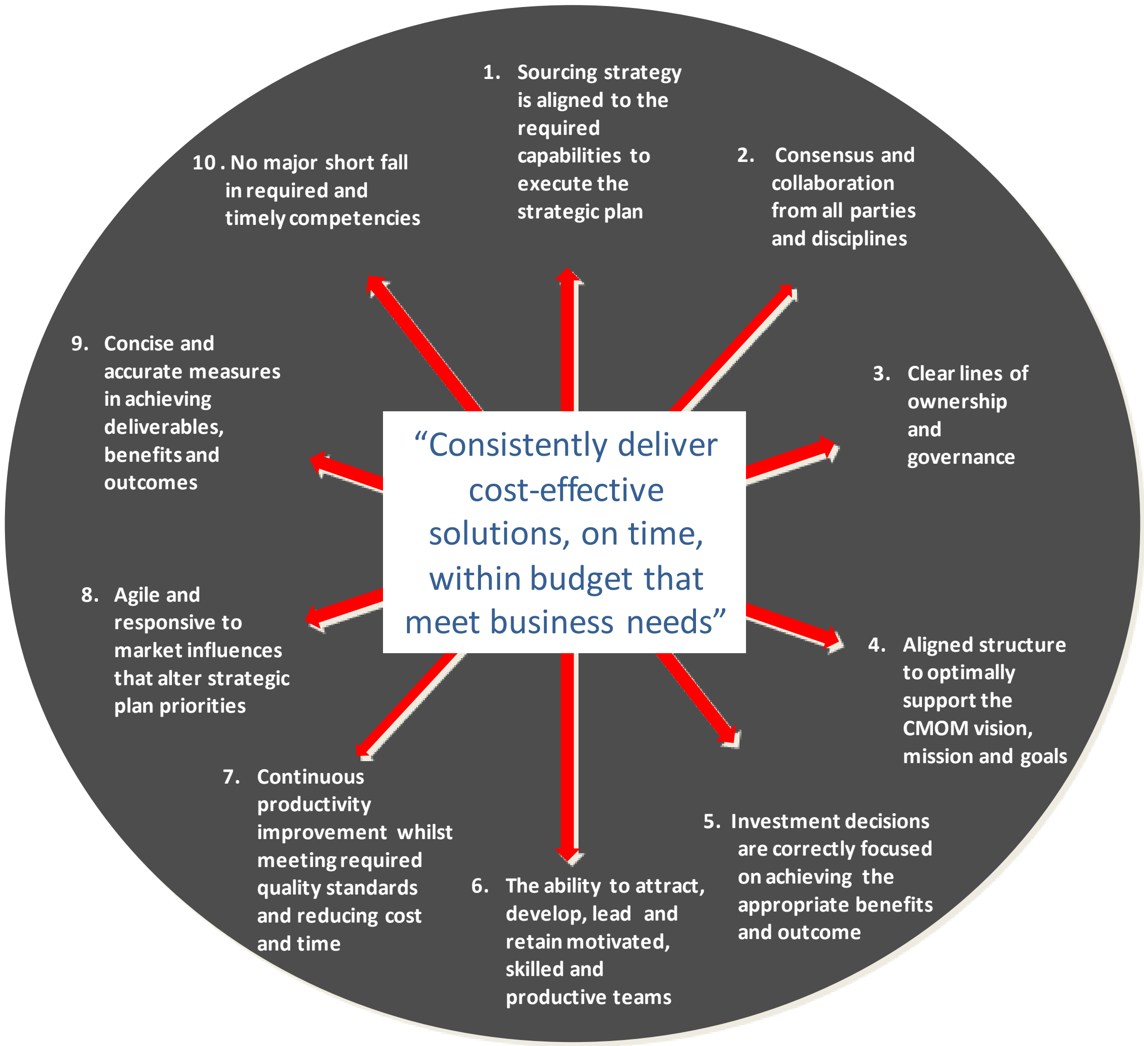
Critical success factors (CSFs), are elements that are vital for a department's strategy to be successful and fulfil its mission.

They should not be confused with key performance indicator (KPIs) which measures a targeted performance. This will be explained in the next chapter.

CSFs are an excellent tool for management to focus on the important activities and therefore, must be given special and continual attention to bring about high performance.

CSFs include issues vital to an organisation's current operating activities and to its future success.

Below shows an illustration of top 10 CMOM CSFs.



