BIZCHANGERS

RiskBlog: Management of Change

Today it would be difficult to maintain a successful business without being able to adapt to the rapidly changing external environment. Effective change management and successful business have almost become synonymous; however few enterprises have robust, formalised processes in place for managing risks associated with change. This article will help you to consider some of the elements you need to have in a Management of Change (MOC) process.

Management of Change is required to address either:

- Externally driven changes, for example: technological, market, economic, environmental or political changes; or
- Changes caused by internal decisions, e.g. changes to jobs, processes, equipment or location.

Often the internal changes are responses to changes in the external world. When an enterprise needs to undergo a major change affecting multiple jobs, departments or processes, this can sometimes be referred to as a transformation programme.

Before we consider how to design a Management of Change or MOC process let us take a look at some typical examples of external changes which require a business response.

Market changes

Market Changes can have several causes. They can be due to the addition, removal or restructuring of market players like competitors,

BIZCHANGERS Ltd
9, Ashton Court,
Woking, Surrey
GU21 6AL
England

A company registered in
England and Wales under
the number 06767815

Website: www.bizchangers.com
E-mail: info@bizchangers.com

suppliers and customers. Alternatively they can result from the activities undertaken by of any of these three stakeholder groups.

Examples of Market Changes are:

- New or changing competitors
- New or changing customers
- New or changing suppliers
- New or changing relationships between these groups and your own enterprise
- New or changing products (e.g. raw materials or end products) or services
- New or changing market infrastructure (e.g. logistics, e-sales, on-line invoicing and payments)

In order to effectively respond to these external changes the enterprise will require internal changes. When these are significant a management of change process may be need to be undertaken.

Technological changes

Technological changes can drive some of the market changes already described. Consider some of the electronic innovations which have been introduced over the last few years. These changes do not simply alter the way producers and consumers of products interact with one another but they have created whole new markets. Examples include mobile telecoms equipment, its associated software and the new markets for services, applications ('apps'), accessories, advertising, social networking etc.

BIZCHANGERS Ltd
9, Ashton Court,
Woking, Surrey
GU21 6AL
England

A company registered in England and Wales under the number 06767815

Website: www.bizchangers.com
E-mail: info@bizchangers.com

BIZCHANGERS

Economic changes

The recent global banking and financial crisis is an example of an economic change which is of global significance to business enterprises. Its impact influences businesses at the local level through the reduced availability and increased cost of finance for investments and expansions. It has also created macroeconomic problems like currency instability and the risk of default from major corporations or even countries. This leads to an uncertain investment climate and higher credit risk.

Economic changes of a different kind are found in countries like China, India and Brazil where high growth continues to create new and exciting opportunities for investment and sales. Export focused enterprises need to adapt in order to maximise their ability to derive value from these opportunities while at the same time managing the downside risks. Here companies expanding and investing in new markets need to have sound risk management processes in place to manage these economic changes.

Regulatory changes

The recent implementation of the new UK bribery act and the continuous debates in all countries about the official state retirement age are examples of regulatory activities which require companies to change their business processes. Changes may be necessary, for example, to be able to demonstrate the business has a programme to minimise the risk that employees or even third parties commit bribery on the company's behalf. Early retirement has often been used as a means of reducing employee numbers in business restructuring processes. With the changing legislation in this area such activities may

BIZCHANGERS Ltd
9, Ashton Court,
Woking, Surrey
GU21 6AL
England

A company registered in
England and Wales under
the number 06767815

Website: www.bizchangers.com
E-mail: info@bizchangers.com

BIZCHANGERS

conflict with government aims to encourage people to stay in work as long as possible.

Environmental changes

Global warming is often quoted as an example of environmental change. The physical effects of global warming may not impact a business for many years but in anticipation of these changes governments are introducing measures which are likely to have an immediate financial impact. For example some enterprises will need to measure their emissions and make changes to equipment and buildings to reduce environmentally damaging emissions and improve energy efficiency. Carbon taxes may be introduced for fuel or transportation which will influence the economic viability of some business activities. In selected areas incentives may exist to encourage investment in certain renewable energy sources or to subsidise investments in energy efficiency improvements like improving building insulation. These external changes will require companies to make a number of internal changes all of which will need to be change managed.

