

by

DeAnne Aguirre
aguirre_deanne@bah.com

Louisa Finn
finn_louisa@bah.com

Ashley Harshak
harshak_ashley@bah.com

Ready, Willing, and Engaged

A Practical Guide for Sponsors of Change

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The next time you face a major change initiative, consider this cautionary tale. Not so very long ago, a large U.S. publisher confronting new global and online competition resolved to overhaul its operations. Not only did it need to reduce its annual costs by US\$20 million, it had to reconfigure and realign its entire business model to support a solutions-based approach and a higher-quality product line. It embarked on nothing short of a complete transformation. Did it succeed?

Only on paper, as it turns out. The senior management team plotted a sound and effective plan for transforming the company and turning its fortunes around—but the employees did not care to implement it. After three new CEOs in five years and a long list of former failed “programs of the month” lingering in the company’s collective consciousness, people were burned out on change, and senior management had not put in place a clear, credible, and carefully integrated change management program to cultivate their interest and buy-in. The transformation program ultimately failed to achieve the desired outcomes.

Unfortunately, this story is all too familiar—but it doesn’t have to be. Despite their initial resistance, people will change if they believe that doing so will make a real difference and personally benefit them. But how can you, as a leader charged with making

change happen, tap into that underlying desire and unleash sustainable change momentum within your organization?

What Is Change Management?

Change management is a process for engaging people at all levels in the organization’s transition to a desired future. Its goal is to ensure that people are both willing and able to adopt the necessary new behaviors while letting go of those that are no longer appropriate. Change management is not a communications plan; communications is a vital component of an effective change management program, but it is no substitute. Change management is far broader; it is a comprehensive, systematic, proven methodology that encompasses the “people side” of making change happen—all the myriad organizational and behavioral adjustments (e.g., workforce planning, learning and development) that not only accommodate large and small business transformations, but sustain them over the long haul. These transformations can take place on a large scale, as in introducing a new operating model, or on a small scale, as in reengineering a part of operations. Whether large or small, all change involves people adopting new mind-sets, processes, policies, practices, and behaviors. Helping people make the transition and sustain the change is what change management is all about.

Most transformation efforts succeed in the strategy or technical solution; senior executives understand intellectually what needs to change to improve

performance. Where change fails is in the execution, in the hearts and minds of the tens or thousands of individuals tasked with making change an enduring reality. However, if your company has the foresight to plan and commit to a change management program in concert with the business transformation initiative, it can implement major change successfully. As the project sponsor, you play a pivotal role in shaping and ensuring that success.

The secret to implementing and sustaining change is getting your people ready, willing, and engaged in the change. Although that might sound easy—or “soft”—it is anything but. Change management is both an art and a science that is often undertaken far too late and far too lightly to be effective. For transformations to succeed, change management issues need to be identified and incorporated in project management plans from the start and then revisited again and again throughout the implementation process to shape the desired strategic outcome (see Exhibit 1).

