



Change Management and Process

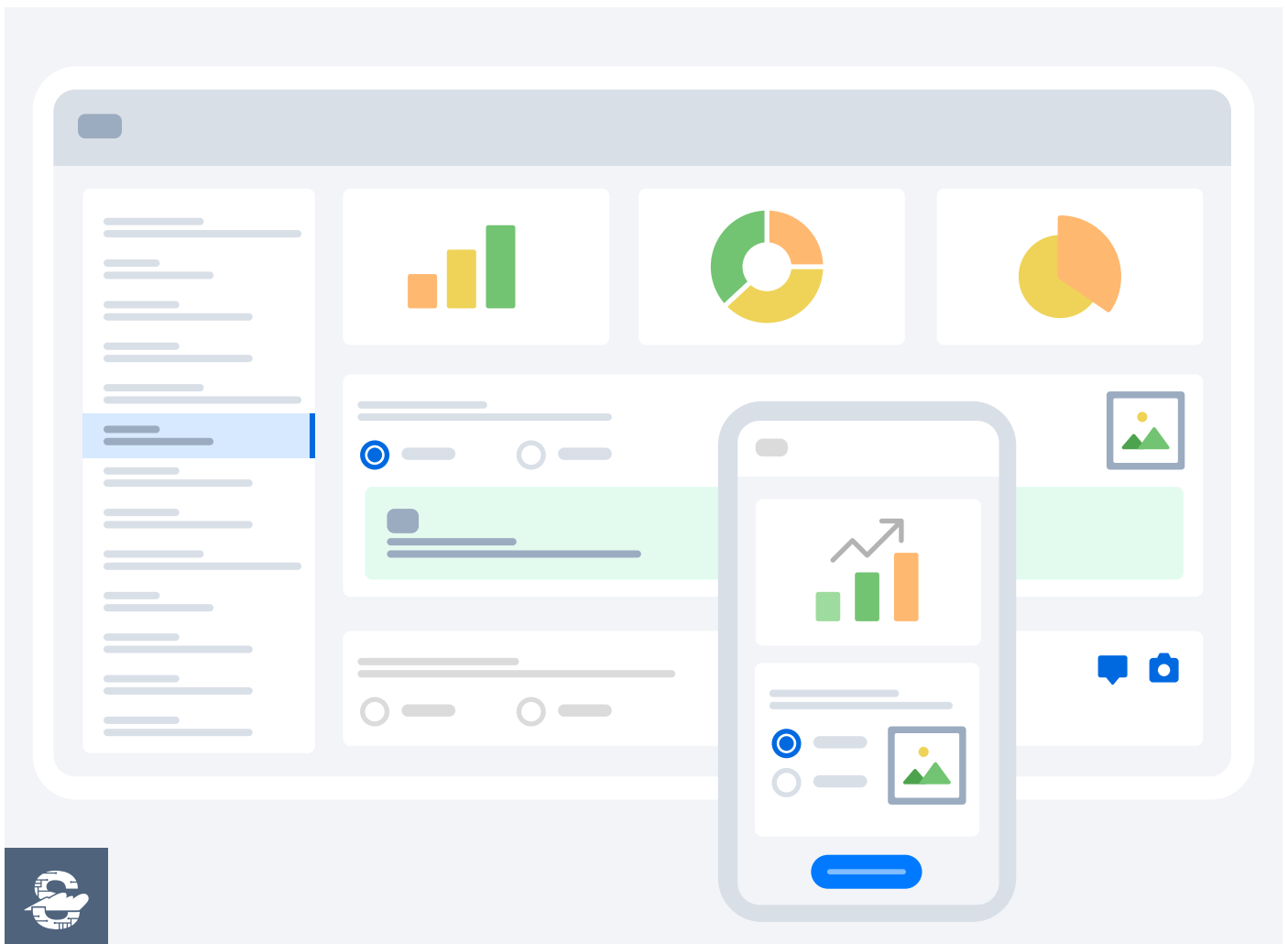
Improvement

Coalesce for Success

Process Improvement is the proactive task of identifying, analyzing, and improving upon existing business processes for optimization. The desired results of process improvement include a decrease in the time, risk, and cost and an increase in the performance, efficiency, effectiveness, quality, compliance, and experience involved in a given process. This systematic approach to maintaining your business follows a specific methodology:

- Map Current State
- Analyze Current State
- Design Ideal Future State
- Pilot/Implement

In this paper we will take a deeper look into each of these phases within Process Improvement and give insight into how applying a change management strategy is essential for profitable improvement, specifically when the future state entails implementing a new software solution.