Political changes

The Arab Spring is an example of political upheaval which has the potential to impact businesses across the World. A large part of the world's energy supplies exist in regions which are undergoing political upheaval and where long term political stability cannot be guaranteed. The short term supply/demand balance for energy is relatively balanced and therefore it only needs a single supplying nation to have problems for a rapid escalation in oil prices to occur. Although some nations have very large reserves which could potentially ease the supply/demand situation the lack of immediately available free capacity to extract, refine and transport oil will lead to a short term supply bottleneck.

BIZCHANGERS Ltd
9, Ashton Court,
Woking, Surrey
GU21 6AL
England

A company registered in
England and Wales under
the number 06767815

Website: www.bizchangers.com
E-mail: info@bizchangers.com

Therefore companies should have change management and business continuity plans in place to address these politically based energy and chemical supply problems.

In addition to those related to energy there are other political changes which can impact businesses. Simply changing from a left wing to a right wing party at home can have a major impact on tax rates, incentives for investment, employment, spending and the cost of borrowing. Any of these could lead to significant business changes being necessary.

Demographic changes

One of the major demographic changes likely to impact society in the near future will be the rapidly aging population. More people will need to be housed, fed, heated and receive care for longer than was the case with their parents. Increasing numbers of older people will need to work longer to finance their retirement and governments will encourage this in order to reduce the escalating burden on the State finances.

In many countries age alone may no longer be used as a reason for asking a person to stop working. This will put more pressure on youth unemployment levels which could be a catalyst for increased instability on the streets leading to more riots, violence, vandalism and theft.

Another demographic burden on society will arise from the increasing number of the people who are considered clinically obese. As levels of obesity continue to grow companies will need to rethink how they provide appropriate seating, workstations and facilities.

These demographic changes need to be understood and assessed to determine how a business needs to adapt. The adaptations then need

BIZCHANGERS Ltd
9, Ashton Court,
Woking, Surrey
GU21 6AL
England

A company registered in
England and Wales under
the number 06767815

Website: www.bizchangers.com
E-mail: info@bizchangers.com

to be change managed using a risk based management of change process to ensure that threats and opportunities arising from these external changes are effectively addressed.

Clearly there are many changes in the business environment which could require an enterprise to embark upon an internal change programme. Those described above are merely a small sample to illustrate the diversity of possible external changes. To be successful an enterprise needs to manage these changes more efficiently and effectively than its competitors.

Do you have a formal Management of Change process in your business? If you do, can it cope with the kind of changes that might be forced upon the business by some of the situations described above? How effective is the Management of Change process in addressing changes to jobs, processes, equipment or locations?

Transforming an enterprise in response to external changes

A number of examples of external changes have been described and in order to adapt to these successfully an enterprise will need a robust Management of Change (MOC) programme. The following are some typical changes which need to be change managed:

- Strategy changes
- Organisational structure changes: numbers or types of people
- Job changes: different roles or incumbents

BIZCHANGERS Ltd
9, Ashton Court,
Woking, Surrey
GU21 6AL
England

A company registered in
England and Wales under
the number 06767815

Website: www.bizchangers.com
E-mail: info@bizchangers.com

BIZCHANGERS

- Process changes: e.g. manufacturing, IT, control systems
- Equipment changes
- Raw material, intermediate or end product (or service) changes
- Technological changes
- Communications changes
- Interaction or relationship changes
- Logistics or storage changes
- Location or building changes
- Commercial changes e.g. marketing, sales or procurement

This list is not exhaustive but illustrates the breadth of change options available to an enterprise. With such a wide variety of change processes to select from it is useful to identify and focus on a number of 'change' success factors which are important to the success of most business change or transformation projects.

From my own experience these key change success factors include the following:

- Clarity of change objectives and strategy
- A project governance, oversight and approval process
- A risk based design and implementation of the change process
- A clear definition of project roles and accountabilities
- Structured and disciplined project management
- A change planning and resource scheduling process
- Standardised risk checklists to support people changes
- Mapping of competencies/activities/assets/processes
- Communications planning, management and monitoring
- Interface planning, management and monitoring
- Change delivery reporting and monitoring processes

BIZCHANGERS Ltd
9, Ashton Court,
Woking, Surrey
GU21 6AL
England

A company registered in England and Wales under the number 06767815

Website: www.bizchangers.com
E-mail: info@bizchangers.com

Let us now consider each of these key change success factors in turn and look at how they can be applied in some typical change scenarios:

Clarity of change objectives and strategy

Why do you need a change project and what is it expected to achieve? Earlier in the article external changes were mentioned as one of the main reasons enterprises need to undergo internal changes. To ensure the reason for embarking on the change project is sound it should be subjected to a risk evaluation process. Here it is best to compare the proposed change strategy with other options (including the option of not changing). For each option identify the threats and opportunities to:

a) The business, and
b) To the successful delivery of the change project

These risks are evaluated based on their potential to impact business value or reputation and the likelihood of their occurrence. You can find out more about risk evaluation from the www.RiskTuition.com website (free of charge) or from the book Value TRAI Based Risk Management (Author: Chris Duggleby, Publisher: BizChangers Media) available from the www.bizchangers.com site.

In addition to identifying the risks associated with the change proposal the analysis should also include a frank assessment of the strengths and weaknesses of the enterprise in relation to this proposal. The objective of the change should be to create or strengthen areas in the organisation which enable it to derive value from its changing environment. The change project also needs to ensure that important

BIZCHANGERS Ltd
9, Ashton Court,
Woking, Surrey
GU21 6AL
England

A company registered in
England and Wales under
the number 06767815

Website: www.bizchangers.com
E-mail: info@bizchangers.com

weaknesses in the enterprise are eliminated or can be neutralised through risk mitigation plans.

Risks need to be prioritised based on a combination of the level of their influence on value/reputation and their likelihood of occurrence. The change strategy should be designed to take maximum advantage of those opportunities which create the most value or it should minimise the impact of those threats which could potentially destroy the most value. A strong value/reputation focus helps to avoid making changes which do not actually create much real benefit for the enterprise.

By carrying out this comprehensive risk evaluation for each change option it is possible to reconfirm that the original proposal is the one that has the most appropriate risk/reward balance. If the project did not start out with an obvious preferred proposal the risk evaluation process will facilitate the selection of the one which adds the most value to the business whilst respecting the risk appetite of the owners of the enterprise. It is important throughout the risk evaluation process to remember to consider both opportunities and threats (there is a tendency for risk evaluation to focus more on the negative rather than the positive).

The change strategy is likely to use one or more of the types of change referred to above in transforming the business. For example the change strategy might require a reduction in employees and a reorganisation of the remaining staff so that they can work more efficiently and effectively. Alternatively it might involve relocation to new premises in order to implement a more efficient organisation, to take advantage of lower building or labour costs, or to be closer to the end-user market.

BIZCHANGERS Ltd
9, Ashton Court,
Woking, Surrey
GU21 6AL
England

A company registered in
England and Wales under
the number 06767815

Website: www.bizchangers.com
E-mail: info@bizchangers.com

Once a change strategy has been selected it should be summarised using a short set of simple objectives with clear deliverables (e.g. x% fewer people, y% lower costs, z% increased profit etc). The simplicity and clarity of these objectives will be important for the communications strategy (see below).

A project governance, oversight and approval process

Larger or more complex change programmes run the risk of getting out of control with some areas starting to 'do their own thing'. This is why change project governance and a clearly defined decision making and approval process is important. At its simplest governance can comprise a clear set of policies and guidelines which the people involved in the project must follow. These could define, for example, who is responsible for each of the key activities making up the project (e.g. planning, personnel, communications, accounting, etc.) and how much each person is allowed to commit the company to (e.g. How many people of a certain grade can be recruited/released? Who can communicate with each stakeholder group? How much can each project area spend?). In addition there needs to be a clear process for getting approvals when a decision goes above the pre-set approval limits. All this is usually documented in a project 'Delegation of Authority' document stating who has the authority to decide what and up to which level of expenditure can they approve.