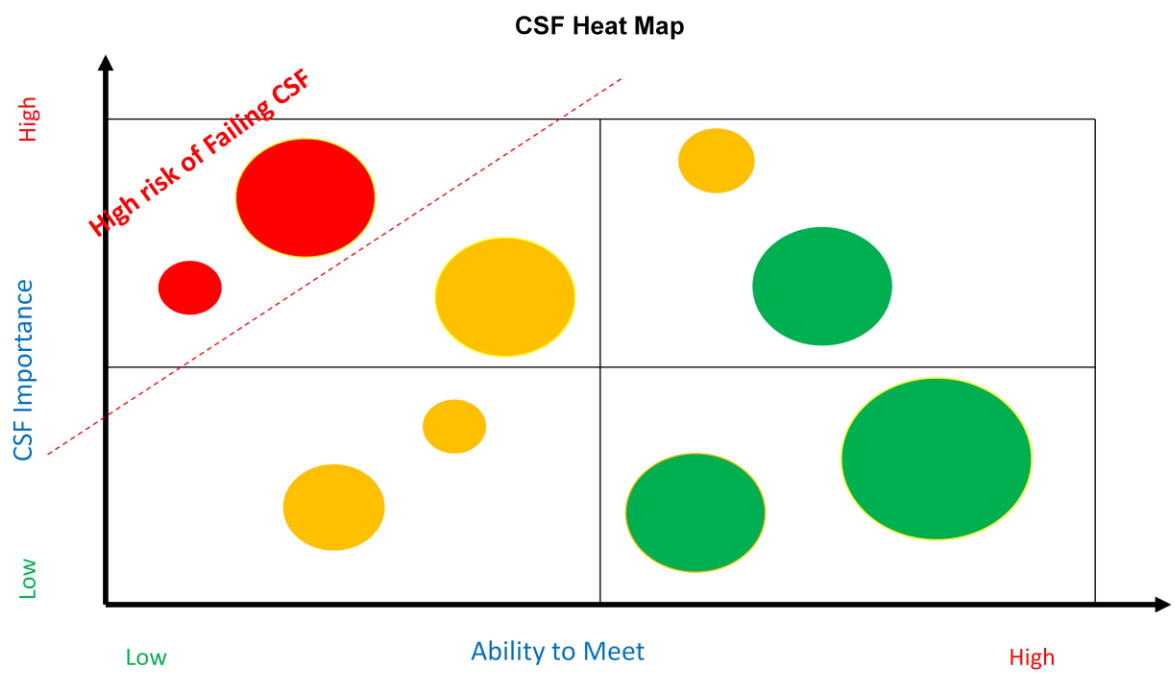
Rockart and Bullen, identify CSFs vital for organisations to focus their efforts on building their capabilities. They presented five key categories of CSFs:

- The industry – CSFs commonly found across all change management departments.
- Competitive strategy – differentiating CSFs from other organisations in the same industry (e.g. financial services).
- Environmental factors – CSFs that relate to external events outside the organisations control.
- Temporal factors - one-off CSFs resulting from a specific event necessitating their inclusion.
- Managerial position - CSF's as performance in a specific manager's area of responsibility may be deemed critical to the success of an organisation.

Using the CSF illustration above, the following table shows an example for each of the five categories.

Category	CSF
Industry	Investment decisions are correctly focused on achieving the appropriate benefits and outcome
Competitive Strategy	Sourcing strategy is aligned to the required capabilities to execute the strategy plan
Environment Factors	Agile and responsive to market influences that alter strategic plan priorities
Temporal Factors	No major shortfall in required and timely competencies
Management Position	Continuous productivity improvement whilst meeting required quality standards and reducing cost and time.

Once the CSFs have been drawn up, verified and agreed, the functional organisation will need to examine its ability to meet each of them. The common technique is to represent each CSF on a four grid "heat map" as shown below.



Size of circle donates effort and colour the traffic light level of success

The CSFs that are in the top left hand quadrant require the most attention as they fall within the low ability but high importance.

12. KPIs, OLAs and SLAs

Key Performance Indicators (KPIs)

A performance indicator or key performance indicator (KPI) is a measure of performance. They must be specified when answering the question, "What is really important to different stakeholders?

The reason why performance is measured in organisations is often reduced to simple statement, such as "unless you measure it, it won't get done".

The positive view is that KPIs provide an objective, uniform and rigorous picture of achievements.

The four main reasons for measuring performance are:

- To ensure we do what we say
- To learn and improve
- To report internally and demonstrate compliance
- To control and monitor people

KPIs should be clearly linked to each of the department's strategy objectives. Once they have been agreed, KPIs can be constructed to track progress and gain relevant insights to help manage and improve performance. They must be acceptable, understood, meaningful and measurable.

Such measures are assessed on a regular basis to manage the change management departments and senior job success.

For a change department, the KPIs will be used by the balanced scorecard methodology to review and track performance. Some examples of KPIs:

i. Cost. Is the project spending in line with the baseline cost?
ii. Schedule. Is the project on track with the baseline schedule?
iii. Resources. Are the internal/external business and supplier resources available as shown in the project plan?
iv. Business Case. Is the project still on track to deliver the right products to the agreed business benefits?
v. Quality. Is the project creating products/deliverables that meet their quality criteria?
vi. Conformity. Is the project adhering to regulatory and compliance requirements?
vii. Risk. Is mitigation of risk working and being managed proactively? Is the level of risk still acceptable?