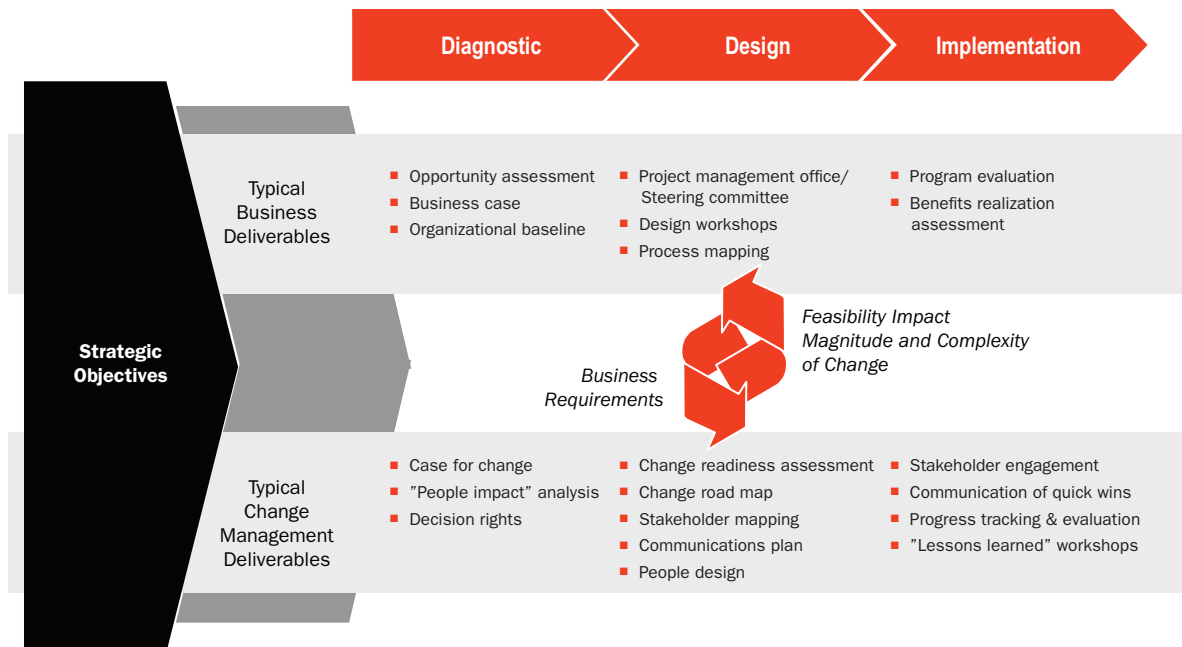
Change management cannot be relegated to an isolated work stream (commonly represented as a simple arrow across the bottom of a project plan), nor can change management be tacked on as an afterthought when execution falters and a “fix” is required. Not only is such an approach to change management doomed to failure, but it breeds enduring cynicism.

Iterative Approach to Executing Change

How do you get people ready, willing, and engaged to make major change? Booz Allen Hamilton’s approach features eight primary levers:

1. Defining the Change
2. Creating a Shared Need
3. Developing a Shared Vision
4. Leading the Change
5. Engaging and Mobilizing Stakeholders
6. Creating Accountability
7. Aligning Systems and Structures
8. Sustaining the Change

Exhibit 1
Embed Change Management in the Transformation Plan



Source: Booz Allen Hamilton

Exhibit 2

Change Management Is an Iterative Process



Source: Booz Allen Hamilton

As Exhibit 2 illustrates, and your own experience has no doubt reinforced, the change process is iterative. Managing change is not a team-building exercise, a series of workshops, or a substitute for project management, nor can it be reduced to some “plain vanilla” formula. Because it is predicated on motivating human behavior, it is inherently repetitive and ever-changing as it adapts to individual, team, and organizational feedback. You take one step back for every two steps forward, and you apply each of these eight practical levers over and over again as you design and implement.

1. Defining the Change

You lay the foundation for the change initiative by identifying the purpose, scope, and outcome of the proposed change not only for the organization as a whole, but for each key function and role within it. This lever addresses key questions such as: Do we have clarity on what the initiative is and how we are going to proceed? What changes are needed to inspire people to bring their best to work? In answering these questions and laying out the process for embedding change (e.g., roles, time line), you’ll have a clearer picture of the magnitude and complexity involved.

As imperative as this lever is, it is often overlooked as senior management becomes consumed with the business changes, assuming that the people issues will resolve themselves over time. They don’t. If you as project sponsor take the time to define for the organization the full implications of the proposed change up front, you can effectively embed change management into the design of the transformation. For example, if the project requires breaking down functional silos, you can implement the change using cross-functional teams. Project sponsors who adequately define the change develop more realistic and therefore more credible change management plans. You will avoid hearing these kinds of comments in the hallways:

“We’re never going to pull this off.”

“Sales never bought in—it isn’t happening.”

“What makes them think it will work this time?”