For more material or complex projects a special committee or Project Governance & Oversight Board (known as the 'Project G.O.B.') can be set up which includes representatives of senior management who have responsibility over the project within the enterprise. Usually some of the key internal stakeholders likely to be impacted by the project will

BIZCHANGERS Ltd
9, Ashton Court,
Woking, Surrey
GU21 6AL
England

A company registered in
England and Wales under
the number 06767815

Website: www.bizchangers.com
E-mail: info@bizchangers.com

BIZCHANGERS

also be included. This Project G.O.B. requires a 'terms of reference' document which should include the following:

- The G.O.B. participants
- How often they should meet
- What they can decide (decision rights like spending limits which normally must be delegated by the enterprise Board of Directors)
- How the project G.O.B. makes decisions (e.g. majority or unanimous voting)
- How it will get information about the project (which reports and how frequently)
- Its role in overseeing the project risk management process, and
- A process for escalating project management disputes/issues needing resolution to the G.O.B. (e.g. disputes between different areas within the project)

A risk based design and implementation of the change process

The importance of evaluating risks which have the potential to impact the project strategy and objectives was referred to above. This evaluation should produce a set of risk management actions. The implementation of the project is guided by these actions. For example the project may have an objective to reduce the workforce in one part of the business by 20%. The risk evaluation will have identified a number of risks to this objective like protest strikes, employment tribunals or employee demotivation. The actions designed to manage these risks will involve either the control of the occurrence of the risks or the mitigation of any negative impacts once they occur (for more explanation visit www.RiskTuition.com).

BIZCHANGERS Ltd
9, Ashton Court,
Woking, Surrey
GU21 6AL
England

A company registered in
England and Wales under
the number 06767815

Website: www.bizchangers.com
E-mail: info@bizchangers.com

BIZCHANGERS

In addition to risks affecting the objectives of the change project there will also be risks to the implementation of the project. For example in some countries it is legislated that certain formal procedures must be followed when decisions about employees are being considered. For example consultation may be required with bodies which exist to inform and consult with employees or their representatives. These legal requirements can require some time to allow due process to be followed. Therefore the risk that these processes might delay or alter the exact manner in which an employee reduction is achieved must be considered. Certain risk management actions can be designed to minimise the potential for delays (for example by initiating employee consultation processes very early in order to avoid delaying the overall timeline for the project). These actions are built into the project planning process (see below).

Risk management is not a static one-off process. Simply identifying risks at the beginning of a change process and then making sure the actions are delivered only addresses the exposure which was identified at one point in time. Change projects are dynamic and the risks to the successful completion of the project or the risks to the business resulting from the project will change over time. Therefore it is important to have regular risk reviews and to update the risk management action list based on these. Typically a change project will have two or three major milestones and it is a good idea for the project G.O.B. to review the results of a risk evaluation at these major milestones to get on-going assurance that risks are being managed. If you would like more information about project risk management please consult the book 'Value TRAI Based Risk Management' by Chris Duggleby (available from www.bizchangers.com).

BIZCHANGERS Ltd
9, Ashton Court,
Woking, Surrey
GU21 6AL
England

A company registered in
England and Wales under
the number 06767815

Website: www.bizchangers.com
E-mail: info@bizchangers.com

BIZCHANGERS

A clear definition of project roles and accountabilities

One of the items the project G.O.B. needs to approve is a role definition and accountabilities document for the project. This describes the key positions involved in the project using a brief description of what the position does, its main objectives, and its deliverables. The relationship between the positions is described using an organisation chart and the accountabilities of each position are also defined.

For example the project communications manager may be accountable for approving all communications with stakeholders external to the project team. This person may have a team of two assistants and hold a publicity and promotion budget of $XXXX. Any authority limits should also be described, for example, the communications accountability of this person may be limited to project communications. In other words communications to the press about other company matters are not permitted. In addition this person may only be permitted to make communications to certain national media representatives after prior consultation with, and approval from, the enterprise's Central Press Office.

Structured and disciplined project management

The structure for a relatively simple change project, including who reports to whom and what areas they are accountable for, is defined in the role definition and accountabilities document described above. For more complex projects the activities and accountabilities may need to be divided into work streams. For example typical work streams might include:

- Project Planning, budgeting and Reporting
- Project Communications

BIZCHANGERS Ltd
9, Ashton Court,
Woking, Surrey
GU21 6AL
England

A company registered in England and Wales under the number 06767815

Website: www.bizchangers.com
E-mail: info@bizchangers.com

- Project People Transition Issues (or Human Resources)
- Project Process Transition Issues
- Project Infrastructure (IT systems and tools like job change check lists)
- Project specialist areas (e.g. Legal, Tax, Compliance areas)
- Project logistics (e.g. movements of people, equipment, buildings)
- Project Interface Management (e.g. with other parts of the enterprise or service providers)

Clearly the exact nature and number of the work streams will depend on the type, size and complexity of the change project.

