



**Mitigating the Perfect Storm:**  
How anticipating change saturation can lead to better enterprise change management

September 17, 2013



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## Agenda

Topic	Duration
<b>Why Enterprise Change Heat Maps??</b>	10 minutes
History / Background	
Business Case Discussion	
<b>How to Implement??</b>	40 minutes
4 Step Process	
Practice in Application	
Sustain: A Change Capable Framework	10 minutes
Questions & Answers	

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## Today's Objectives

- Discuss what “change collisions” are and how they show up in organizations and impact the bottom line
- Begin to apply change heat maps to individual projects to help in risk identification mitigation
- Understand how enterprise change heat maps can be used to identify and manage change collisions and help manage the portfolio of projects for a higher return on investment
- Consider a model for building long-term, enterprise change capabilities

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## Why Enterprise Change Heat Maps?

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Wikipedia defines a heat map as a graphical representation of data where the values taken by a variable in a two-dimensional table are represented as colors.

Wikipedia has no definition for a Change Heat Map... yet!

But people are talking about **Change Saturation** and **Change Fatigue**



Google


Search About 69,200,000 results

Google

Search About 87,000,000 results

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Per Towers Watson's 2011 Talent Management & Rewards Survey, most organizations (65%) expect employees to work more hours than before the recession; and over half (53%) expect this to continue — putting particular strain on professional level employees.

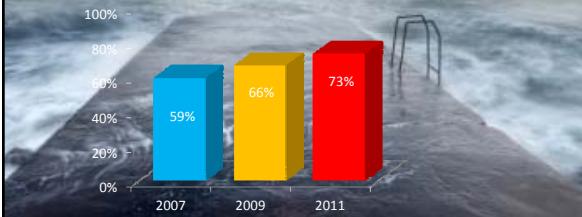


*"Employees at many organizations are already suffering from change fatigue. As a result, when the labor market does recover, companies can expect a sharp increase in voluntary turnover . . ."*

*Laurie Bienstock, North America leader at Towers Watson*

© 2012 Prosci/Prosci, All rights reserved. Source: 2011 North American Towers Watson Talent Management and Rewards Survey

Nearly 75% of the participants in Procsi's 2011 benchmarking study indicate their organization are nearing or are past the point of change saturation



Year	Percentage
2007	59%
2009	66%
2011	73%

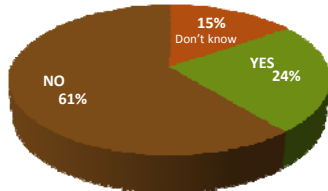
Prosci's 2011 Best Practices in Change Management and benchmarking study

### Where is your organization?

1. Quite a bit of spare capacity for change
2. Has some spare capacity for change
3. Nearing the point of change saturation
4. At the point of change saturation
5. Past the change saturation point

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The results when survey participants were asked... "do you have a structured process for managing your change portfolio?"



Response	Percentage
NO	61%
YES	24%
Don't know	15%

The few who are working to address the change saturation and collision risks identified **portfolio management** tools and **prioritization** as the top two mitigation tactics.

© 2012 Prosci/Prosci, All rights reserved. Source: Prosci's 2012 Best Practices in Change Management




Surprisingly, most of the organizations with awareness of their own change saturation, report doing **"nothing"** to address the risks.

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The symptoms of change are real and "show up"

<b>Individual</b> behaviors exhibited in a change-saturated environment	<ul style="list-style-type: none"> <li>• Disengagement and apathy</li> <li>• Frustration and stress</li> <li>• Fatigue and burnout</li> <li>• Resistance</li> <li>• Confusion</li> <li>• Cynicism</li> </ul>
Symptoms of change saturation with <b>Projects</b> and project teams	<ul style="list-style-type: none"> <li>• Unrealized benefits</li> <li>• Lack of resources</li> <li>• Changes were not sustained</li> <li>• Projects failed to gain momentum</li> </ul>
<b>Organizational</b> symptoms of a change-saturated environment	<ul style="list-style-type: none"> <li>• Higher turnover</li> <li>• Productivity decline</li> <li>• Increased absenteeism</li> <li>• Loss of focus on business basics</li> <li>• Negative morale</li> </ul>

© 2012 Prosci/Prosci, All rights reserved. Source: Prosci's 2009 Best Practices in Change Management



**How much is change saturation costing your organization?**

- 59% of projects were considered unsuccessful**  
*IBM 2008 Study – "Making Change Work"*
- \$63 billion** is spent on IT projects that fail in the U.S annually  
*CIO Insight, June 2010*
- Employee turnover costs range from **50% - 150%** of salary + benefits for each employee loss from burn-out
- Unplanned absences** drove a **54% decrease** in productivity/output and a **39% drop** in sales and customer service.  
*2008 Mercer/Marsh Survey on health, productivity and absenteeism*

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So, where is your organization in *understanding* and *managing* change saturation?