To define the change, we recommend that companies conduct a preliminary assessment of the anticipated impact on people. For each key element of the change program, you should identify and analyze the people and organizational impacts (e.g., skills inventory,

head-count implications, evolution of specific roles/relationships, trade union issues, changes to pay or motivators, learning needs). This baseline analysis feeds the business transformation design and is continually revisited as the change program unfolds.

2. Creating a Shared Need

In addition to defining the change and its impact, you need to build a common understanding of the case for change across the organization. Is the senior leadership team aligned on the scope of the transformation and the business case? Does the whole organization know why the initiative is important and why it must be undertaken now? Do people know how the transformation connects to the organization's overall purpose? A sponsor's first priority is to build understanding and alignment on the need for change, initially with the senior team, then among key stakeholders and the organization as a whole.

PowerPoint presentations on the case for change will not suffice. Creating a shared need is more about showing than telling. You must demonstrate to people how change will improve not only the company's fortunes but their own personal prospects. There are two key steps. The first is understanding the various perceptions of whether or why change is necessary. The second is soliciting input and providing opportunities to discuss the need for change in a way that generates insight and builds collective commitment. This time is well spent; without alignment on the imperative for change you will have no foundation upon which to build the transformation.

3. Developing a Shared Vision

Designing and executing change involves establishing a clear vision that links key actions to expected results. People, generally speaking, want to be part of something larger than themselves. By developing a shared vision, sponsors can capitalize on an important opportunity to inspire and engage people in a "worthy" undertaking.

This vision of life after the change should be consistent with and reinforce the values and mission

of the company. To develop this shared vision, ask people the following questions: If we were fully realizing the potential of this organization, what would that look like? What is most compelling about this vision?

Their answers highlight the qualitative, values-based focus of your change program, revealing insights into what people find most motivating, as well as what sort of behavior shifts will be required.

4. Leading the Change

The first three levers just discussed encompass the diagnostic phase of the typical business transformation program. As it moves into the design phase, you will need to develop the change leadership and execution capabilities needed to drive and sustain change over the long term. In terms of change leadership, there is no substitute for senior executive attention. Companies are transformed from the top; ownership for the change management agenda—like the business transformation program itself—cannot be delegated.

Leading the change means that senior executives must not only be "on top" and "in front" of the change management program; they must also model the new behaviors and hold themselves and others accountable. To be successful, the sponsor must be a business unit executive who actively, visibly, and continuously engages in the change initiative and who advocates that other leaders do so as well. Change management cannot be a human resources undertaking.

What must leaders do to drive the changes and demonstrate their commitment? How will leaders inspire others to change? What support do leaders need? These are the questions addressed by this lever. As a project sponsor, your job is to address these questions by cultivating senior change leaders and laying out the road map they should follow in driving/challenging the organization to reach the next level of performance.

A Middle Eastern oil company found change leader training to be the key to unlocking the results of its recent major reorganization. Facing significant

Scenario Role Play: Lack of Engagement

A Tool for Building Change Leadership Skills

Situation

- Global Engineering Solutions (GES) has grown rapidly over the past five years, primarily in international markets. The company recently decided to invest in new technology and a multiyear effort to improve employees' skills. Senior leaders consider this effort critical to remain competitive. Some of the biggest impacts will be on development and career path options, especially for technical staff.
- Mohammed has been asked to oversee the communication effort and is planning on a series of informational workshops for employees. Initial, informal feedback from the "grapevine" is that this effort is an excuse for massive layoffs, and employees are upset and angry. Morale is low. The rapid growth has resulted in additional challenges: a workforce that has quadrupled employees in multiple locations and varying levels of loyalty to GES and trust in senior leadership.

Objective

- Help Mohammed address these change management issues.

"Dos"

- Consider how to take advantage of informal networks (i.e., the grapevine) by using emissaries and ambassadors (peer-to-peer communication).
- Make the case for change very clear.
- Allow time for venting upfront in the workshop, working toward a positive resolution by the end.
- Analyze the changing contract between employee and employer and make it explicit: What is the new employee value proposition?