Service Level Agreements (SLAs)

It is quite normal for part of the change management capability to be contracted out or outsourced to a third party supplier. Depending on their services, they may or may not be managed as a partner.

What should be outsourced is considered as part of the "building an effective change management organisation" (J Crawford 2012) when examining capabilities and competencies. Examples would be bespoke software development and acceptance testing.

A supplier contract is different from outsourcing. An example of a supplier contract would be: operational process assessment, re-engineering, legal advice for organisational restructuring, purchase of business application packages. What should be contracted out is considered as part the strategy setting and also new change programmes.

For outsourcing and contracts, the service level agreement (SLA) would be drawn up and formally defined. This is usually a legally binding formal “agreement ".

A comprehensive service level agreement is an essential requirement for the provision or receipt of any important service. It quite simply defines the parameters for the delivery of that service, for the benefit of both parties. It must be complete, comprehensive and accurate in its coverage.

Importantly, both parties must understand the contents and their respective obligations.

The SLA should embrace a wide range of topics. Amongst these are usually:

- The service being provided
- The standards of service
- The timetable for delivery
- Respective responsibilities of supplier and customer
- Methodologies to be adopted
- Management controls
- Provisions for legal and regulatory compliance
- Mechanisms for monitoring and reporting of performance
- Problem management
- Payment terms
- How disputes will be resolved
- Confidentiality and non-disclosure provisions
- Termination conditions

The benefits of this document would be to:

- Provide a framework for understanding
- Simplify complex issues
- Reduce areas of conflict
- Encourage dialogue in the event of disputes
- Minimise unrealistic expectations

If suppliers fail to meet agreed levels of service, the SLAs usually provide for some form of compensation. When drawing up an SLA with the supplier, highlight the most critical components of the deal so you can apply the strictest penalties to these. Build periodic performance reviews into the SLA.

Don’t forget that SLAs require constant discussion and updating. If the needs of your business or department change, you may require different set of services or performance criteria.

Operational Level Agreement (OLAs)

Where the change management operating model includes capabilities that have been insourced within the global organisation, a service level agreement tends to be too heavy handed as the correct vehicle for defining mutual responsibilities and agreements.

An operational level agreement (OLA), as defined with the ITIL methodology, is the preferred vehicle which defines a clear, concise and measurable description of the responsibilities and interdependent relationships among the specialist groups both within the business and IT. The objective of the OLA is to define how various groups will work together to deliver each of the services as described in the service catalogue.

It will describe the methodologies to be adopted so there is uniformity of process across the change organisation. In addition, it will provide the performance metrics for content, quality and timeliness.

Selecting SLA & OLA Matrix

Categories of Matrices to consider:

i. Type of assignment
ii. Volume of assignment
iii. Quality of assignment
    a. Defect rates
    b. Technical quality
    c. Service availability
    d. Service satisfaction
iv. Responsiveness
    a. Time to acknowledgement
    b. Time to implement / resolve
    c. Backlog by age
v. Efficiency
    a. Idle time
    b. Team utilisation
    c. Rework levels
vi. Standards

Here are some tips for identifying matrix:

i. Choose measurements that are relevant
ii. Choose measurements that motivate the right behaviour
iii. Ensure metrics reflect factors within management control
iv. Choose measurements that are easily collectable
v. Less is more.

13. Balanced Scorecard

The balanced scorecard is a strategic planning and management system proposed by Kaplan & Norton that is designed for use by business and other sectors to:

i. Align business activities to the vision and strategy of the department.
ii. Improve internal and external communications.
iii. Monitor department performance against strategic goals.

The core characteristic of the Balanced Scorecard is the presentation of a mixture of financial and non-financial measures.

