



Taking the risk out of managing change

Hardly a business day goes by without hearing the word 'change'. Change, apparently, is the only constant in our organisational lives; whether it is a major change linked to new strategic directions, or smaller ones coming from changing a departmental work process. All of this change is intended to strengthen companies, making them more competitive and working more efficiently. Yet, research has shown that time and again many change efforts fail to deliver the benefit that they promised.

There are many reasons cited, but they can all be boiled down to one thing. Usually the only focus is on the business solution— merging two organisations, implementing a major computer system, or adding new products to the portfolio. This can cost the company not only thousands, but millions of pounds. However, when it comes to thinking about **effectively implementing** this solution, many companies will not invest the same amount of effort or resources; and it is this which brings about the failure to deliver on benefits promised.

The answer is to invest in some effective change management, but for too many people in organisations this doesn't sound very tangible. What is it? Why should we do it? Isn't it expensive? Couldn't we just do some training? What returns will we get on the investment?

Change management needs a practical and pragmatic approach to ensure that the people side of change is managed to deliver successful business outcomes; described in this way which executive would say 'no'? However, the question of what we should be doing and how we engage the wider organisation, not just HR professional, remains unanswered. The terminology, tools, and techniques that support change management can appear rather ethereal and weak; far removed from many operational executives, managers, and workers. Combining well respected operational methodology with a change management framework may be the answer.

'Taking the Risk out of Change' blends a change management framework, identifies the critical success factors for businesses, with a risk management approach; provides a structured way to identify the main areas of risk and, further, give a practical plan of how to manage and minimise them.

- Ensures focus is on implementation, not just installation through identifying and minimising barriers and risks
- Prioritises risks and then focuses effort where it has the most impact, therefore, maximising the return on investment
- Drives the communal ownership of change using a practical framework which is well understood across all operational and business areas
- Develops short and long term plans essential for lasting business benefit

Successful change needs to address all the critical success factors:

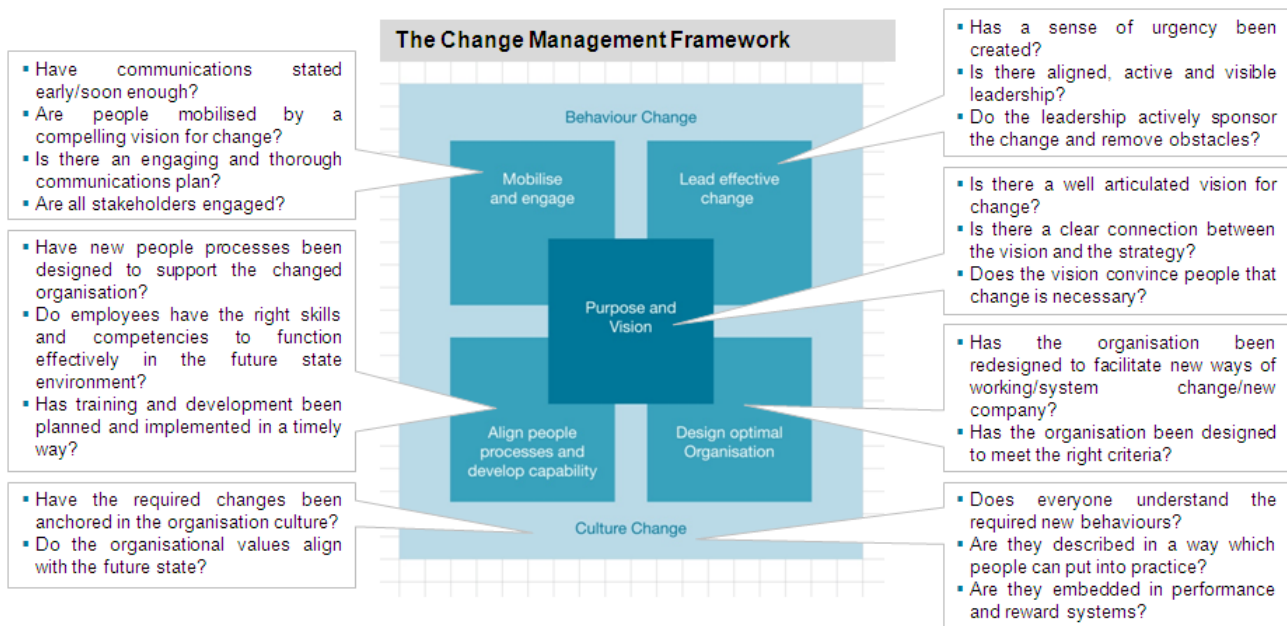
- **Purpose and Vision** – having a vibrant and motivational view of the future state of the organisation
- **Lead effective change** – leaders who can sponsor change, make it happen, create a sense of urgency, and remove barriers and obstacles to change
- **Design optimal organisation** – ensure the new organisational structure supports and facilitates the new 'solution'