"Don'ts"

- Focus on structural solutions only (intranet site, e-mail, and town halls).
- Use only one tool (such as workshops).
- Think one size will fit all—consider how best to strategically position messages for each audience.

workforce management challenges as a result of its sharp growth, the company decided to redesign its organization and selected a group of managers to undergo change leadership training. The senior team acknowledged that change management was a key success factor—and a major weakness. Few of the managers responsible for the transformation program had led an effort of this magnitude before; they didn't know how to motivate and model such extensive change. Fewer still had an idea of what this meant for them personally as agents of change. During the one-day workshop, these change leaders were trained in

a variety of change management concepts and tools, which enabled them to lead the transition to the new organization successfully. Role plays were used to help leaders hone the interpersonal skills needed to effectively handle lack of employee engagement.

5. Engaging and Mobilizing Stakeholders

Engaging and mobilizing the whole organization is a matter of reaching diverse audiences that are affected by the initiative through multiple vehicles, including well-conceived communications. These are the individuals and groups who could exert exceptional

influence either positively or negatively. Examples include formal and informal leaders, functional units, unions, and shareholders.

First, you engage these key groups and individuals in identifying and resolving issues through workshops, focus groups, or interviews, for example. These interactive activities secure their buy-in. Then, you help them invest in the project and alter their own actions and behaviors to support and embed the change. That's how you cement project credibility and trust.

Although you always want to pay early and earnest attention to resisters in any change program, as they may wield disproportionate influence, you should not do so at the risk of ignoring those who are actively engaged. Ask yourself: What must we do to build commitment to the initiative and minimize resistance? How can we help reconnect employees to the mission and what is meaningful to them?

Stakeholder mapping is a tool used to identify all those who can affect the extent to which the transformation is successful. There are a few key points for effective stakeholder mapping. The first is to create a comprehensive list. Too frequently, some stakeholders are overlooked, only to surface later in some unexpected way. Second, think creatively about the ways in which each person or group could make a tangible contribution to the transformation's success. It's surprising how often people sit on the sidelines because they were never given a role or asked to participate! Third, identify explicit steps to mitigate potential resistance. Finally, refer to and update stakeholder maps as the project progresses and new issues emerge.

Mobilizing stakeholders requires "surround sound" communication. As project sponsor, you must utilize multiple channels and vehicles to reach these opinion leaders with a visceral message that conveys the urgency and benefits of the change. The benefit to you, the sponsor, is the ability to leverage these new influential recruits in rolling change out across the organization among their peers and colleagues.

6. Creating Accountability

Mechanisms for measuring results and holding individuals and teams accountable are critical to the success of any strategic initiative. As project sponsor, you want to ensure that the work plan is robust, milestones are achievable, and the appropriate resources will be committed to do the work. Equally important, the plan should identify the key decisions that must be made, by whom, and by when.

How do you ensure that there is accountability for results and that project work is viewed as "real work"? First, set clear expectations up front regarding the amount of time individuals and teams must commit to the effort. Senior management must formally sanction time away from regular responsibilities and offload as much nonessential work as possible. Setting aside specific days for project work is an effective way to manage this. Finally, determine in advance how individual and team performance will be incorporated as part of the regular appraisal process. Contributions to the success of the transformation must be formally rewarded.

These things may seem like simple project management, but a surprising number of projects falter because of failure in these factors. This is a shame considering how easy it is to achieve them.

7. Aligning Systems and Structure

To enable lasting change, you need to ensure that all HR systems, structures, processes, and incentives are aligned and consistent with the goals of the transformation. Will they drive and support the kinds of behaviors needed in the future state? If there is misalignment, for example, between the new expected behavior and the old incentive system, you can be sure the behavior will revert to what is rewarded.

