

Developing a Change Management Office

By Marcus Goncalves

Developing a Change Management Office (CMO) begins with a solid management strategy. Often companies undergoing several business process changes or reengineering tend to focus on the more practical, result-oriented goals of their projects, but fail to assess the status, as a group, of their change management process. The result may be a cost savings in a short-term, but a waste of time and resources (financial, human, and intellectual capital) on a long run, often resulting in project failure.

Why you need a change management strategy

At MGCG, we believe that one of the most important roles of a leader is to put the business and market strategies in place and then influence and direct the business to ensure the goals and objectives are met. Trying to keep up with the constant pace of change makes this a tough challenge. For that reason, MGCG adopts, and recommends, a well defined Change Management Strategy (CMS) focus aimed at setting organizations on a winning game plan and the process of change.

The CMS strategy, based on our Knowledge Tornado methodology, enables leaders to anticipate the future, balance organic growth with acquisition growth, and put in place an effective strategic measurement system that provides a real time method to perceive organizational performance in the mist of change. A "one-size-fits-all" approach is not effective for change management. Think about these changes:

- Acquiring a company of near equal size
- Getting suppliers to use a new web-based form and process
- Implementing an Enterprise Resource Planning (ERP) solution
- Releasing a new product
- Relocating office spaces within an existing building
- Reorienting around processes instead of functions



These are all distinctly different changes, but *each requires change management to be successful*. Each impacts people and how they do their job. Each can suffer from slower adoption and lower utilization. Each has risks associated with people not becoming engaged or resisting the change.

It is, therefore, important that organizations invest some time and money on developing a change management strategy that is in line with its organization's strengths, weaknesses, opportunities and threats (SWOT). Once leaders are aware of these important corporate attributes, and the change management strategy business elements, it is time to develop a change management office to be in charge of the implementation and monitoring of the changes in people and business processes.

The change management strategy elements include:

- **Situational awareness** - understand the change and who is impacted
- **Supporting structures** - team and sponsor structures
- **Strategy analysis** - risks, resistance and special tactics

While each of these initiatives, in order to be successful, require change management, the right amount and approach for change management process will vary depending on the results of the SWOT analysis, which done right, should be able to provide better understanding of the project at hand with regards to human capital and teams, as well as the primary motivation for change, how people will be directly impacted by the change, the degree in which project objectives are being met, the degree in which projects are on schedule, the level of sponsorship and management involvement, change management resources needs, and many other factors. The change management strategy should define the approach needed to manage change given the unique situation of the project or initiative.

How Change Management Offices are Developed

The development of a CMO starts by establishing a sound situational awareness:

- **Change characteristics** - Begin by understanding the change that is being introduced. Changes can be formalized projects, strategic initiatives or even small adjustments to how the organization operates. Understanding the characteristics of the change requires you to answer questions like: What is the **scope** of the change? How **many** people will be impacted? **Who** is being impacted? Are people being impacted the **same** or are they experiencing the change **differently**? **What** is being changed - processes, systems, job roles, etc? What is the **timeframe** for the change?
- **Organizational attributes** - Next, work to understand the people and groups being impacted by the change. The organizational attributes are related to the **history** and **culture** in the organization and describe the backdrop against which this particular change is being introduced. What is the perceived **need** for this change among employees and managers? How have **past** changes been managed? Is there a shared **vision** for the organization? How **much** change is going on right now?
- **Impacted groups** - The final step in building the situational awareness is developing a map of **who** in the organization is being impacted by the change and how they are being impacted. A single change - say the deployment of a web-based expense reporting program - will impact different groups very differently. Employees that do not have expenses to report will not be impacted at all. Staffs that travel once a quarter will be only slightly impacted. Associates who are on the road all the time will be more impacted, although filing expenses is only a portion of their day-to-day work. And for those in accounting who manage expense reporting, their jobs will be completely altered. Outlining the **impacted groups** and showing **how** they will be impacted enables specific and customized plans later in the change management process.



Once that stage is complete, it is time now to understand and develop the CMO's supporting structure, which includes:

- **Team structure** - The change management team structure identifies **who** will be doing the change management work. It outlines the relationship between the project team and the change management team. The most frequent team structures include 1) change management being a responsibility assigned to one of the project team members or 2) an external change management team supporting a project team. The key in developing the strategy is to be **specific** and **make an informed decision** when assigning the change management responsibility and resources.
- **Sponsor coalition** - The sponsor coalition describes the leaders and managers that need to be on-board for the change to be successful. Starting with the primary sponsor (the person who authorized and funded the change), the sponsor model documents the **leaders of the groups** that are being impacted by the change. The change characteristics will determine who must be part of the coalition. Each member of the sponsor coalition has the responsibility to build **support** and **communicate** the change with their respective audiences.

At this point, the CMO can then tackle one of its most important functions, which is to develop a strategic analysis and devise a plan of action drawn from those analyses, which should include analysis of:

- **Risk assessment** - The risk of not managing the people side of change on a particular change is related to the dimensions described in the situational awareness section. Changes that are more 'dramatic' and farther reaching in the organization have a higher change management risk. Likewise, organizations and groups with histories and cultures that resist change face higher change management risk. In developing the strategy, **overall risk** and **specific risk factors** are documented.
- **Anticipated resistance** - Many times, after a project is introduced and meets resistance, members of the team reflect that "they saw that reaction coming." In creating the change management strategy, identify where resistance can be expected. Are particular **regions** or **divisions** impacted differently than others? Were certain groups advocating a **different solution** to the same problem? Are some groups heavily **invested** with how things are done today? Note particular anticipated resistance points depending on how each group is related to the change.
- **Special tactics** - The final step of the change management strategy is the identification of any special tactics that will be required for this **particular** change initiative. The special tactics formalize many of the learning's from the strategy development related to the **change** and how it impacts different **audiences** in the organization. Throughout the change implementation, special tactics may need to be revisited and updated.

Once the CMO formulates the change management strategy it will have done the first critical step in implementing a change management methodology. The strategy **provides direction** and results in **informed decision making** throughout the change process. A well-formulated strategy really brings the project or change to life, describing **who** and **how** it will impact the organization.



The change management strategy also contributes to formulation of the rest of the **change management plans**. For instance, the groups identified in the strategy should each be addressed specifically in the *communication plan*. Steps for building and maintaining the coalition identified in the strategy are part of the *sponsorship roadmap*. Each of the subsequent change management plans and activities are guided by the findings in the change management strategy.

Change management strategy

- Situational awareness
- Supporting structure
- Strategy analysis

> *drives* >

Change management plans

- Communication plan
- Sponsorship roadmap
- Coaching plan
- Training plan
- Resistance management plan
- Reinforcement planning

CMOs meet their objectives when they manage the human side of change effectively. A robust change management strategy sets the stage for effective change management and project success. [MGCG](#)

