



Change Management

Building the Case for
Change Management

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Projects often fail because of the inability of the project team to effectively manage the change – be it new technology or processes – into the business.

Ensuring that change execution is part of the strategy from the outset – not a ‘nice-to-have’ or an afterthought – can significantly impact the success of your project’s execution.

In this compilation, we look at:

- The importance of building the case for Change Management early
- The value of developing the [right change strategy](#)
- Whether [Project Managers must embrace changes management](#) to succeed
- How the [whole team impacts change](#); and
- The [benefits of successful change](#): How New Zealand’s rugby All Blacks successfully navigated major change in their team

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Building the Case for Change Management

WORDS
BRAD KANE

In the face of rapid, persistent change, how is it that so few businesses are able – or willing – to make the case for change management to be part of program delivery?

Mobility, flexibility, agility and disruption are just a handful of the challenges facing businesses in an era when the volume, scale and pace of change and transformation is having significant impact. It's not uncommon for change saturation and fatigue to take its toll, despite a mindset that change needs to be embraced and business needs to be capable of constant change. Why is it, then, that change management is often the first casualty when it comes to budget?

Change Management a Key Factor in Project Success

70% of transformation projects fail. A significant driver of failed projects is a lack of professional and structured change management. While Quay is typically agnostic when it comes to methodology (it should always be fit for purpose), Prosci is a good starting point for digging into why change management is so important. Prosci's

approach is widely recognised as the industry standard, with the body of knowledge continuing to develop and focus on how to better manage the people-side of change in a structured, repeatable way. According to Prosci, the quality of change management within a project can have a significant impact: Good change management practices can result in a 6 times greater chance of success than if change is poorly managed.

If this is true, then why isn't the C-Suite getting on board?

Quantifying the Benefits of Change Management

A recent white paper from IBM on change management and the C-Suite concluded that there are three main barriers facing change management practitioners in selling the benefits of change strategy to executive teams:

- Lack of awareness: Many companies had not heard of Organisational Change Management (OCM), did not understand the full extent of what OCM can deliver or they had not experienced first-hand the benefits it can deliver. Some executive teams had, however, experienced poorly executed change management.
- It's 'just communication': Some companies did not fully appreciate the integral role that OCM plays in project success and were likely to view it as a communication

Costs to the organisation if change is poorly managed	Costs to the project if change is poorly managed:	Costs to the organisation if the change is not implemented:
<p>Easier to Quantify</p> <ul style="list-style-type: none"> Productivity plunges (deep and sustained) Loss of valued employees Decline in quality of work <p>Harder to Quantify</p> <ul style="list-style-type: none"> Impact on customers Impact on suppliers Morale declines Resistance (both active and passive) History of failed change Stress, confusion, fatigue Change saturation 	<p>Project delays</p> <ul style="list-style-type: none"> Missed milestones Project put on hold Resources not made available to project team Budget overruns Obstacles appear unexpectedly Rework required on project design Project fails to deliver on objectives Project is fully abandoned Loss of work by project team 	<ul style="list-style-type: none"> These costs are tied directly to what the change was aiming to do. These costs could include: expenses not reduced, efficiencies not gained, revenue not increased, market share not gained, waste not eliminated, regulations not met resulting in fines/penalties, etc. Additionally, the organisation loses the investment made in the project when the project does not deliver results.

tool that could be 'handled by the business'.

- Lack of experience: Many companies allocate resources that have little to no experience in OCM to manage large-scale initiatives and the result was poorly managed change.

These barriers can be addressed and overcome if the ROI of change management is properly and adequately articulated at the outset, with quantifiable impacts as a part of the project's business case.

Building the Business Case

Tangible ROI is fundamental to any business case, including a timeline of when the return will be achieved and who will be accountable for delivering it. In the world of change, too often the benefits have intangible people-focused outcomes, which are difficult to correlate with a P&L or balance sheet. Certainly investors are not particularly interested in whether the staff are happy or have embraced change – unless it has hit the bottom line. Going back to Prosci, the benefits is a great start for building the business case. Prosci splits the cost-benefit categories into five perspectives:

Perspective 1 – “People Side” ROI Factors: Three ‘people-side’ ROI factors contribute to, or limit, the value that change delivers to the organisation. These factors are based on the premise that when a change requires

individuals to do their jobs differently, it is how effectively those individuals make the change that determines the business value the project delivers for the organisation. The three factors are:

- Speed of adoption – how fast do people adopt the new processes or behaviours?
- Ultimate utilisation – how many impacted employees made the change (and how many did not)?
- Proficiency – How effective were the employees at following the new processes or behaviours?

