

IMPROVING CHANGE CAPABILITY - WHERE TO START

So, you're now on the hook for change. It's your job to make sure your organisation's change function is fit for purpose. You get it. But you also know the current change capability doesn't feel right:

- ✓ You see evidence of the delivery issues and inefficiencies
- ✓ You know there are many opportunities to be more effective
- ✓ You're told every day by the business that change needs to be a source of competitive advantage, not something holding the organisation back



YES. YOU GET IT ALRIGHT. BUT WHAT SHOULD YOU DO? WHERE SHOULD YOU START?

START BY CLARIFYING THE PROBLEM



As with any transformation exercise, you need to start by clarifying the problem to be solved and the work required to address the defined challenges. Start by setting out:

- A current state assessment – i.e. how does change work now (the good and the bad)
- A target state definition – i.e. what does the business need from change, what outcomes are required and therefore what needs to be done differently
- The plan to close the gap between current and target states, and if required, to build a business case to secure a mandate to invest in transformation

1. ASSESSING HOW THINGS WORK TODAY



You may be wondering: “why do I need to do all that?”, or, “won't this review just tell me what I already know?” Well, there are lots of good reasons for adding a bit of formality up front:

- You need to engage the key stakeholders; you need their participation and buy-in (and you need to deal with those in denial, or who don't want to change themselves)
- The work will require thoughtful consideration, so forcing yourself to “write things down neatly” will be cathartic and help to validate and refine your ideas
- Capturing the facts about the current state helps to provide a baseline for benefits estimation
- A formal review forces the pace and creates momentum; typically organisations complete a time-boxed review using a third party to drive the work, providing objectivity and bringing ideas



2. SETTING A REALISTIC VISION

Working out the future vision for change is the most challenging aspect of such a review. It's easy to simply state that "everything needs to be fabulous!", but the right answer for the business is more subtle. Here are a few key questions to consider:

- What is the business strategy and the accompanying imperatives?
- How will our business differentiate itself in the market?
- What is our appetite for risk?
- Given the strategy, what needs to be distinctive about the way we do change? For example, a focus on cost will drive the need for change efficiency; a pursuit of a digital strategy will require more maturity around IT change delivery
- For non-distinctive change capabilities, how good is "good enough?"
- What do our change practitioners need to be famous for?
- What skills and competencies do we need to build in-house and what should we source externally?

The answers to these questions can be usefully summarised in a short "vision" document that sets out (in your words) **"why we need to change change"** and provides key inputs to the essential communications required as you proceed through transformation.



3. PLANNING CHANGE JOURNEY?

A common challenge comes when phasing the required transformation work. Too often, the required work is carved into concurrent streams of activity that all kick off at the same time. This ignores inevitable dependencies and the change team's ability to absorb new ways of working. Again, a more thoughtful approach is required. Any capability improvement exercise will progress through a series of transformation 'waves', each building operational maturity over time. Setting out a view of these waves up-front can help to schedule out the required work.

Example waves of transformation

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|-------------------------|---|
| 1. QUICK WINS | Take immediate actions and other 'no regrets' interventions |
| 2. GAIN CONTROL | Address 'red' capability lags, plug organisation gaps, refresh the management team, implement a basic operating model |
| 3. STANDARDISE | Establish the foundational ways of working, integrated across the team – e.g. for portfolio management, requirements and design, resource planning |
| 4. DIFFERENTIATE | Drive further maturity in identified change capabilities that need to be distinctive |



The critical path of the journey is nearly always defined by the change team's ability to adopt new ways of working. Inevitably this can take time, so executive expectations have to be set accordingly!

Advice on operating models

A common concern in all of this is the amount of effort required to define a new operating model for change. What really needs to be documented and captured for posterity?

A lot of consultancies peddle mighty tomes of ‘template’ operating models running to hundreds of pages. Even these often cover only a subset of change capability (e.g. IT) rather than looking at change end-to-end. Do you need all that? Really? Well, the chances are

that you won’t. However, if you work on the principle that it’s worth documenting anything that will be actively reused or referenced (say for role definitions) then you will have to write some things down.

An operating model design is most commonly required in situations where control needs to be established or maintained (e.g. addressing change performance issues, merging changing functions) and typically includes the following elements:

THE WHY	The underlying strategy, principles and behaviours/culture	PROCESSES	Flows, handoffs and automation/tools
ORGANISATION	Functions, teams and roles	GOVERNANCE	Accountabilities, key meetings, KPIs and targets



Programme - or side-of-the-desk?

Some thought need to be given as to whether a formal transformation programme needs to be established, or not. This depends on the nature of the improvements required:

- Improvements that can largely be delivered within a particular team can be assigned to that team, with only ‘lite’ programme oversight – e.g. IT service improvements
- Improvements that require an integrated approach across teams will require active programme leadership and facilitation. Unsurprisingly these are typically also the areas with the biggest capability ‘lag’ – e.g. change planning, requirements and design, change leadership

More often than not, some form of programme team is required – usually a combination of external resources working with the accountable BAU owner of the change operating model itself. As with many things in life, time spent up-front reaps dividends further down the line. It’s amazing how often change functions forget their own advice when transforming themselves. Avoid this by reflecting on the **real** nature of problems and on designing and planning the **right** solutions before diving into implementation.

FINALLY

WE’RE SEEING A LOT OF ORGANISATIONS INVESTING IN IMPROVING THEIR CHANGE CAPABILITY RIGHT NOW. THIS IS DRIVEN BY THE NEED TO READY THEMSELVES FOR A FUTURE CHANGE PORTFOLIO DEFINED BY A GREATER VOLUME OF DEMAND AND MORE COMPLEX CHANGE PROGRAMMES.

THEY ARE ALSO INVESTING TO DRIVE BUSINESS DIFFERENTIATION THROUGH IMPROVING THE WAY THEY DO CHANGE. DON’T GET LEFT BEHIND.



Interested in finding out more? Please contact

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