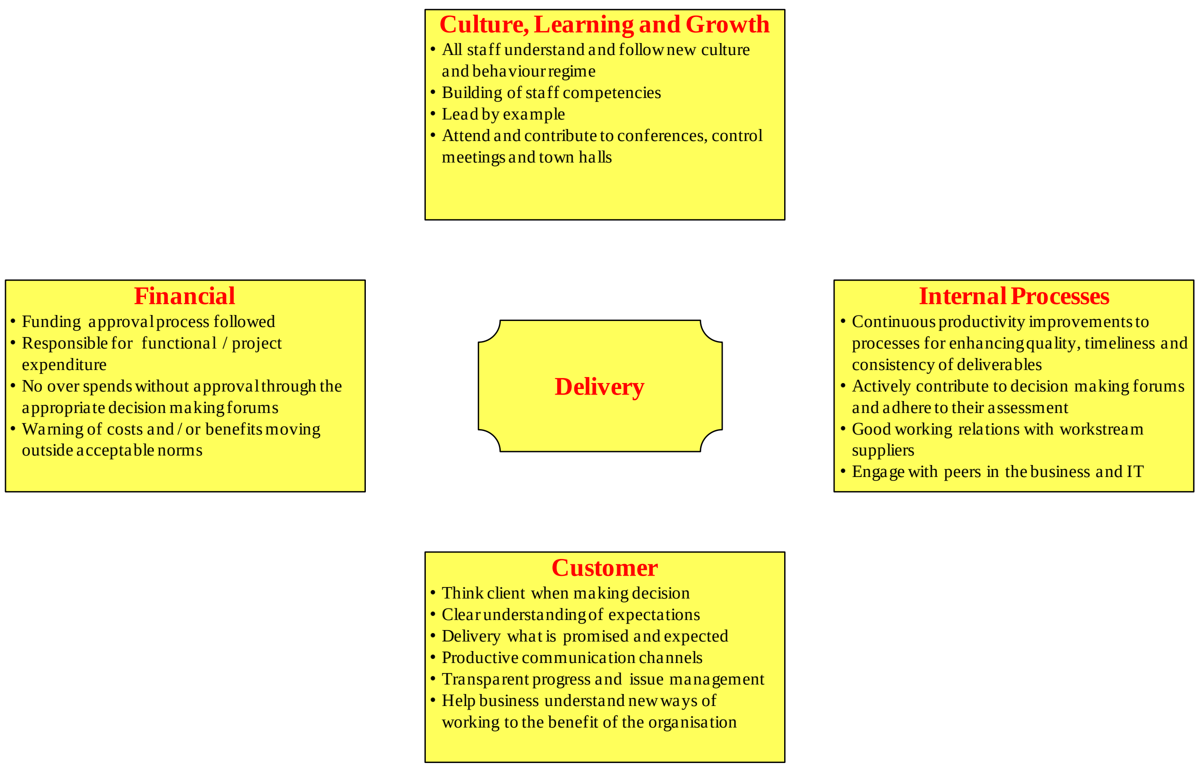
The scorecard is not a replacement for traditional financial or operational reports but a succinct summary that captures relevant information about the performance of an individual, team, workstream, project and other groupings.

The design method was proposed by Kaplan & Norton. The perspectives proposed were:

1. Financial perspective including KPIs like actual against planned, increase in employee remuneration, etc. This provides a financial overview of the operations of the service company.
2. Customer (i.e. business) perspective helps in specifying the perception of the customers about the service company. It can be judged through KPIs such as number incidents, resolution time, complaints.
3. Internal Processes perspective provides an overview of the service operation and includes measures to judge the efficiency of different processes. It consists of KPIs of development activities completed on time, testing defect rates, process improvement initiatives, etc, measured in percentage terms
4. Culture, Learning and Growth perspectives take into consideration the initiatives taken by the service company to improve the efficiency of its employees. It comprises of KPIs like project related training programs, motivational programs, team building activities, minimising attrition and avoiding recruitment through access to wider pool of resources.

The Balanced Scorecard is ultimately about choosing the appropriate measures and targets. Various design methods proposed by Kaplan and Norton are intended to help in the identification of these measures and targets.

For illustration purposes, the following diagram shows some possible topics to consider within each balance scorecard category.



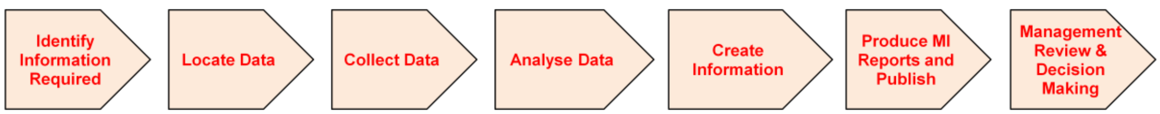
14. Management Information

Wikipedia says that Management Information (MI) is a process that provides information needed to manage organisations effectively. They are regarded to be a subset of the overall internal controls procedures in a business, which cover the application of strategies, projects, deliverables, people, documents, technologies, and procedures to support decision making.

Information needs to be:

- Consistent
- Inclusive
- Forward looking
- Balanced
- Accommodating

The life cycle illustration below shows the steps for the production of management information.



It is important that data is collected once and is used for all MI reports. Otherwise duplicate processes will arise, inefficiencies materialise and the managers of the source data will become very frustrated.

At the end of the day there has to be one universal truth and a single collection of data will help ensure that.

The actual mechanism and possible automation is up to each organisation to decide.

Though the department head is accountable, it tends to be the “programme management office” that undertakes most of the activities (responsibilities).