To align systems with the desired future state, you need to envision the various people elements of the future organization—not only its structure, but individual and team roles, as well as required competencies, skills, and behaviors. Things like performance management, learning and development,

workforce strategy, and retention programs are key enablers of the change program, whether you're introducing a new operating model or reorienting the way your sales team goes to market.

Recently we worked with a company making the transition from paper-based processing to modern call centers. Naturally, this shift had profound implications for its organizational systems and structures. IT systems were introduced to an organization that was reduced by two-thirds. In the flatter organizational structure, the workforce was expected to perform their jobs on the telephone with more rigorous and sophisticated performance management systems and processes in place. The impact on the company's human resources was profound. Shift schedules, contract terms, training programs, compensation structures, and more had to be overhauled to meet call center requirements. Performance appraisals and rewards were modified as well to reflect new performance standards. For those who could not

make the transition, the organization exercised alternative arrangements or redeployment options. Without aligning the HR systems, the business processes would not have been supported, and the transformation would have failed.

8. Sustaining the Change

Sponsors often declare victory too soon, diverting leadership, commitment, and focus from the ongoing effort.

To embed the change and ensure that it sticks, you should consciously acknowledge lessons learned and improved ways of working. These communications should address the core questions: How can we continue to engage and involve employees over the long term? What lessons have we learned and how can we institutionalize best practices to capture the full benefit of the change? Sustaining the change is an iterative process that uses many of the tools already discussed.

Sponsor Checklist	
Change Lever	What You Can Do
1. Defining the Change	<ul style="list-style-type: none"> Clarify the purpose, scope, and expected outcomes—include people and organizational impacts.
2. Creating a Shared Need	<ul style="list-style-type: none"> Build alignment on a compelling case for change that addresses: "Why is this critical? Why now?"
3. Developing a Shared Vision	<ul style="list-style-type: none"> Create a clear picture of what the transformed business will look like after the change has been fully implemented. Use the vision of success to inspire commitment and engage people.
4. Leading the Change	<ul style="list-style-type: none"> Ensure senior executives "walk the talk" and play an active role in managing the change. Develop change leadership skills in managers responsible for executing the transformation.
5. Engaging and Mobilizing Stakeholders	<ul style="list-style-type: none"> Create a stakeholder map to identify areas that will require attention and resources.
6. Creating Accountability	<ul style="list-style-type: none"> Develop a robust work plan that clearly defines roles and responsibilities Identify the key decisions that must be made and by when.
7. Aligning Systems and Structures	<ul style="list-style-type: none"> Assess current HR and organizational policies and programs—these may need to change in order to embed new behaviors.
8. Sustaining the Change	<ul style="list-style-type: none"> Communicate lessons learned and "quick wins" to sustain positive momentum.

An effective communications strategy is critical to the success of any change program. All eight of the levers we've discussed are predicated on the two-way flow of clear and compelling information. Yet, communication frequently falls off after the business transformation has been implemented, when, in fact, it is more important than ever. As the sponsor, you need to convey ongoing news and the achievement of key milestones and benefits to keep people focused, motivated, and engaged.

Oftentimes, the sponsor will circulate a survey to evaluate the success and effectiveness of the change program. Typically, it's administered partway through the change process so that early lessons learned and "quick wins" can be incorporated into the ongoing implementation and again upon the program's completion.