Mapping Current State

In this stage, detailed layouts of every aspect of the business process are created. The idea behind mapping is to create a visual to make finding value-add and non-value-added activities easier. Comprehensively defining and documenting the current state of a business process by capturing metrics helps leadership clearly identify all pain points and opportunities for improvement, prioritize all business requirements, create a business case to support the change, and define the desired workflow. Tools such as surveys and focus groups can be used to begin the mapping stage.

Analyze Current State

Essential parts to this stage are identifying the issue and labeling priorities. (Prioritization by designating “must-haves,” “should-haves” and “could-haves” helps lay a foundation for implementation teams to build upon, allowing for adaptation to changing business requirements that arise after the initial planning, during development). Assessing whether a process is over or under-performing is carried out by comparing the map of the current state against defined criteria and targets. Some key take-aways from analysis include identification of

- The type of issue (policy, process, or technology)
- Specific pain points and waste within the process (overreliance on certain departments, inaccurate data, excessive overhead, etc.)
- Potential causes and effects of pain points
- Current controls
- Potential solutions and opportunities for improvement (policy, data, technology, training)

Design Ideal Future State

It is important to remember during this stage that there is no “silver bullet,” specifically in the example of creating a plan to implement a new software, there is no magic answer to all your business problems, no perfect technology that will address all the desires and grievances of the various departments within your organization.

Every well-structured business process comprises of a commingling of theories, systems, and support. A single technology or idea without proper cooperative decision-making and communication will not solve challenges.

Pilot/Implement

A successful implementation results in the software solution being fully integrated on time, within budget, and should meet the objectives of lowering costs, increasing revenue, improving quality of the business process, and ultimately delivering a return on investment.

When applying process improvement theory within your business, it is important to watch out for the emergence of several red flags. The presence of any one of these factors necessitates a hard reset, as a failure to address the issue may cause the overall failure of the implementation.

Lack of Defined Business Needs and Requirements

Precise detailing of features and functions to operational needs is crucial. If the needs of the business cannot clearly be defined, what process should be improved cannot not be clearly identified. Therefore, no proper plan can be scripted and what is being required of those involved will not be understood. No amount of “new tech” will be able overcome that obstacle. Your project is dead in the water.

No Sponsorship, No Go

If the project does not have a seasoned leadership sponsor, there will be no authority to designate roles, and no reinforcement for positive changes. No employee wants to be the one to cause confusion and delay to an implementation plan, but without a designated “higher-up” to report to, roles can become undefined, resulting in the loss

of the crucial element of collaboration. Additionally, single projects that are carried out by teams in different offices spread out nationally or globally can easily lose coordination without sponsor guidance.

Misalignment Between the Business and the Solution

If at the start of implementation the business has not identified key stakeholders/ customers, then the technology may not serve the purpose that you actually need it to. This goes hand-in-hand with defining the business' needs, as the lack of service to stakeholders/customers will mean a downturn to your bottom-line. Embarking on a journey without a destination will get you nowhere or somewhere you did not intend.

Maintaining Loyalty to Obsolete Processes

The presence of deeply engrained outdated processes will also slow down (and potentially derail) a new technology implementation. The processes being deeply engrained will make training for a new technology slow, as first there will be a necessary “uprooting” of old methodologies.

Pervasive Resistance Culture

The difficulty in retraining is only contributed to by the final red flag, a general negative attitude towards change. When there are adverse feelings towards adopting new systems or solutions (an affinity for homeostasis,) no amount of training will motivate employees to accept the transition. As training and supervisory input lessens, the desire to return to “the way things were” will resurface.

Change management refers to the “people” side of change and entails a clearly defined strategy using specific tools and methodologies to lead the people in a business through the change to achieve the desired outcome. When the desired outcome is the successful implementation of a new software solution to improve a process within an organization, those methodologies will largely involve communicating (surveys, focus groups, vendor meetings,) project sponsorship, mindset coaching (resistance management, rewarding/reinforcing,) and software training. Effective change management navigates the red flags involved with process improvement and mitigates the risks of productivity loss, negative customer impact and employee turnover, while maximizing speed in effectively adopting the change.

The activities within change management are designed to build awareness, create desire, develop knowledge, foster ability, and reinforce the change. Awareness, Desire, Knowledge, Ability, and Reinforcement (ADKAR®) is a framework for understanding change.¹ This framework helps create a strong foundation for process improvement, increasing the likelihood of successful change initiatives.

AWARENESS

There is specific information that employees/stakeholders need to know:

- What is happening?
- Why is this happening?
- How does it support business goals?
- What risk comes from not changing?
- What’s in it for me (WIIFM)?

