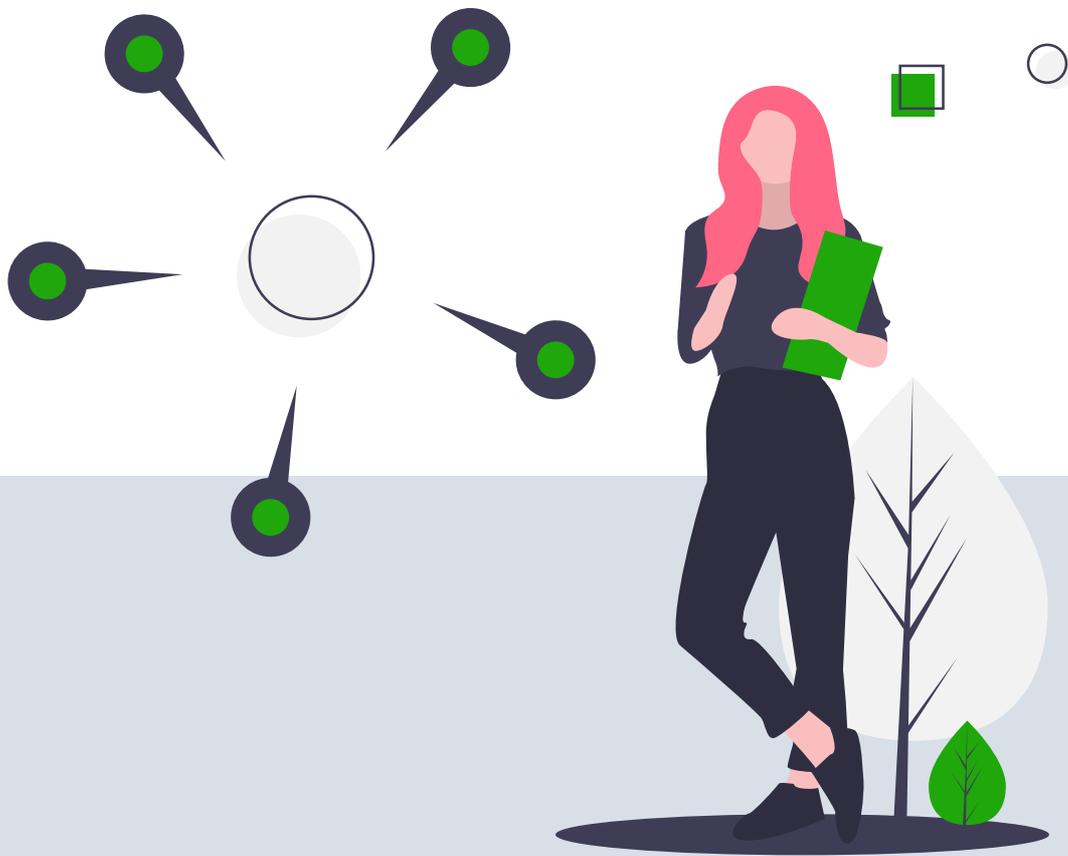




ISSORIA CHANGE MANAGEMENT GUIDES

Building a change capability





Introduction

Over the past few years change management has become an increasingly mature discipline – codified in methodologies and frameworks, and supported with accepted best practices and powerful tools. Nevertheless, it continues to evolve and learn from new situations. Change management has become an executive level conversation, and that conversation is moving on from the specifics of change management and recruiting skilled change managers to a wider conversation about how an organisation builds a change capability.

This white paper looks at how leading organisations are building their own change capabilities and outlines some of the challenges and decisions anyone seeking to do this will face.

Why build a change capability

The old clichés “there is no constant” and “the pace of change is ever increasing”, may seem like over used statements, but they show themselves to be true time and again. Every modern organisation, if it wants to remain successful, has to learn to handle change, and this need is not going to decline any time soon.

Change and change management need to be a core capability of every organisation.

Much like every organisation’s need to manage its finance, procure goods and services, sell its products and ensure its customers are satisfied – every organisation needs to change. What was once the relatively esoteric and specialist skill of change management, is evolving into one of those core capabilities that every organisation needs. The key question is not whether you need a change capability – but how you build it.



What does a change capability consist of?

There is no “one size fits all” answer to what a change capability consists of. There are a number of factors that need to be considered which need to be taken account of. But for us, generally there are four key components shown in the diagram below:



Let's look at each of these a little more.

The **change capability owner** is usually an influential senior executive with a personal interest in and passion for change in the organisation. They do not need to be a change management expert, but they do need to understand the value and importance of change management. This individual sponsors the build of the capability, and is the go-to person for a change management office or change centre of excellence to resolve issues and gain the mandate to do their important work. Without such a sponsor, in our experience, the change capability is never strong enough, and functions like the change management office struggle.

The **central change management office**, or CMO, is a central team of expert change managers for the organisation. Sometimes these are setup at a divisional level – especially in large diversified businesses, sometimes globally across an organisation. We tend to favour a central CMO as it enables best practice knowledge and skills to be consolidated and for the entire change portfolio to be understood. This central team



provides the in-depth specialist expertise in change management. A strong CMO is the foundation stone of a change capability in any organisation.