The reports are used internally for department senior management and for reporting up the line to senior executives and stakeholders.

The reports fall into two halves:

i. Progress status of the department’s internal strategy implementation.
ii. Progress status of change delivery

For the latter, the top ten topics that executives want to see reported are:

i. Prioritisation changes
ii. Resource utilisation
iii. New initiated projects with planned outcome and benefits against timeline
iv. Completed projects with expected outcome and benefits against timeline
v. Status of in-flight projects
vi. Programme and Project roadmaps and milestones
vii. Budget and expenditure variances
viii. Quality assurance healthchecks
ix. Balanced scorecard results
x. Executive summary of above

Here we have three illustrations covering a number of the topics above that can be use as a benchmark:

i. Internal Strategy Progress

STRATEGY VIEW	ANSWERING THE QUESTION(S)
Strategic Goals	Scope, deliverables and owner for each goal Timeline of goals with milestones
Management Summary	Which goals are now complete? What are 3 top achievements for last reporting period?
Delivery	What is the current delivery schedule in comparison to the planned schedule What are the major dependencies? What are the current constraints?
Budget Management	What are the projected costs againstoriginal budget
Status	What is the status across for each goal? What are the issues for goals with amber and red status?
Risks and Issues	What are the holistic set of implementation risks ? What are the Board level risks and issues? What mitigating actions are in place or being proposed?

ii. Change Portfolio

PORTFOLIO VIEW	ANSWERING THE QUESTION(S)
Demand Management (Pipeline & In-Flight)	What are the potential projects for project initiation? What are the projected resource demands? What is the overall level of resource across the portfolio?
Supply Management	What resource constraints are there likely to be?
Management Summary	What are 3 top achievements for last reporting period?
Portfolio Delivery	What does the current and future roadmap look like? What is the current delivery schedule in comparison to the planned schedule ? What are the programme/project dependencies into the business and third parties?
Budget Management	What is the overall cost of the portfolio? Are our projected costs within budget? Explanation of variances outside tolerance?
Portfolio Implementation Constraints	What constraints prevent the business absorbing a potential change to the business?
Status	What is the status across the portfolio by release within each business area?
Risks and Issues	What are the implementation risks across the portfolio? What are the Board level risks and issues? What mitigating actions are in place or being proposed?
Portfolio Healthchecks	Which projects are being health checked?
Scorecard	What is the scorecard performance for pipeline and programme managers Are there any SLA or OLA issues?

iii. Change Projects

PROJECT VIEW	ANSWERING THE QUESTION(S)
Supply Management	What resource constraints by project are there likely to be? (Monthly)
Delivery Plan	What is the current project delivery schedule in comparison to the planned schedule ? Show key milestones with dates and RAG and commentary
Budget Management	What is the overall IT cost for each project? Are our projected costs within budget? Explanation of variances outside tolerance?
Management Summary	What is the overall RAG status for each project? What was the last RAG status and the projected RAG status for the next report? What re 3 top achievements for last reporting period? What is the status across the portfolio by release within each business area?
Status	What is the status across the portfolio by project within each business area? What are the issues for amber and red projects?
Risks and Issues	What are the reasons for amber and red risks and issues? What are the mitigations? What are the numbers for open and closed risks and issues?
Scorecard	What is the scorecard performance across functional team?

15. Benefits of Change Organisation Strategy

An old proverb says “failing to plan is planning to fail”.

A change department without a clear strategic plan gives its decision makers no direction other than the maintenance of the status quo. The department becomes purely reactive to external pressures and less effective to delivery.

The formulation of a sound strategy:

i. Facilitates a number of actions and desired results that would be difficult otherwise. A strategic plan, when communicated to all members of an organisation, provides employees with a clear vision of its raison d'être and objectives.
ii. Allows the department to plan and allocate scarce investment capital funds where they will be most effective and derive the highest returns.
iii. Creates a proactive organisation.
iv. Secures a common understanding and commitment of the management team.

16. Maturity Model Assessment

There are a number of maturity models that could be considered for assessing change organisation functions.

Analysis Capability Maturity Model (ACMM)	Business Process Management Maturity (BPMM)	Capability Maturity Model Integration (CMMI)	Organisation Change and Development (OCD)	IS/ICT Capability Maturity Framework (IS/ICT CMF)

Over the recent years, there have been a number of maturity model assessments that have appeared on the marketed.

The principle one that will be focused on is Business Process Management Maturity (BPMM). It is based on CMMi foundations with the view to fuse business and IT processes.