Each work stream has its own leader and depending on the materiality and complexity of its activities it may even have its own leadership team. In other less complex or more specialised areas a work stream may comprise of only one or two people, for example the People Transition Issues work stream may comprise of the HR manager and one assistant, the Legal work stream may just be a single lawyer.

The different work streams of the change project need to be coordinated and centrally managed. At a high level this will be over seen by the project G.O.B. Below this the project leadership team should include representatives from each of the work streams together with any additional subject matter experts not included in work streams.

This project leadership team should meet regularly to assess project progress verses the plan and to report on any variances in meeting delivery targets or milestones. Each project work stream leader should present the rest of the team with a review of progress in their area and

BIZCHANGERS Ltd
9, Ashton Court,
Woking, Surrey
GU21 6AL
England

A company registered in
England and Wales under
the number 06767815

Website: www.bizchangers.com
E-mail: info@bizchangers.com

agree any items needing the agreement of multiple work streams or subject matter experts. The Project Leadership Team produces a summary of these meetings and tracks progress to date for reporting on to the project G.O.B. It should also prepare a list of actions after each meeting with the names of action owners and delivery dates. These actions should be reviewed at future meetings until each action has have been delivered. In addition to monitoring progress the project the leadership team should decide and approve interventions when things are not going according to plan or when unforeseen problems or issues arise. This should be the forum for deciding which items need to be escalated to the G.O.B. for higher level decisions. The authority levels of the Project Leadership Team should be delegated down from the G.O.B. to ensure efficient but controlled project implementation in which only important or material items need to be escalated. The Project Leadership Team is the owner of the project's risk management process (see below).

A change planning and resource scheduling process

Like any important project a change programme must be carefully planned and the correct resources need to be available at the right time and in the right place. Depending upon the complexity and the size of the project and the level of IT skills available it may be worthwhile investing in project management software like Microsoft Project. This can be used to design and document the plan, monitor progress and produce reports. Alternatively a simpler approach using on a 'home-made' customised spread-sheet based schedule can be considered. The key requirement is that the plan needs a time axis (usually along the top) against which can be plotted the project milestones, resource requirements, key activities and interactions like communications and dependencies. Dependencies refer to either activities which must be

BIZCHANGERS Ltd
9, Ashton Court,
Woking, Surrey
GU21 6AL
England

A company registered in
England and Wales under
the number 06767815

Website: www.bizchangers.com
E-mail: info@bizchangers.com

completed, or resources (including people, training and equipment) which must be in place, before another activity can start.

To be effective a change project plan needs to be a living document. It should be used to ensure the correct items and people are ready for the project as needed and to monitor the progress of the project in delivering key milestones. It needs to be regularly reviewed to provide early warning when a resource is likely to be delayed or a milestone is not going to be completed on time. This will allow contingency measures to be put into place which minimise the negative impact of such events on the overall project schedule and the delivery of the main project deliverables.

The delivery time of key risk management actions also need to be included in the project plan so that they receive appropriate attention and that their completion is tracked. The Project Leadership Team should receive regular progress updates based on the plan and their meetings should use the plan as a framework for assessing how well the project is performing and to identify areas requiring special attention.

Standardised risk checklists to support people changes

Most change projects are fairly unique and require bespoke processes and activities. However it is usually possible to standardise some of the processes to ensure consistency and build on previous experience in managing change risks. For example, many change projects require changes to jobs and a single change project may involve multiple job changes. Therefore it can be worth investing time and effort in the developing a standardised question list for each person coming into a new job to completes in order to ensure they have considered the most common risk areas. If the person is receiving the job from

BIZCHANGERS Ltd
9, Ashton Court,
Woking, Surrey
GU21 6AL
England

A company registered in
England and Wales under
the number 06767815

Website: www.bizchangers.com
E-mail: info@bizchangers.com

someone else, this process can be adapted to require that both the previous and the new incumbent of the job sign a handover checklist. This confirms that the two people have discussed all the important knowledge and risks related to the job and agreed appropriate actions to address any gaps.

Such a job change MOC check list can be structured using the value TRAI headings described in the www.RiskTuition.com website. The decision of which questions should be used under each heading will depend upon the type of business, the part of the organisation undergoing change and the nature of the change project. The best way to decide which questions are applicable is to hold a risk identification workshop with a suitable team of knowledgeable people. Identify the kind of generic risks which will apply to a job change in the situation under consideration and then develop a set of questions which will prompt the job incumbent to consider these risks and identify what is required to manage them (the www.RiskTuition.com website also describes how to run a risk identification workshop).