Perspective 2 – Cost Avoidance: When changes are poorly managed, there are real and tangible costs to the organisation. If change management is applied effectively, these costs can be avoided or minimised. Prosci characterises the benefits of change management as cost avoidance, which is outlined in the table above.

Perspective 3 – Risk Mitigation: Individuals, the project and the organisation are all put at risk when change is poorly managed. The purpose of change management is to provide the tools to mitigate risk.

Perspective 4 – Benefits Realisation Insurance: The context for showing the value of change management is tied to an examination of the potential benefits the project is working to achieve. Wherever the objectives and outcomes, or a percentage of them, are reliant on people doing their job differently, it's possible to 'insure' these benefits and outcomes by applying a

solid change management approach. Conversely, it's possible to leave them 'uninsured' by not investing in change management.

Perspective 5 – Probability of Meeting Objectives: The final perspective is tied to the growing body of data which shows that more effective change management results in a higher likelihood of delivering the project's intended results.

Those projects embedded with a high calibre change management focus are six times more likely to meet project objectives than those with poor or no change management.

Plan for Change From the Outset

The business case for including change management as part of successful project delivery should be able to demonstrate accountability and focus on benefits realisation for the C-suite, particularly quantifying the ROI and 'insurance' that change management provides.

It should enable the executive to see change management as a valuable assurance mechanism that has tangible benefits to the business, and should always be an integral consideration for all projects when they are being shaped up.



Do PMs Need to Be Change Managers to Be Successful?

WORDS
ROD ADAMPS

If change is a critical part of effective project management, what change management skills do your PMs need to bring to the project?

Typically when projects are being introduced or undertaken within an organisation, change occurs. It's often only the type of change and the size or scale of change that varies between projects.

But not all project budgets stretch far enough to include a stand-alone change manager and this requirement can often be overlooked anyway. The question then is do all project managers need some change skills to be successful?

Before we dive into the roles and responsibilities of a project manager, let's set the context of what a project actually is.

The Definition of a 'Project'

In defining what a project looks like, it's helpful to look at some theory as defined by the Project Management Institute from A Guide to the Project Management Body of Knowledge (PMBOK Guide, Fifth Edition (2013)).

The PMI defines a project as being a

temporary endeavour designed to produce a unique product, service or result with a defined beginning and end – usually time-constrained and often constrained by funding or deliverables – undertaken to meet unique goals and objectives, typically to bring about beneficial change or added value.

From this we know that a project delivers change so managing that change will be a critical enabler of success for the project.

Differentiating Project Management and Change Management

Once we understand what constitutes a project, the next step is to understand project management.

In short, project management is the process and activity of planning, organising, motivating and controlling resources, procedures and protocols to achieve specific goals.

A project manager undertakes the planning, monitoring and controlling of the project from inception to closure.

The PMBOK tells us this is done through five main processes (initiating, planning, executing, monitoring and controlling and closing) and ten knowledge areas.

Each of the ten knowledge areas contains the processes that need to be accomplished within its discipline in order to achieve

effective project management. Each of these processes also falls into one of the five process groups, creating a matrix structure such that every process can be related to one knowledge area and one process group.

So what is Change Management?

Change management is an approach to transitioning individuals, teams, and organisations to a desired future state. In a project management context, change management may also refer to a project management process wherein changes to the scope of a project are formally introduced and approved.

Change Management is an Integral Part of Project Management

Put simply Change Management is an integral part of Project Management – be it managing the change in the context of the project deliverables such as time, cost, quality, scope and benefits (Project Change) or managing the change into the stakeholder community i.e. those people impacted by the change the project brings (Stakeholder Change).

But does this mean the Project Manager has to also be the Change Manager? A rule of thumb would be the higher number of affected

stakeholders from a project the greater the need for a specialist Change Manager to manage the change to the stakeholder community i.e. Stakeholder Change.

The Project Manager will still manage the Project Change.

Change Management has developed significantly as a profession over recent years with a number of leading methodologies for delivering change.

A Change Management methodology provides a disciplined process for managing the change into the stakeholders being used i.e. Prosci, is a market leading methodology.

Integrating change into project management

In summary then, a Project Manager – whether managing the Stakeholder Change or simply managing delivering the Project – must recognize that Change Management is a critical success enabler and have tasks and activities assigned accordingly.