- Lacking visibility
- Admiring the problem
- Taking action, mitigating risks

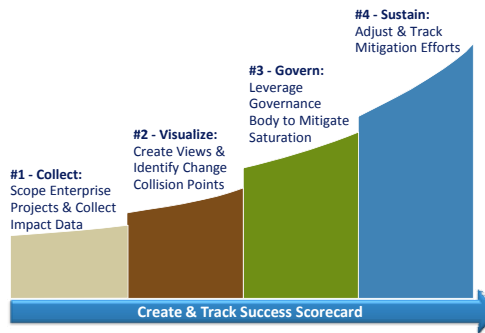
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**4 Step Process**

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**4 Step Process to "Stand-Up" Enterprise Change Heat Maps**



- #1 - Collect:** Scope Enterprise Projects & Collect Impact Data
- #2 - Visualize:** Create Views & Identify Change Collision Points
- #3 - Govern:** Leverage Governance Body to Mitigate Saturation
- #4 - Sustain:** Adjust & Track Mitigation Efforts

**Create & Track Success Scorecard**

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**Step #1: Collect**  
Define "Enterprise" Initiatives

- Enterprise Initiatives typically meet 2 or more of the following criteria:
  - Part of your organization's Strategic Plan
  - Requires Capital Funding or Board Approval
  - Impacts multiple Business Units
  - 50% or more of the organization will be impacted
  - Significant # of project hours | Significant \$\$ spend
  - High emotional tax | toll


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**Step #1: Collect**  
Define Impacts

Impact Level	SAMPLE Guidelines
High	<ul style="list-style-type: none"> <li>Approximately 75%+ of employee job responsibilities will be changing due to technology, process, reporting structure, and/or location changes</li> <li>Increase in volume of job by +25%</li> <li>High degree of preparation, involvement and training is required</li> <li>Adoption / Behavior Change is necessary for success</li> </ul>
Medium	<ul style="list-style-type: none"> <li>Approximately 50% -75% of employee job responsibilities will be changing due to technology, process, reporting structure, and/or location changes</li> <li>Increase in volume of job by 15-25%</li> <li>Moderate preparation and training is required</li> </ul>
Low	<ul style="list-style-type: none"> <li>Approximately 25% -50% of employee job responsibilities will be changing due to technology, process, reporting structure, and/or location changes</li> <li>Increase in volume of job by 5-15%</li> <li>Awareness of the changes with little to no preparation or training required</li> </ul>

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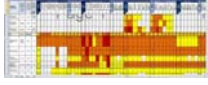
**Step #2: Visualize**




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**Step #2: Visualize**  
Determine Data Capture, Analysis & Visualization Tool

**Excel | Access**




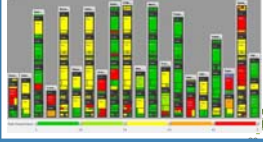
**Enterprise Change Heat Map Tool**



**Organizational Chart View**

At a Glance Q1-Q4, 2012






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**Step #2: Visualize**  
Analyze Change Collisions

**Change Collisions occur when too much change hits a group of employees at the same time**

- Factors to consider when evaluating Change Collisions
  - When 2 or more high impact initiative are deploying to the same stakeholder group at the same time
  - When multiple (3 or more – will be different for each organization) initiatives are deploying to the same stakeholder group at the same time
  - Thresholds are important in that some groups are accustomed to dealing with more concurrent change than others



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Practice in Application

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**Exercise: Creating a Change Heat Map**

**Follow these instructions on the worksheet provided:**

- Write down all Initiatives that you are aware of that meet the “Enterprise” definition
- Write down the primary audiences this work impacts
- Evaluate the Impact Level by designating a High, Medium, Low in the Quarter in which that initiative is deploying to the organization
- Follow the same process for any External Initiatives you are aware of

