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The Change Mindset

Ed Pailen

May 21, 2007

Change initiatives bring uncertainty, and are often undermined by anxiety and resistance within an organization. The most successful change management efforts take a phased approach that acknowledges processes and people, technology and culture. It starts with thorough planning, but it gains traction with strong outreach during execution.

If an organization is in a state of transition, it will face considerable challenges during the change process. Naturally, change will be resisted and this should be an expected response due to the uncertainty generated by it. Concerns surrounding a change effort can range from employees raising issues about individual roles to management's anxiety concerning their burden. Who is in charge? Where are the resources? What systems are being used? The change process can become extremely complex since it often affects multiple levels of an organization's structure.

To move forward, pressure is placed upon change agents to document formal and informal relationships necessary for an organization to function. Alone, the number of uncertainties associated with change initiatives can lead to widespread confusion, but when you add human emotions and a history of failure into the mix; you could have a recipe for disaster. So one may ask oneself, is it worth it?

The answer is a clear, undeniable "Yes." While it may be more obvious that change is needed in low-performing organizations, high-performers must also adapt to the business environment to improve their industry position. To become a market-leader, the business must be directed by forward-thinkers who implement strategies that anticipate market demands. By effectively managing these initiatives, they can improve performance and customer satisfaction. The application methodical approaches to change initiatives helps minimize risks and increase the success rate of meeting identified business goals in the future state of operations.

In the current business environment, many organizations are using change initiatives to achieve their business goals that are directly linked to the deployment of a technical system. This is one of the main reasons that change efforts often fail. Technology is a mechanism that should be used to support business goals, not define them. There is a definitive relationship between business goals and technology initiatives, but it is the lack of understanding of how the two complement one another that often leads to problems. There is a best practice that organizations can use to ensure that this relationship is properly defined and optimize the working environment. IT Optimization is a strategic approach that leverages technology assets to achieve the business goals more efficiently and effectively. It employs an enterprise perspective that allows for a comprehensive examination of the total impact of the change on internal processes and external interfaces.

Making Change Routine

Change does not have to be a disruptive force within an organization. Successful change

management efforts rely heavily on three factors: proper planning, communication and the organizational "mindset." The planning portion of the change process usually receives the majority of the concern, but it is the execution phase that usually comes undone by a failure to communicate. Communication barriers can be diminished through outreach efforts and training, to help alleviate the anxiety associated with the unknown of the future state. The creation of a communications plan establishes a vehicle that informs employees of the approach and organizational direction. These efforts document and demonstrate the benefits of the upcoming change, while simultaneously empowering employees by getting them involved in the change process through dialogue.

A strong communication plan forces an organization to examine its cultural barriers, which can act as obstacles to knowledge sharing. As roles and responsibilities shift, organizational attitudes must evolve as well. Ideally, the organizational mindset will embody the characteristics of a learning organization, where it will collectively increase its capability to produce results that help it achieve its goals. Utilizing performance measures, change agents can demonstrate the current levels of performance from a variety of perspectives, clearly demonstrating how the change initiative will help the organization mature. Performance measures represent the lowest level of a strategically aligned modernization strategy. These measures are result of a strategic alignment process that starts with the high-level organizational vision; which is used to define the lower levels of goals, processes and performance measures in increasing detail.

Establishing an Organizational Vision

Defining a vision is the first step in determining the future state. It establishes the direction of the organization and communicates what it plans to do. However, the vision is merely a group of words written on paper unless there is a leader who can inspire and understand the organizational mindset. A good leader instills a sense of identity into an organization and prepares employees for the change necessary to achieve the vision. The human side of change always plays a vital role in shaping a successful change effort. From the time the change announcement is made from the time it is deployed, employee attitudes have to migrate along a cycle from skepticism to acceptance. The ability of a leader to communicate the organizational vision helps expedite this progression. The value of the change is also bolstered by quick-wins that boost morale and productivity.

The vision will continuously guide the change effort and establish a common goal for everyone to work towards. There are two major benefits obtained by clearly articulating the need for change: 1) goals, processes and performance measures will be derived from it, and 2) it helps gain buy-in from stakeholders. Stakeholders provide insight from various organization levels and assist with the identification of potential problems earlier in the change process. As stated before, change efforts are complex and by gathering feedback early, the impact of potential problems is reduced. This technique uses inclusion to build momentum throughout the enterprise and further support recognition of the need for change.

Build the Foundation

When organizations conform to the capabilities of a system they become constrained by the systems limitations. The vision is not created by technical solution because business goals are supported by technology. IT optimization offers an approach to change management that leads to repeatable success, because as the name suggest, it optimizes an organization's technical capabilities to meet the business goals. While most change efforts are confined to a department or functional area, IT optimization takes an enterprise approach to meeting strategic goals through organizational alignment. To be successfully employed, this approach emphasizes communication and the interdependencies between business drivers, processes and the organizational culture.

By conducting a top-to-bottom examination of how the business works, organizational intricacies can be discovered. The underlying theme is based upon a simple, three-part method:

- 1) Determine the Current State (*what do we do?*)

- 2) Define the Future State (*what will we do?*)
- 3) Document the Gaps (*what is missing?*).

The gaps reveal the areas of change and can be found at the intersection of an organization's people, process and technology spherical boundaries. Change agents identify, manage and close these gaps to ensure that the change process can run smoothly and effectively.