Understanding the effects and providing for impacts on stakeholders is crucial to delivering a positive outcome from the project.

Within the Ten Knowledge Areas there are two obvious areas that can be attributed to Change Management namely Communications Management and Stakeholder Management:

- **Communications Management** – Project Communications Management includes the processes that are required to ensure timely and appropriate planning, collection, creation, distribution, storage, retrieval, management, control, monitoring, and the ultimate disposition of project information.
- **Stakeholder Management** – Project Stakeholder Management includes the processes required to identify all people or organizations impacted by the project, analysing stakeholder expectations and impact on the project, and developing appropriate management strategies for effectively engaging stakeholders in project decisions and execution.

So do Your PMs Need to be Change Managers as Well?

Quay's view is that this can be a grey area that must take into account many factors, but none more so than project complexity. Project Managers need basic change management skills but the question needs to be asked whether change management can be executed successfully by the PM or whether the project is sufficiently complex and the depth of change required warrants the engagement of a professional Change Manager.



A Project Team-Wide Approach to Delivering Change

WORDS
ROD ADAMS

How can enlisting your project team managers as change champions impact the successful delivery of change?

Managing change successfully is more often than not the most challenging aspect of any business or technology project.

Delivering successful change can rarely be achieved satisfactorily via a paint-by-numbers approach. Each project has its own unique change challenges and it often requires a nuanced approach to be successful.

The techniques that worked for previous projects may not be appropriate for future projects as each business change is different. Furthermore, the change responsibilities often fall to a single individual change manager who may be covering an impacted user population in the hundreds or even thousands. Given this relationship dynamic of one-to-many how can a change manager better leverage the project team to help deliver successful change?

Make All Team Members Change Champions

Project team members are a valuable asset in delivering change, mainly because they are in constant contact with user groups being

affected by change.

Where possible project team members, in particular, business-facing personnel such as business analysts, should be used to explain and promote business change during their interaction with those user groups.

Project team members need to be identified and engaged so that they fully understand the reason for change, the benefits of change and the change approach. This will help to mitigate against potentially adverse business impacts.

Project team members are at the coalface: they will be faced with constant questions about what the changes will mean to user groups.

As change champions, they will need to be equipped with the correct change information but more importantly, they also need to understand their greater responsibility to the project in helping deliver change.

Use the Project Team to Gain Insights

Taking an ivory tower approach to gathering information and planning changes is usually detrimental to effective implementation of change.

Be prepared to utilise your project team to help capture information that may be of use to the change approach being implemented.

The change manager should be actively

establishing the right relationships within the team from the start and setting up regular forums to gather, review and validate insights that allow the change approach to be measured on an ongoing basis.

They are on the ground; they know what will work

Once the relationships with the project team members are established, the change manager should be prepared to listen.

The team members are the boots on the ground for the project. They can often be spending significant amounts of time with or embedded in the business.

Whilst they may not be trained in change management they will be a very good source of information as to what will work due to their insights into the user groups.

Adapt the Change Approach as Appropriate

Like a project, the successful delivery of change can be a journey of discovery.

Once the insights have been captured and validated, the change manager should be willing to adjust the approach to delivering the change as required.

Rigid, fixed thinking can limit the execution of successful change so be prepared to take the information gathered by the team during the life of the project to adapt the change approach as required to increase the chances of success.

Ensure You Have Substance, Not Just Technical Style

Ultimately the success of any project is greatly dependent on the effectiveness of the change effort. An eloquent technical implementation is not enough if not accompanied by good change management.

So it remains in the best interests of all project team members that the change is delivered effectively.

The change manager should harness this dynamic wherever possible to expand the pool of potential change resources at their disposal and set up the relationships in such a way that they get full benefit of this expanded change team.



Successful Change: 5 Lessons from the All Blacks

WORDS
BRAD KANE

Are your leaders set up for success? As much as we don't like to champion our neighbours across the ditch, there are good lessons to be learned from the All Blacks on implementing successful change.

It was Charles Darwin who wrote:

"... it is not the strongest species that survives, nor the most intelligent, but the ones most willing to change."

This view on evolution remains as valid now as it did when he wrote it, particularly in the current corporate world where change and disruption are constants.

We have explored Change leadership extensively and how it is a critical component to delivering successful transformation, perhaps even going so far as to say that without change leadership, the transformation will fail.