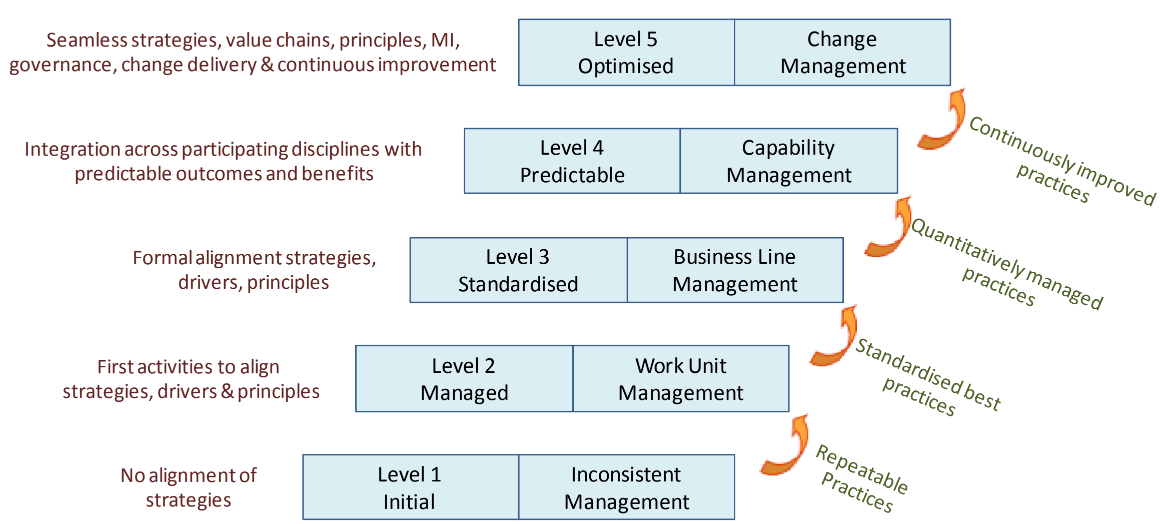
i. Business Process Management Maturity (BPMM) Introduction

It is a process improvement approach with the aim to improve the organisation's change management performance.

There are five levels of maturity. Each is shown together with their respective objectives and benefits.

OBJECTIVES	LEVEL	BENEFITS
Continuous proactive improvement	(5) Optimising	Achieve targets Flat organisation Organisation agility
Manage process and performance quantitatively	(4) Predictable	Predictable results Reuse
Establish standard end to end integrated processes	(3) Standardised	Clear value chains Improved productivity Effective tools
Create disciplined management within work units and stabilise work	(2) Managed	Reduced rework Reduce overload Stable local procedures
Motivate people to over come problems and just "get the job done"	(1) Initial	Hero worship

The next illustration shows the maturity of strategies and practices.



Finally for each level identifiable characteristics have been added:

Unstable / Initial	Undisciplined	Few or no repeatable processes
	Individualistic	Individuals rely on personal methods for accomplishing work
	Inconsistent	Little preparation for managing the team
	Inefficient	Few measures for analysing effectiveness of practices
	Stagnant	No foundation or commitment for improvement
Managed	Committed	Executives commit organisation to improve operations
	Proactive	Managers take responsibilities for team operations & performance
	Supervised	Commitments are balanced with resources
	Repeatable	Teams use locally defined practices that have proved effective
	Responsible	Teams are capable of meeting their commitments
Standardised	Strategic	Focuses on end to end integration of processes
	Organisational	Adopt best practices from teams into standard processes
	Leveraged	Common measures and processes promote organisational learning
	Ethos	Organisational culture emerges from common practices
Predictable	Measure	Process variation, performance and capability understood quantitatively
	Stable	Deviation reduced through reuse, mentoring and statistical management
	Empowered	Corrective action taken at point of performance
	Integrated	Processes integrated across participating disciplines
	Predictable	Outcomes predictable from process capability and performance
Optimised	Strategic	Improvements planned to achieve business strategies and objectives
	Methodical	Improvements evaluated and deployed using orderly methods
	Dedicated	Individuals and workgroups continuously improve capability
	Aligned	Performance aligned across the organisation
	Preventative	Defects and problem causes systematically eliminated

ii. BPMM Assessment Approach

Once the logical operating model and all value chains have been defined, then for each function and major process, a maturity assessment is conducted.

This assessment should also include the maturity of polices, principles, business partnerships and culture.

Any requirements should go through the standard costs and benefits evaluation. Based on the net value for each improvement, priorities are assigned together with resource and budget allocation.

The agreed changes like any other project must be managed and reported accordingly.

As these changes are integral for building an effective change organisation, they will form part of the department's functional plan.

17. SWOT Analysis

SWOT analysis is a technique credited to Albert Humbhery who led a convention at the Stanford Research Institute (now SRI International) in the 1960s and 1970s using data from Fortune 500 companies.

This technique is typically used as a strategic planning method used to evaluate the Strengths, Weaknesses, Opportunities, and Threats of a business, product, service or customer segmentation.