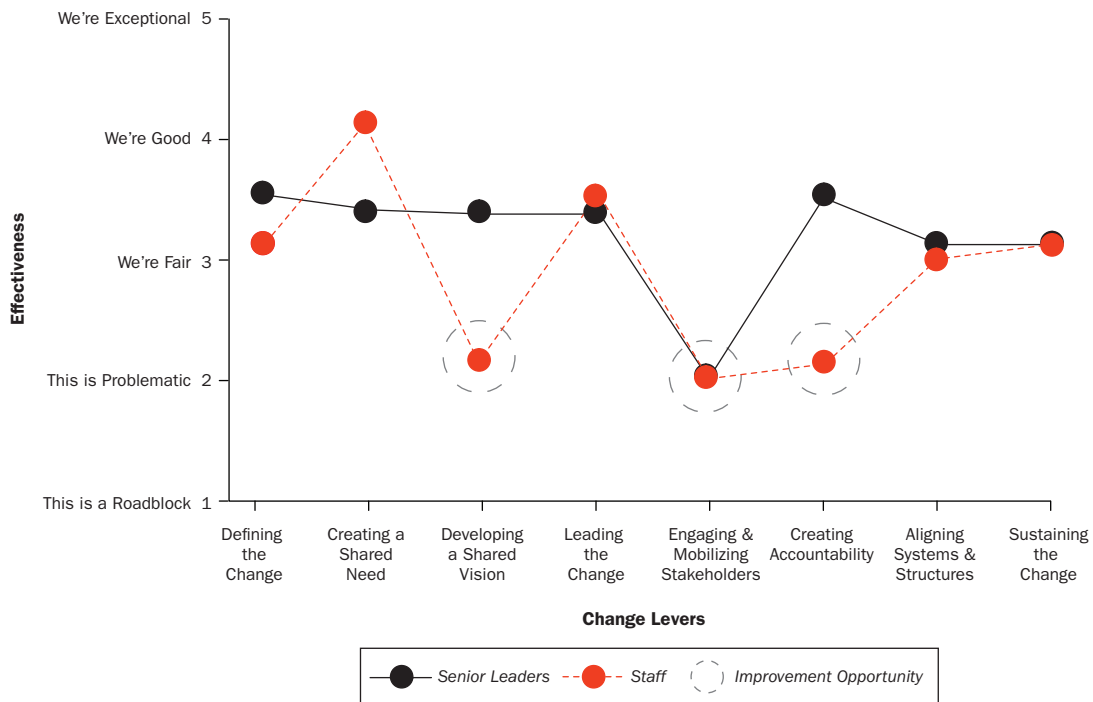
As with all elements of the change management plan, the program evaluation should be conducted in conjunction with the overall business transformation evaluation. It should assess not only the realization

of desired business benefits, but also the degree to which the desired outcomes were achieved from a people perspective.

Applying This Approach to Your Organization

Given the particular circumstances of the change initiative you are leading, where should you focus your time and attention? A useful first step is to conduct a change diagnostic to assess your project's strengths and weaknesses across each of the eight levers. This diagnostic can be used with one or more groups to pinpoint areas where there are differences between groups and serious threats to success (see Exhibit 3). A plan for the transformation can then be developed to mitigate these issues and capitalize on the strengths. The diagnostic should be used regularly throughout the transformation to test the impact of change activities and make adjustments. After all, implementing change is iterative and you will need to accommodate continuous revisions to the plan based on ongoing feedback from employees and other stakeholders.

Exhibit 3
Identifying Where the Change Opportunities and Challenges Are



Source: Booz Allen Hamilton

In our experience, successful transformation initiatives have three common attributes. They are *integrated* into the plan for the transformation from the start. They are *iterative* and accommodate continuous revisions based on ongoing feedback from employees

and other stakeholders. And they are grounded in the comprehensive application of *practical*, broad-reaching tools that help you produce lasting results. As project sponsor, you can play an instrumental role in designing and executing transformation that delivers on the business solution and embeds real change.

Also contributing to this piece was Soon M. Rabb.

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Contact Information:

CHICAGO

Andrew Tipping

Vice President
312-578-4633
tipping_andrew@bah.com

LONDON

Richard Rawlinson

Vice President
44-20-7393-3415
rawlinson_richard@bah.com

McLEAN

Terry Mandable

Senior Associate
703-909-5156
mandable_terence@bah.com

SAN FRANCISCO

DeAnne Aguirre

Senior Vice President
415-627-3330
aguirre_deanne@bah.com

Louisa Finn

Senior Associate
415-627-3369
finn_louisa@bah.com

SYDNEY

Victoria Sherwood

Executive Advisor
61-2-9321-1998
sherwood_victoria@bah.com

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