As an organisation and a team, the renowned All Blacks rugby union team has taken the journey from the despair of losing yet another World Cup and coming last in the 2004 Rugby Championships to now be known as one of

the most successful sporting teams in history. James Kerr's best-selling book *Legacy* charts the transition from persistent failure at the world cup level to a position now of outstanding success.

This was achieved thanks to the focus on change leadership and building a culture that is comfortable with constant change. As he wrote, "Organisational decline is inevitable unless leaders prepare for (and commit to) change".

We are frequently in conversation with senior technology leaders going through significant transformation and the feedback is that change is necessary to stay relevant and continue to thrive.

But without the right leadership, are change programs destined to fail? How can we take the lessons of the All Blacks and – rivalry aside – apply their success to transformation?

Calling Out Failure to Lead: The Essential Role of the Change Agent

It is not an uncommon tale to hear of the failed Transformation program and a majority fail on some level whereby part way in, the Project Director discovers the executives tasked with owning the business change and benefits have failed to lead as change agents. If this sounds familiar, how can you recognise and call out the changes within the team

needed right from the start? If you are about to embark on a change journey, how can you tell if you and your fellow leaders are setting yourselves up for driving successful change?

A good starting point is to explore how successful teams prepare themselves for change. Below are five critical elements needed in any successful change program and symptoms of their existence.

1. Recognition of Embedded Cultural Challenges

According to the Harvard Business Review, there are four things successful leaders do well. Douglas A. Ready describes the multitude of macro and micro challenges individuals and organisations face when leading change.

Clear and powerful messaging from the top, along with a transparent and open forum of communication is critical to overcoming these types of challenges. Staff need to be able to air their grievances and highlight core challenges to management.

While this alone might not resolve the tensions and challenges, it acknowledges to all that they exist, and staff feel that they have had their concerns heard. This enables collaborative discussions on proactive ways forward.

For example, does your change initiative:

- Have a strong, powerful message from the top?
- Enable an open and transparent communication culture throughout the organisation?
- Acknowledge that challenges exist?

While this seems a simple list, it recognises that not addressing cultural challenges may hinder success.

2. Accountability

Ready's article talks to the level of accountability required through all

levels of an organisation, a theme that is also seen in Kerr's book.

"The change leader must signal that enterprise-wide transformation will be a collective effort, with accountability distributed throughout the organization".

(Ready, HBR, 2016).

This collective effort still starts from the top and must be tied to measurable outcomes. For example, do your change leaders:

- Have personal and department KPIs linked with the change?
- Put the change on critical governance and leadership forum agendas?
- Regularly address it in organisational and departmental communications?
- Challenge their team to be more innovative, adaptable and fast in making decisions (and importantly reward this behaviour)?

These are just some of the ways accountability can be implemented through a change program.

3. Compelling Picture of the Future

Kerr observed in his book that to win the World Cup, the All Black leadership decided to create an environment that the players wanted to part of, surprisingly something that was missing in previous years.

This environment needed to focus on personal development and leadership, with the outcome being an enhanced capacity, capability and loyalty.

Whilst it is hard to evoke the passion of winning the Rugby World Cup – especially for the All Blacks – what this tells us is that not having a clear picture of success for any change will undermine the chances of achieving the goals.

4. Capability

Having the right people on the bus at the right time is an imperative for any

business at any stage and is especially critical when going through change.

As Ready states:

"... leaders need to provide resources so that the organisation has what it needs to win in the new environment. This might include capital improvements, process improvements and building new talent capabilities."

One of the approaches the All Blacks focused on was removing those players that hindered success and redirected the effort on improving the capabilities of those that stayed and bought into the change.

Management was also willing to hand over responsibility to the players and support their growth as leaders by surrounding the team with enhanced capabilities in emotional intelligence, leadership mentoring in addition to the skills, nutritional and fitness capabilities seen in most elite teams.

They invested strongly in the belief that Leaders Create Leaders.

5. Continuous Learning

The All Blacks state "Better people make better All Blacks".

All Blacks coach Graham Henry also believed strongly in education. "The result of learning is that people get better, they are always improving," James Kerr writes.

"Excellence is a process of evolution, of cumulative learning, of incremental improvement".

As a case study of the importance of continual learning, Ready explored the example of Alan Mulally leading Ford through its transformation.

"At every meeting, managers were asked: what have we learned by airing concerns, making course corrections, and especially, fixing problems together?"