- Strengths: characteristics of the change department or multiple segmented departments
- Weaknesses (or Limitations): are characteristics that place the change department at a disadvantage to delivery change
- Opportunities: external chances to improve performance; e.g. use of external specialism, fit for purpose methodologies
- Threats: lack of buy in, capabilities, competencies that could derail the working of the department

Before a SWOT can be carried out, there needs to be an agreed objective and vision of the department to compare the current organisation against.

The aim of any SWOT analysis is to identify the key internal and external factors that are important to achieving the objective. SWOT analysis group key pieces of information into two main categories:

- Internal factors – typically the strengths and weaknesses internal to the organisation.
- External factors – typically the opportunities and threats presented by the external environment to the organisation.

The results of the SWOT analysis are essential because some of the steps in the process of planning for achievement of the organisation's objective can be derived from the SWOT results.

First, the strategist has to determine whether the change organisation objective is attainable, given the SWOT. If the objective is NOT attainable, a different objective must be selected and the process repeated.

Care has to be exercised when using SWOT analysis as it is just one method of categorisation and has its own weaknesses. For example, it may tend to persuade organisations to compile lists rather than think about what is actually important in achieving the prime objective.

Aspects that must be used as input into the SWOT are current and future:

- Objectives – defining what the organisation has and is going to do
- Portfolio of services
- Functions, processes with their life cycle
- Methodologies
- Strategies formal and informal
- Strategic Issues defined – key factors in the development of a organisation which needs to be addressed
- Critical success factors, service level agreements, operational level agreements
- Locations, resources and capabilities
- Management information of work status, deliverables, benefits realisation, risks and obstacles, to mention a few.

An “aide memoire” of questions that should be considered during the SWOT analysis of the change organisation:

Strategy	• What is our strategy?
	• How do we intend to achieve our objectives?
	• How is the organisation divided by specialism and location?
	• How do the various specialists coordinate activities?
	• How do the team members organise and align themselves?
	• Is decision making controlling centralised or decentralised? Is this the optimum way?
	• Where are the lines of communication? Are they explicit and implicit?
Style	• How participative is the management/leadership style?
	• How effective is that leadership?
	• Do employees/team members tend to be competitive or cooperative?
Staff	• What positions or specialisations are represented within the team?
	• What positions need to be filled?
	• Are there gaps in required competencies?

Competencies	• What is the organisation known for doing well?
	• What are the strongest competencies represented within the organisation?
	• What are the competency gaps?
	• Do the current employees/team members have the ability to do the job?
	• How are skills monitored and assessed?
	• How are changes in customer demands dealt with?
Shared Values:	• What are the core values?
	• What is the organisation's culture?
	• How strong are the values?

The results are analysed to identify what actions need to be put into place with a value, effort, target date and relative priority.

These actions will be documented and form part of the department's functional plan.

18. Summary of Transition Approach

All organisations have a change department in existence – quite often being IT.

To summaries the above chapters:

i. Start by benchmarking which functions exist against the agreed functional model and rate each of their capabilities. BPMM and SWOT will assist in this activity.

ii. At the same time examine the strategic plan and assess what change solutions are to be implemented over the medium term and identify the type of change capabilities are required to implement.

iii. With the two assessments, undertake a gap analysis and identify missing or under strength capabilities.

iv. The next assessment is to document the enterprise framework if it doesn't exist and carry out a gap analysis to identify missing components or methodologies. A separate activity will need to be undertaken to put into service the missing components.

v. The penultimate activity is to define and implement the functional operating structure.

vi. Finally, the last piece of the jigsaw it to include the results in the Department Functional Action Plan.

19. Communication

Some research suggests only 5% of the people in an organisation understand its strategy. If that is true for your organisation, whose strategy are the other 95% implementing? Not yours, that is for sure.

Therefore, no matter how good the strategic plan is, it will fail without excellent communication and buy in. It must be communicated in a way that staff and stakeholders alike will understand and find compelling. It must spell out what is expected of them to help you succeed with its implementation.

A supplementary paper to the change department strategy is "the communication plan" spelling out what has to be accomplished.

It serves as a guide throughout the duration of the strategy implementation focusing on:

"Who" - the target audiences
"What" – the key messages of the strategy to be articulated
"When" – timing, it will specify the appropriate time of delivery for each message
"Why" – the desired outcomes
"How" - the communication vehicle (how the message will be delivered)
"By whom" - the sender (determining who will deliver the message)

It will explain how to convey the right message, from the right communicator, to the right audience, through the right channel, at the right time.

The communication channels are numerous and varied which include all written, spoken, and electronic, but not limited to:

- Periodic print publications;
- Online communications;
- Townhall meetings;
- Committee and board communiqués;

Finally, it is important to obtain feedback to correct any miscommunication and to improve future communication.