DESIRE

Motivate the employee base to support and participate in the change through

- Mapping and analysis.
- Addressing any reasons employees would choose not to adopt the change.
- Communicating the benefits of the software solution.

KNOWLEDGE

Make clear HOW the change will be implemented. This aspect includes tool evaluation and selection. Project leaders impart knowledge by outlining and enacting

- Training and education.
- Detailed information.
- Defined new roles/responsibilities.
- New policies.

ABILITY

Demonstrate users' capability to achieve the desired performance level with an implementation plan. This stage will be readdressed throughout the development of the software and includes

- Rolling out the new software.
- Meeting prioritized system requirements.
- Displaying user leaderboards.

REINFORCEMENT

A necessary final step to any process improvement is committing to actions that strengthen and reinforce the change:

- Private/public recognition.
- Rewards.
- Group celebrations.
- Simply saying "Thank you."

The following is an example of combining the methodologies of process improvement and change management for a successful software implementation.

1

Phase 1

Develop Project Charter and Build

Develop an initial high-level problem statement.

Create a complete project charter: assign a sponsor, clarify project success, set expectations, assign team member roles, create timelines, define in-scope/out of scope, and determine objectives.

Deliverable: Change Team/Task Force and Project Charter

2

Phase 2

Define User Experience

Establish and define the need for change by engaging key stakeholders.

Conduct satisfaction surveys, culture or climate surveys, gather user experiences, host focus group sessions, etc.

Interview project sponsors and key stakeholders to gain insights into challenges and opportunities that may be possible with the change.

Deliverable: Establishing awareness and desire for change among stakeholders.

3

Phase 3

Define and Analyze the Current State

Involving key stakeholders, map the process as a group.

Mapping will clarify what work is done, how it is done, who does the work, and how frequently the work is done.

Explore why the work is done, whether it because of a necessary business function, a technical limitation, a regulatory or legal requirement, or some other reason.

Focus on identifying pain points and waste and highlight initial opportunities for improvement.

Deliverable: Current state map, analysis summary, and opportunities for improvement.

4

Phase 4

Share Findings and Develop a Communication Plan

Summarize and categorize all data from the focus group(s) and mapping sessions. Share this data with the task force, identifying major areas for improvement and quick wins for the project, and agree on next steps.

Establish a detailed project and communication plan (what are the key messages, when should they be delivered, how, from who and who will receive them?).

Deliverable: Communication strategy and sponsor approval to move forward.

5

Phase 5

Envision Improved Future State

Envision an improved future state of the process—focus on WHAT should happen, not how, or who. (Use all the information learned during the current state and analysis stages).

This map will allow you to communicate clearly with the software implementation team what your desired workflow is, what inputs and outputs you need, feature requirements, and other system needs.

Deliverable: Future state map to be shared with software implementation team.

6

Phase 6

Prioritized business needs and identified software functionality

Identify additional team members to serve on the selection committee and participate in vendor demos.

IT considerations (integration, data warehousing needs, outputs, reports, and staffing) should be a priority.

Document and prioritize all functional and non-functional business requirements for the future process. Use these needs to identify and select key software features and usability requirements.

Deliverable: Prioritized business needs and identified software functionality.

Having a realistic view of what is possible for the business given the resources (time, technology, financial backing, employee base) is essential. Once the initial change management plan has been created, the project can receive leadership approval. Leadership must have a clear understanding of and be involved in the strategy for change. A software implementation plan can then be established with the vendor, and a new change management plan can be created to clearly define what success looks like for the rollout of your new technology solution. Finally, focus on preparing stakeholders for future state and implementation by building awareness, desire, knowledge, ability, and reinforcement of the change. Remember, each step of process improvement (even ones that seem to take you backwards) is a part of the overall journey to business growth. Communication and a solid framework will be the key to unlocking your future state.

Notes

1Prosci Inc. (2021, March). The Prosci ADKAR Model. Retrieved from <https://www.prosci.com/methodology/adkar>

Further Reading

Loebick, K. (2020, April 22). DMAIC – Our Favorite 6 Sigma Word of the Day! [Blog Post]. Retrieved from <https://transforming.com/2020/04/22/what-is-dmaic/>

Forbes Technology Council. (2020, March 31). 14 Common Reasons Software Projects Fail (And How To Avoid Them) [Council Post]. Retrieved from <https://www.forbes.com/sites/forbestechcouncil/2020/03/31/14-common-reasons-software-projects-fail-and-how-to-avoid-them/?sh=1378d9dd798c>

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