"By combining his relentless focus on implementation and making tough calls with an equally important focus on continuous learning, Mulally transformed Ford from a moribund

company on the verge of bankruptcy to one of today's most successful automobile companies in the world."

Change is Constant and Leadership is Vital


Change is constant and companies that don't change inevitably will decline. Leaders should not be planning their escape route or be working out how they will offset blame for the failure of the change program.

Empowered change agents are able to be out in front and confident in leading change and, most importantly, creating an environment that will support the change journey. It lays foundations for the best chance of success.

When setting up for successful change, it is important to ensure that leaders provide a clear picture of the future, create an environment of transparency, accountability, and continuous learning.

Good change agents foster a growth culture enabling the company leaders within a business to grow at all levels of an organisation.

Embark on your change journey Delivering successful change



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Embedding Organisational Change Management for Success

WORDS
ROD ADAMS

How does embedding change management deliver successful outcomes for business projects?

A critical way to ensure that Agile's value as a business partner is acknowledged is to successfully deliver business projects.

While project management is a vital part of successful project delivery, embedding change management into the delivery of projects can increase the chances of a successful outcome by up to six times (Prosci Benchmarking Report, 2011).

Why Change Management Matters

While project management focuses on the discipline of delivering the technical, administrative and functional aspects of business projects, change management focuses on the people (business) side of project delivery.

Embedding change into projects prepares the business for the transition from "how we do things now" to "how we will do things in the future." Engaging people in the process of change is critical to ensuring a successful outcome.

Why are Projects Approved by a Business?

Projects are approved by organisations to achieve improvements in performance (in one way or another) by making changes to processes, systems, tools, job roles and organisational structures which ultimately require individuals to change how they do their jobs (in almost all cases).

If the people within the business are not engaged and encouraged to take this last step, then the opportunity for success is lost.

According to Prosci's change management learning centre, the number one obstacle to success is employee resistance. We've previously explored some of the key ways that IT departments risk their existence by ignoring business partnering opportunities, rather than becoming a key enabler and business partner. Failing to bring people on board for the project is tantamount to risking its success.

Embedding change requires a strategic outlook from the get-go to ensure that the most vital cog of change – people – is brought along for the journey.

Steps to Embed Change

According to Prosci, the steps to ensure IT projects engage the business (people) through change management and deliver the benefits to the business (as a strong strategic partner) are listed below:

1. It starts from the top with strong and effective sponsorship from senior leaders.
2. Get the right people in the right places to ensure appropriate and fit-for-purpose resourcing.
3. Engage the business with “what’s in it for me” through clear articulation and communication on the benefits for individuals, teams and the organisation.
4. Get engagement/buy-in from individuals, teams and the organisation by listening to and supporting the business concerns from all stakeholders across the business.
5. “Show, don’t just tell” – Excellent communication in all its forms (actions, behaviour, spoken, written, group and individual) need to demonstrate how change will benefit the business.
6. Be aligned – strong alignment between project managers and change managers is essential to ensure they are rowing the same boat.
7. Facilitate action and feedback by hearing concerns, taking action and soliciting continual feedback.

As a strategic partner to your business, Agile cannot afford to overlook the need for change management in projects.

Embedding change using the above 7 steps will start you on the road to successfully engaging the business (people) and set your projects up for success.

We believe that quality thought leadership is worth investing in.



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About Quay Consulting

We are committed to making a positive difference in the projects landscape, helping our clients to transform strategy into fit-for-purpose project delivery.

Since 2006, Quay Consulting has been driven by a belief in the power of positive change and a commitment to delivering superior project outcomes. Our specialist consultancy has grown by enabling clients to successfully navigate their project delivery journeys.

We pride ourselves on a collaborative approach that fully engages and empowers clients throughout the project lifecycle. Our consultants are adept at delivering transformative change through tailored knowledge, professional project management, peer-to-peer collaboration, and capability uplift.

How? Our client engagements typically take one of three forms:

- **Low-risk, light-touch diagnostics** to help clients assess and advance their project agendas.
- **Joint taskforce initiatives** where Quay embeds professional consultants within the client environment to support project outcomes and capability uplift.
- **Outsourced initiatives** where we take primary responsibility for collaborating with clients and vendors to achieve practical results.

Quay Consulting is dedicated to sharing our extensive project delivery experience—both successes and challenges—through our regular Quay Bulletin and project knowledge transfer. We strive to transform strategy into effective project delivery, recognising that meaningful change is challenging but ultimately transformative.

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