Here are a few guidelines to prompt the discussion about what to put into the checklist:

Targets

What is the person in the job expected to deliver and when? Are there any important milestones which need to be considered? What are the targets (e.g. the strategy) for the organisation and how does this job fit in with these targets? Does anything need to be delivered quickly after the new person takes over the role?

Resources

BIZCHANGERS Ltd
9, Ashton Court,
Woking, Surrey
GU21 6AL
England

A company registered in
England and Wales under
the number 06767815

Website: www.bizchangers.com
E-mail: info@bizchangers.com

BIZCHANGERS

What resources will the person doing this job need to have available? In addition to physical resources like equipment or materials what people will report to the person doing this job? What are the important characteristics and risks associated with these people? What information resources are needed to carry out the job (e.g. files and management information systems)? What process information and standards and guidelines does the job holder need to be aware of? Is there a risk register for the job? What is the current status of the risk management actions in the risk register? What authorities and accountabilities does the person in the job have and what are the limitations to these?

Activities

What are the activities and actions undertaken by this job? Is any special training required in order to be able to carry out these activities? What activities are carried out by the people who report to this position? What risks are associated with all of these activities?

Interactions

Who are the stakeholders that this job needs to interact with? What is the nature of these interactions? In particular what are the interdependencies of the job (which stakeholders does the job rely on, and which stakeholders rely on the job?)? Are there any particularly sensitive areas (e.g. litigation, major complaints, and potential conflicts of interest)? Is there a communications and engagement plan for the job (e.g. a handover process for key customers, suppliers, employees, management, and important people elsewhere inside and outside the organisation)?

BIZCHANGERS Ltd
9, Ashton Court,
Woking, Surrey
GU21 6AL
England

A company registered in England and Wales under the number 06767815

Website: www.bizchangers.com
E-mail: info@bizchangers.com

BIZCHANGERS

Mapping of competencies/ activities/ assets/ processes

For a change project to be successful it is important to have the right competencies, activities, assets and processes in the correct place at the right time. Therefore a process is needed to map these items in moving from the old organisation to the new organisation to make sure they do not get lost or overlooked. To make this manageable the items need to be prioritised in terms of their importance to the future business. For example if a sales organisation is being reorganised it is important to ensure the new sales people have the right training and experience to deal with their new products or new territories. The experience profiles of the sales people from the old organisation need be identified and charted to create a capability map. This can be used to ensure the most appropriate people are placed into each of the new jobs. If additional sales people are required the hiring process should reflect any gaps in the capability map of the existing team. Training programmes can then be tailored to ensure that any shortfalls in experience or training are addressed before the new organisation goes live.

Similar mapping processes can be used for process changes. Here the value TRAI approach can be used to map the targets, resources, activities and interactions in moving from the old process to the new processes. For example the new process may require some resources which were not used in the old process. These resources will need to be defined and quantified and a programme put in place to ensure that the additional resources are in place, on time, for the new processes to start. Likewise if assets, like equipment or buildings, are being relocated a value TRAI based mapping process can be used to ensure the targets, resources, activities and interaction for the new equipment or location are understood and ready for start-up.

BIZCHANGERS Ltd
9, Ashton Court,
Woking, Surrey
GU21 6AL
England

A company registered in
England and Wales under
the number 06767815

Website: www.bizchangers.com
E-mail: info@bizchangers.com

Communications planning, management and monitoring

Many change projects struggle because communications management is either not considered or is not planned sufficiently in advance. In such situations communications become predominantly reactive. It is important to consider the communications needs for the change as early as possible in the overall change project planning process. In fact a good project governance body should make it a priority to get assurance that a well-planned and managed communications and engagement process is considered in the overall project structure.

As with all other parts of the project it is essential to have clear accountabilities describing who can communicate what to whom? For example if a sales organisation is being reorganised it is important to be clear about who will contact customers about the changes: the central communications team or the sales team? The sales team will have the best relationships with customers and can probably deliver the messages most effectively but they may not be privy to all the relevant details of the project or the overall communications strategy.