Impact Level	Guidelines
<b>High</b>	<ul style="list-style-type: none"> <li>Approximately 75%+ of employee job responsibilities will be changing due to technology, process, reporting structure, and/or location changes</li> <li>Increase in volume of job by +25%</li> <li>High degree of preparation, involvement and training is required</li> <li>Adoption / Behavior Change is necessary for success</li> </ul>
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**EXAMPLE: Enterprise Change Heat Map Worksheet**

Initiatives	Primary Audience(s)	Q3 2013	Q4 2013	Q1 2014	Q2 2014
<b>Internal Initiatives</b>					
New Time Reporting System	All Employees, HR		High	High	High
Implementing Lean	IT & Business Stakeholders			High	
Upgrade to new telephony system	Call Center			High	
<b>Corporate or External Initiatives</b>					
New Performance Management Program	All Employees			Medium	Medium
New Corporate Branding	All Employees		Low	Low	

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## Debrief: Creating a Change Heat Map

- ❖ How did you define “Enterprise” Initiative? Does your organization have a current definition by which to start?
- ❖ Do you feel you have high visibility into the # of Enterprise Initiatives within your organization? How would you confirm your list?
- ❖ Are there any quarters that have 2 or more High Impacts occurring at the same time to the same Audience?
- ❖ Are there quarters where there are 4 or more Low Impacts occurring – “death by a thousand paper cuts”?
- ❖ What questions did this bring about for you?

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## Step #3: Govern Determine Structure & Executive Sponsors

**Typically organizations combine different groups of stakeholders to create an Enterprise Portfolio Management Group**

Executive Sponsors

Strategic Planning

Capital Funding

IT Project Management Office

Other PMO's?

Internal Change Consultants

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## Step #3: Govern Consider Risk Mitigation Alternatives

- ❖ **High degree of change**
  - ▶ **Adapt:** Change the deployment timing of your effort to maximize the best possible timing for adoption
- ❖ **Significant volume of change**
  - ▶ **Adjust:** Is there anything around the ‘rhythm of the business’ that can be changed – delayed, removed or scaled back?
  - ▶ **Integrate:** Should the initiatives be consolidated towards certain stakeholder groups – i.e. should communication and training efforts be rolled into one?
  - ▶ **Shift:** Should one project go before the other to mitigate change saturation?
  - ▶ **Intervene:** What intervention should be applied to mitigate the risk of change saturation? More resources added to the project? Additional change management activities to ensure readiness?

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## Shape the Path

- Simply, make the journey easier
- Create a downhill slope
- Give them a push
- Remove friction from the trail

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## Step #4: Sustain - Build for the Long Term



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since 2004, CEO's  
have reported that  
***coping with  
change*** is their  
most pressing  
challenge

Source: IBM's Global CEO Study (2008) The Enterprise of the Future  
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### ...leaders lack confidence in their organization's change capability



- ❖ 48% of the 674 executives surveyed globally are **not confident their organizations can quickly mobilize** to serve new markets and customers
- ❖ 50% indicate their **culture is not adaptive** enough to respond positively to change
- ❖ 44% are **not sure their workforces are prepared** to adapt to and manage change

Source: Accenture's High Performing Workforce Study, 2010  
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### Change Capability Framework™



- GROW :: Resilient Change Capabilities**
- CULTIVATE :: A Disciplined Approach**
- ROOT :: Core Best Practices**

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### Exercise: How would you rate your organization's change capability?


1 = None    2 = To Some Extent    3 = Within a BU or Program    4 = Adopted Across the Enterprise

<b>GROW :: Resilient Change Capabilities</b>	<b>Expertise</b> Build deep change expertise within the organization to ensure knowledge sharing and continuous learning	<b>Embed</b> Root agility into the culture by integrating change competence across talent management processes such as hiring, learning & development, performance management & rewards
	<b>Foundation</b> Select one change management framework, approach and training methodology to establish a common language and understanding of change	<b>Alignment</b> Integrate change into program governance, project management and strategic planning initiatives across the organization
	<b>CULTIVATE :: A Disciplined Approach</b>	

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### Where is your organization today?


<http://change.peoplefirm.com/>



Take our Change Capable Online Diagnostic and find out where your organization is against the framework:

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### Questions??



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Take our Change-Capable Diagnostic @ <http://change.peoplefirm.com/>

Your People = Your Business