Define the Optimization Strategy

A strong foundation is important because every organization is dealing with change on some level. Will the organization deteriorate, simply survive or advance? Change leads to opportunity and a proactive organization can enhance the probability of a successful endeavor. Change efforts are undermined by the failure to keep pace with a changing environment or the failure to grasp the total complexity of the change. IT optimization reduces the chances of either of these occurring because it requires the strategic alignment of the four components of change: people, culture, technology and processes to maximize organizational efficiency in its efforts to create value.

Leveraging this integrated approach leads to effective change. The strategy set forth to optimize the operating environment is largely dependent upon the strategic alignment, strong leadership and stakeholder commitment. These three factors help clearly articulate the direction that the organization is headed in and assist in the transformation of behavioral patterns and attitudes that can form change barriers. The optimized strategy provides a roadmap to achieve the organizational vision with streamlined processes and more flexible, consolidated technical systems.

Conduct Readiness Assessments

An IT optimization strategy defines the role and positioning of the change initiative. It also provides the basis for decisions to reach enterprise goals. The strategy is supported by the change components. Change agents used readiness assessments to determine where the gaps lie. Gaps represent deficiencies in areas where the organization does not have the ability to operate in a manner to meet the standards required of the future state. Readiness assessments represent the next step in the process and are the vehicle that is used to identify and provide insight into gaps in the change components. Gap can be found either within the components described below or be cross-component gaps, which are discovered when the relationships between the components are examined.

___ *Culture*. The organization mindset is a byproduct of the corporate culture and lies at the center of all change efforts. It is the determining factor what the employee's values are and how they go about doing their jobs. The culture helps define employee behavior patterns and how employees interact with one another. Cultural change stems from the leaders ability to effectively communicate and measure areas of emphasis.

___ *People*. People require an analysis of human resources to ensure that the correct organization structure and culture are in place to support the future state environment. Organizational roles are evaluated to determine if they are adequate for the future environment and skills associated with these roles must be assessed.

___ *Processes*. A smooth transition to the future state requires that information is received in the proper place in a timely fashion. The modernized environment should look to focus upon integrating workflow information and identify initiatives necessary to improve performance. By using flow charts, each process can be broken down to provide specific information on how it maps to organizational goals. Placing an emphasis on key enterprise concepts builds efficiency in operating practices by focusing on the business, its interactions and requirements.

___ *Technology*. The technology environment consists of systems, applications and tools that compose the technical infrastructure. The integration of legacy systems helps eliminate redundancy and consolidate the number of technical platforms reducing the number interfaces and complexity of the technical environment. The technical environment must be robust enough to support future technical

needs, yet flexible enough to accommodate structural and process changes.

Prepare Capability Development

Capabilities are the competency areas within each of the components that must be present to execute the planned strategy. The development of capabilities helps focus individual organization efforts on performance attributes and other factors that define improvement for the operating environment. These attributes increase operational visibility by constructing a framework, based upon a common language, to create and report enterprise performance measures. This approach improves the communication of reliable information to determine what value has been attained. It informs the organization of the priority areas and where optimization would provide the most benefit. Optimization leads to higher service levels, greater efficiency and less costly products.

As stated earlier, technology is used to support business drivers and therefore we should look at technology from the perspective of increasing the return on investment. This means that technical solutions should have increased flexibility and scalability to accommodate future organizational needs, yet be consolidated to minimize operational costs and the management burden. Technology plays a supportive role because, in and of itself, the technology does not provide a competitive advantage. An organization must incorporate technology into its strategy versus creating practices and roles based upon the technology.

Gauge Organizational Progression

Rarely does any initiative go from start to finish exactly as planned. As the effort progresses, there are opportunities and areas of weakness that present themselves, and adjustments are made. The ROI serves as one type of financial indicator of organizational performance, but there are other types of performance measures that are implemented to inform an organization of their development in the component areas as well. Valid performance measures meet the SMART criteria: specific; measurable; actionable; repeatable; and time-bound. Performance measures illustrate what is working, which should be duplicated on similar future initiatives, and what is not, which contributed to the organizational knowledge base through lessons learned.

The ability to continuously improve represents a goal for organizational maturation. The organization has reached a point where change has become routine. This cannot be accomplished overnight. It requires that a foundation is established and momentum is capitalized upon. Performance measures provide proof of the steps the organization has taken as it continues to deploy projects to achieve its vision. The enterprise approach helps the organization focus and use its resources effectively.

Less Is More

Managers typically operate within their functional area silos, which can limit their perspective. They are mostly concerned with gathering the data that they need to performing the job at hand and exporting the necessary results to fulfill their stated requirements. Legacy systems currently in place are usually designed to meet a particular need for a particular group. The result is an enterprise that consists of complex networks that are difficult to maintain and even harder to modernize. Optimization breaks away from this by leveraging assets that are already in place. By examining the technical needs of the organization holistically, the number of data interfaces and conversions can be minimized, cost of ownership can be lowered and the need to change systems can be reduced.

IT optimization is a multi-dimensional service model that ties the IT requirements into the business drivers. Managing the effect that the change will have on people and the culture helps ensure the success of the future state and minimizes potential interruptions to operations. Effective change requires commitment from the organization as well as extensive analysis of the current and future state of components and their relationships to one another. Dividends from these efforts manifest themselves when the optimized solution can be created. The simplicity of optimized systems contributes to the repeatability of processes, which ultimately leads to higher quality, higher service levels and greater overall value.

Ed Pailen, PMP, is a senior consultant with the Kilda Group. Pailen has several years of program

and project management experience supporting federal agencies and Fortune 500 companies, including leading complex projects, implementing earned value management systems and developing program management offices.

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