Such issues need to be carefully thought through and managed. This is done early in the process by carrying out a communications and engagement risk identification workshop. In addition to the communications professionals and members of the change project leadership team this workshop will require input from people with knowledge about the key stakeholder groups under consideration (e.g. HR for people changes, Sales Management for changes impacting customers, Personal Data Protection specialists where communications may involve sensitive information about people).

BIZCHANGERS Ltd
9, Ashton Court,
Woking, Surrey
GU21 6AL
England

A company registered in England and Wales under the number 06767815

Website: www.bizchangers.com
E-mail: info@bizchangers.com

The communications and engagement risk identification workshop should produce a set of risks which need to be prioritised and then risk management actions are designed for the important risks. Each risk management action becomes an integral part of the communications and engagement plan with a clear action owner and timetable for delivery. The communications plan should describe the stakeholders that need to be considered, their requirements for information, the messages to be delivered to each stakeholder group, the process for delivering the messages (e.g. which media to use), and the timetable for implementing the communications and any other key preparatory steps (like getting legal and HR approval for the text to be used in external communications about job losses). The plan also needs to detail who is going to do what and how the effectiveness of the communications will be measured and reported to the project governance and oversight board.

Interface planning, management and monitoring

Interface management is an area which is related to communications and which often requires special attention. Some stakeholder groups like customers, suppliers, employees and perhaps other departments or functions in the same company may have formal or informal agreements with the area undergoing change. These agreements define the interfaces with these bodies or organisations and the change may require the interface agreements to be renegotiated or perhaps terminated.

Consider, for example, a change which will increase the efficiency of a manufacturing process. This increase in efficiency may mean that fewer raw materials are required to produce the same number of end products. If there is in an agreement in place with the raw material

BIZCHANGERS Ltd
9, Ashton Court,
Woking, Surrey
GU21 6AL
England

A company registered in
England and Wales under
the number 06767815

Website: www.bizchangers.com
E-mail: info@bizchangers.com

BIZCHANGERS

supplier in which a certain off-take of raw material per month is guaranteed this agreement will need to be renegotiated to avoid penalties. Similarly if a change involves a change to the number of employees or an alteration of their employment terms and conditions these will need to be discussed and where appropriate renegotiated with employee representatives.

It is therefore a good idea to identify all the important interfaces which will be impacted by the change and draw up plans to manage these throughout the transition process. This can be done together with the communications risk workshop referred to above. As with the other communications risks there needs to be a process to track and report the progress in closing the actions required to change the interface agreements in time for implementing the new organisation.

Change delivery reporting and monitoring processes

Under a number of the headings above the need to monitor progress in completing actions and reaching milestones during the change process was mentioned. Depending on the complexity of the change programme there may be a number of work streams performing multiple tasks. However it only requires one of the work streams to be late or to oversee a critical action for the whole project to be disrupted. Therefore the project management team needs to have a suitably comprehensive and frequent process for monitoring the delivery of key actions by all work streams involved in the project. Usually this monitoring takes the form of a summary status report or 'dashboard' which describes the status of the key deliverables and risks in each work stream. Often a simple traffic light system can be used to provide an overview:

- Green = item is on track

BIZCHANGERS Ltd
9, Ashton Court,
Woking, Surrey
GU21 6AL
England

A company registered in
England and Wales under
the number 06767815

Website: www.bizchangers.com
E-mail: info@bizchangers.com

BIZCHANGERS

- Yellow = item is delayed but the situation is being dealt with and is not critical to the overall project deadline
- Red = the item is overdue or over budget and requires intervention to prevent it impacting the overall project delivery

These are presented to the project leadership team in its regular project management meetings to enable mitigating actions or interventions to be decided if parts of the project are running behind schedule. The project then produces a summary report based on the output of this process to the Project Governance and Oversight Board.

Hopefully this will be enough to help you get started with preparing or updating your Management of Change processes. If you can think of any improvements or have any recommendations please let us know via the www.bizchangers.com website. That site also has more information on the risk identification and management processes mentioned here as does the book 'Value TRAI Based Risk Management' by Chris Duggleby (Publisher Bizchangers Media).

BIZCHANGERS Ltd
9, Ashton Court,
Woking, Surrey
GU21 6AL
England

A company registered in
England and Wales under
the number 06767815

Website: www.bizchangers.com
E-mail: info@bizchangers.com