Whilst the CMO is core, increasingly in the most mature organisations change management is not seen as simply about expert change managers going across the organisation and supporting change initiatives. The virtues of organisational agility and flexibility are increasingly recognised, which a full change capability will support. Organisations with a high level of change management maturity seek to create a business-wide environment in which change can take place.

This requires change management to be a skill that everyone in the organisation is expected to have at a certain level. Of course, only a few people need to be experts, but everyone needs to have a basic familiarity with change, and be able to perform the role that change management requires related to the role they perform in the organisation: whether this is executives providing leadership for change, managers guiding the individuals in their teams through change, and all staff in the organisation approaching change in a positive mindset. Putting these different elements in place results in what we call a **“change ready organisation”**.

Even in a change ready organisation, the change management community needs help to understand local environments, business conditions and so on. This is where the final element of a change capability comes into consideration – **a network of change skills** across the organisation. This comes from the creation of a pool of individuals who can support change managers in implementing change.

Often these people are given job titles like “change agents”, or “business readiness managers”. Their role is usually not a full time change management role, but an additional responsibility added to existing roles. Such change agents need to be chosen with care to find people with the right balance of behaviour and attitudes. They need to have a deep understanding of local conditions. They help change managers to assess change and implement it taking account of these local conditions.



Designing your change capability

So far, we have considered a change management capability in a fairly generic sense. In reality a change capability needs to be tailored to your specific environment. There are a million and one things you may need to consider.

The following checklist provides an example of the sorts of issues you should consider:

CHARACTERISTICS	DETAILED QUESTIONS
Clarity of change vision	Is there a clear vision for the organization supported by a definite strategy that the CMO can work within, or is the strategy more evolving and fluid? Is the mandate for the CMO clear?
Scale of the change portfolio	How significant are the change goals and over what sort of timescale? How disruptive will this be to operations? Is there one large initiative or many smaller ones?
Nature of the change portfolio	How broad and varied is the change portfolio? Is it made up of corporate level programmes, M&A, divisional programmes or continuous improvement activities? Are approaches waterfall or more agile? Are the initiatives highly tangible such as new IT systems, or are they more intangible such as related to culture and behaviours?
Degree of centralisation vs. local autonomy	Is there a strong centre mandating actions across the organization, or are there strong autonomous business units following their own plans? How robust is governance in the organization and where does it take place?
How change impacts each community of staff	What sort of phasing and impact will the changes proposed have on different communities in the organization? Will changes be evenly spread, or are there pockets that will be impacted by much higher levels of change needing more focused change management?
Level of existing change management skills	Is there an existing pool of experienced change managers, or are the skills new in the organisation?
Inhouse or outsourced	Can you recruit good change managers or are you better off partnering with a third party to provide them? What is the right balance between employed staff and third-party service provider staff?
State of aligned disciplines	How will the CMO relate to supporting disciplines – e.g. project management, transformation, organizational design, HR, L&D, continuous improvement



Depending on the answers to these questions, the style and structure of the change capability will vary.

One specific area it is worth working through as it can cause unnecessary tension if handled badly is the relationship between any central CMO and other expert teams in the organisation. It's also helpful to be able to explain this, as anyone setting up a change capability will often be asked how it relates to activities already performed in the business. The diagram below gives an indication of some of the overlaps and areas of common interest between a CMO and other teams:





The main steps in creating a change capability

Building a change capability is not a trivial undertaking, will take some time and face challenges on the way. Nevertheless, it is something that more and more organisations are doing and there is an increasingly proven approach to doing this.

As with any complex task, its best to start by building a plan. That plan is going to be specific to your situation, but in general we find the following tasks are going to form the backbone of that plan:

- Identify key stakeholders in the change capability
- Develop a plan and approach to building the change capability
- Review and agree the proposed approach with key stakeholders
- Appoint Change Capability Owner from the executive team
- Agree target CMO structure and priority for development
- Agree which area of the business the CMO sits within
- Communicate about the role of the CMO to build understanding in the organisation, aligning with other key teams such as the PMO and HR
- Enhance exec awareness with coaching for change skills
- Build out change management skills, either as standalone activities and part of staff development or as part of a major change programme:
 - Management training
 - Staff change awareness
 - Build & train network of change agents
- Scale and recruit central CMO team
- Scale and recruit divisional change teams (if required)
- Build and train a network of change agents, using BPR as a catalyst to start this



About Issoria

We specialise in helping organisations build their change capabilities – including setting up and running CMOs. Most of our clients are CMO leaders and we are constantly interacting CMO leaders globally and researching the needs of a successful CMO.

If you want to explore the issues in this document more, or get support in building your own change capability, come and talk to us.

We would love to talk more

If you have found the issues raised in this document interesting and would like to talk more to us about how you can approach answering these questions, please get in touch.

 info@issoriachange.com

 +44 (0) 203 865 1449

 www.issoriachange.com