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- **Align people processes and develop capabilities** – new people processes which encourage new behaviours and ways of working, and ensure everyone has the new capabilities to succeed in the future state organisation
- **Mobilise and engage** – ensure everyone in the organisation understands the change; why it is needed and how they can be successful in the future
- **Cultural and behavioural change** – ensure all the anchors of old culture are replaced to fix the new one, and the related new behaviours and ways of doing things

If these areas are not reviewed then the change effort is at risk of failure. The particular change issue must be precisely identified as demonstrated in Figure 1 below:

Figure 1: The Change Management Framework



Overlaying the Risk Management Framework to de-risk change activities

The Risk Management Framework, incorporates five best practice steps and combines them with the industry established 'Failure Mode, Effects and Criticality Analysis (FMECA)' model. This framework is well proven and has been used a number of times within the highly regulated Life Science industry to help organisations to focus their efforts; to appropriately identify, analyse, and mitigate risk.

It ensures the focus is on implementation, not just installation, through identifying and minimising barriers and risks and, at the same time, prioritises risks and focuses effort where it has the most impact, therefore, maximising the return on investment. It drives the communal ownership of change through using a practical framework which is well understood across all operational and business areas, and develops short and long term plans essential for lasting business benefit.

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Figure 2: The Risk Management Framework



When managing change, the key objective is to apply the risk management framework to both identify and analyse the related risks in a more precise and decisive way.

A robust governance structure is vital to a framework's success and is underpinned by core principles. High-level risks need appropriate escalation to the accountable party, and escalation strategies and procedures will ensure rapid mitigation action.

So how does this really apply to managing change?

Let us take the critical success factor of change leadership as an example; a significant component in every change initiative, no matter how large or small. A possible consequence of poor leadership in change initiatives is misdirection, due to perceivable lack of drive for change from those responsible for making it happen. Misdirection can lead to disinterest which, in turn, can lead to apathy and result in inactivity. Thus the change does not happen.

Even more specifically, the example overleaf in Figure 3, demonstrates how the risk framework has been applied to one potential risk factor identified in Change Leadership – 'Decision Making'.

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Figure 3: Example: Risk Management Steps applied to Change Leadership – Decision Making

Risk Management Steps	Example Change Management Risk Factor: Leadership
1. Identify - FMECA	Leaders are slow to make decisions about the changes required, plans are being delayed and deadlines for communications are missed, leading to confusion
2. Analyse - FMECA	The cause is leaders have differing opinions about what the change is, and what the final outcome will be; this is leading to conflicting messages and de-motivation
3. Prioritise and Plan - FMECA	The impact and likelihood of decision making is high so it is shown as a critical risk for the project. It is categorised as high and actions are developed to gain consensus of a common vision with Leaders
4. Control and Report	Decision-making training and visioning workshops are actioned with additional leadership coaching implemented: measurement is via leadership meeting review
5. Monitor	A decision making process is in place and the action is closed

The supporting tools that underpin this approach ensure there is clarity and focus on the very things that need attention thus enabling risk mitigation to occur.

Many organisations have benefited from using this combined Taking the Risk out of Change approach.

Why use the risk management approach to change?

More often than not, change managers and HR professionals struggle to make change programmes tangible, in particular to other colleagues in operational type roles. Talking about 'changing culture' or 'changing values' can seem very ethereal; with people not always appreciating the value, understanding what is required of them or what needs to be done.

Using a specific tool to manage the risk of change, operations teams and others can, at least, be familiar with the concept, if not the particular tool. This significantly helps HR professionals to make change more tangible and also speak 'the same language' as their colleagues from other areas.

Even the smallest of change initiatives can create big challenges that have to be overcome in order for the change to be really successful. Imagine what it is like to have negated these challenges before they arise. That is the aim of applying the Risk Management Framework and its supporting tools to change management efforts.

It adds a new and exciting dimension to managing change that raises the bar when it comes to implementing such initiatives.



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Some of the real benefits from applying risk management to managing change, taken from real cases, include:

- Change risks across the business were assessed in a regular and consistent manner
- Provided a focus on implementation and so ensured the benefits case for both the merger and the IT system were achieved
- Focused change efforts on priority areas so maximising the return rather than dissipating the efforts of scarce resources
- Change implementation progressed at a faster pace than average
- Operational managers understood the concept of change management and were able to implement practical actions to support the plan
- Engagement and buy-in of stakeholders to new ways of working

To deliver successful and essential change, different parts of any organisation need to learn from one another, by considering how to further de-risk change management activities using risk management tools can really make the difference to successfully making the changes required.

If you are interested in learning more about 'Taking the Risk out of Change' please email us at info@wcigroup.com