20. Guidelines

By following these guidelines, it is possible to create an effective strategic action plan, build a realistic organisation direction for the future, and greatly improve the chances for successful implementation of the business's strategic change needs.

i. Strategy must be contain substance

   Don't go through the motions of developing a strategy simply because everybody else does. This has to be taken seriously. If you're going to take the time to do it, do it right.

   Businesses fall into the trap when referring to their strategy if it only amounts to no more than aspirations and wishes: - e.g. "we want to be one of the top 10 companies in the UK"

   If the strategy is going to get some traction, it needs to be specific, realistic and gives the organisation something to strive for. The goals and targets in the plan must be understandable measurable.

It is critical that the organisation knows where it is now, where it wants to be and how it is going to get there.

ii. Clear implementation approach

Perform a reality assessment to ensure that it is understandable, comprehensive, realistic, measurable, specific and will be communicated effectively.

Clearly state the priorities for each action, not every strategic objective will have the same level of priority.

iii. Don't let the plan gather dust.

This is as bad as not writing a plan at all. If a plan is to be an effective management tool, it must be used and reviewed constantly. Strategic plans have a finite shelf life before they become obsolete.

iv. Continuity of Accountable Executive.

Ensure an accountable executive is involved from the start of the strategic planning exercise through to its implementation.

v. Communicate the strategy

People need to be informed about the strategy. It is not much good keeping the content of the strategy confined to a select few. This may be necessary at the start of the strategy formulation stage, but before the deployment stage the plan has to be actively communicated to management and staff alike.

vi. Delegate responsibilities to management and staff

To ensure buy in of the strategy, the organisation must create a sense of ownership and commitment to make it work.

Delegate as far down as practical so individuals take responsibility for specific delivery actions and tasks. Play to peoples strengths and ideally have some responsibility for the eventual implemented action.

vii. Full commitment, don't abdicate

COOs and senior management must be fully committed and fully understand how a strategic plan can improve their business's change management organisation. Without this knowledge, it's tough to stay committed to the process.

Sometimes the COOs or senior managers will tend to withdraw from the process once the strategy has been developed and agreed. "We have done our bit. Now it is up to them to get on with it."

COO and senior management must not opt out from delivery. It is very important that they provide strong leadership throughout the project lifecycle.

viii. Don’t forget in flight projects

Sometimes the task of developing and implementing strategy becomes an all consuming concern of senior management. They forget that they have projects to deliver and internal customers to serve.

ix. Monitor, assess, evaluation, action

Set natural checkpoint dates and conduct reality checks to ensure the assumptions that the strategy were based on are still valid. If revisions are required, make the changes quickly and communicate them to all concerned.

x. Accountability

Ensure those who are accountable for various aspects of the plan understand what is expected of them.

Consider adding a specific performance measurement to their annual appraisal.

They need to understand the organisational and personal consequences for not delivering on the strategy.

Conclusions

Strategic planning is not a management option, but a necessity.

Strategy implementation is always going to be difficult and fraught with the danger of being abandoned through inertia or resistance.

Planning is bringing the future into the present so that the organisation can do something about it now.

An effective strategy for running the change organisation will give the business a decisive competitive edge with “change ethos” embedded into its culture.

A sound strategic process delivers valid content, applies relevant methodologies, integrates the individual planning steps and tracks implementation.

The functional strategy defines the company's vision, sets targets for the long term and outlines the nature and scope of its business.

Strategic decisions prepare the ground for long-term growth that creates value.

Finally, the plan should ensure a seamless change management organisation with the aim to reach either level 4 or level 5 of the BPMM maturity model.

21. References

can be viewed online on numerous websites. The value added aspect of this guide is where to use these techniques and material for transforming the change management organisation.

The guide has a number of illustrations to help explain concepts, ideas and documentation examples. These have largely been created by the author specifically for this guide, or when he worked as a career employee, an interim manager or consultant. The remaining illustrations have been tailored specifically for this guide from visual aids that were freely available for all employees where the author worked.

Where specific new or eminent material has been used or should be read, the author has referenced the source below.

Please accept the author's apologies, if any important reference has been missed this was purely an oversight. If a piece of work contained here has not been properly credited, please let me know and amends can be made in future editions of this guide.

Albert Humbhery - SWOT analysis

Building an Effective Change Management Organisation – John Crawford 2012.

CBS MoneyWatch – Why do businesses fail?

Division of STD Prevention (DSTDP) – BPMM

Kaplan & Norton – Balanced scorecard

Prospectus – Putting strategy to work

Rockart and Bullen - Identifying CSFs

Software Engineering Institute of Carnegie Mellon University - CMMI

TeraQuest - BPMM

UK Office of Government Commerce (OGC) – ITIL

Wikipedia encyclopaedia