



# Macquarie VAN Change Management

The successful adoption of  
change by your people

6<sup>th</sup> December 2018

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The best businesses in our industry are always mindful of the need to embrace change.

However, as businesses grow and become more complex, meaningful change becomes more difficult to implement and sustain.

How can businesses increase the chances of successfully implementing change in their business?

Research and our experience suggest a large number of projects fail because the owners and managers don't engage their people in a way likely to lead to sustainable change.

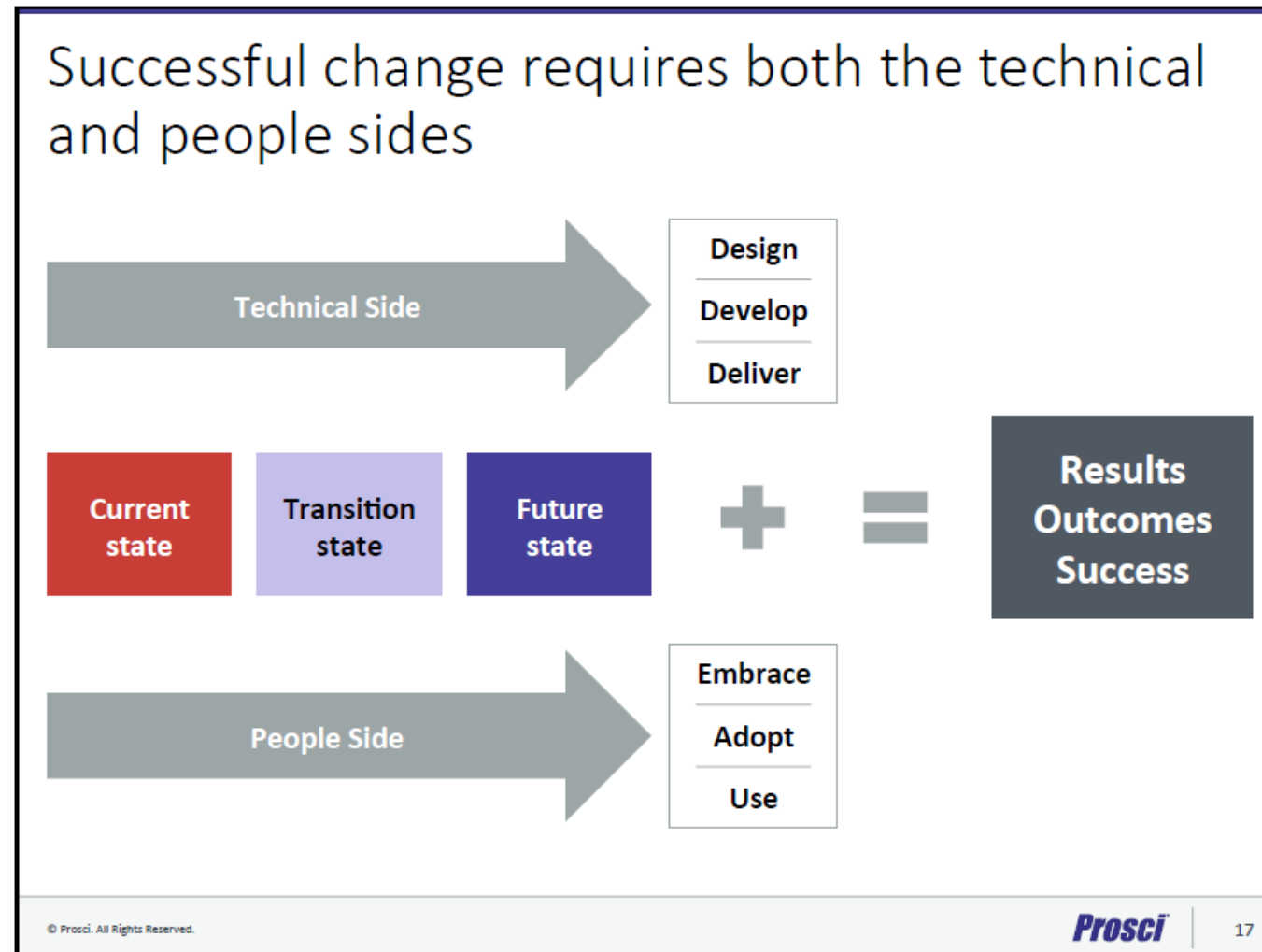
Owners and managers should apply structured change management in order to engage people, succeed at change and therefore succeed in their strategy.

**By the end of this session you will:**

1. understand how good change management affects business outcomes.
2. understand the sponsor role and why it is critical to change success.
3. be equipped with a practical toolkit for managing the people side of change.

# What is Change Management?

## The people side of change



# Why do it?

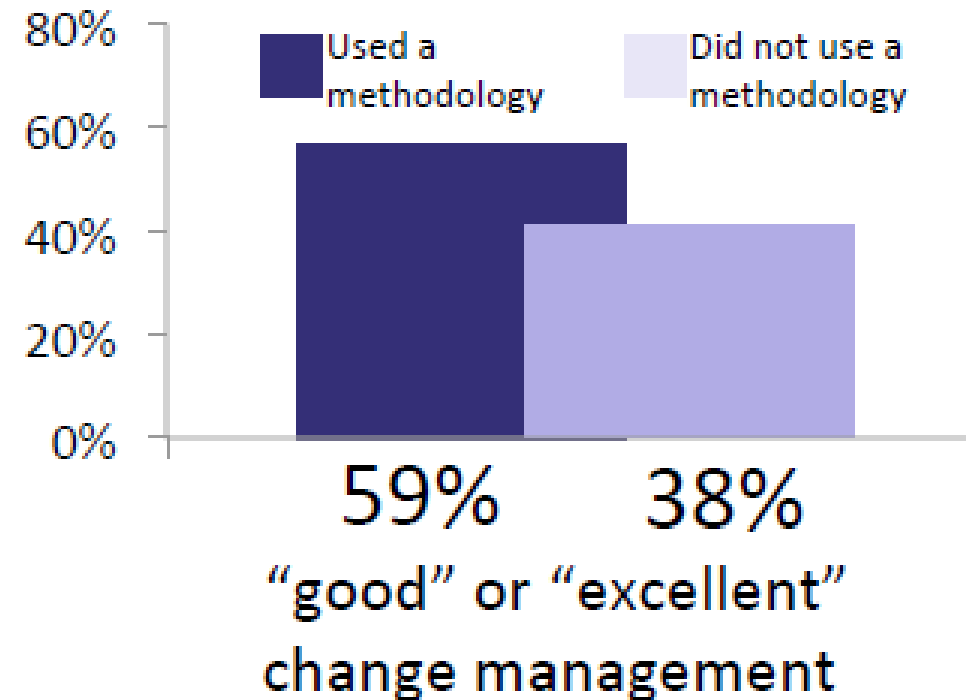
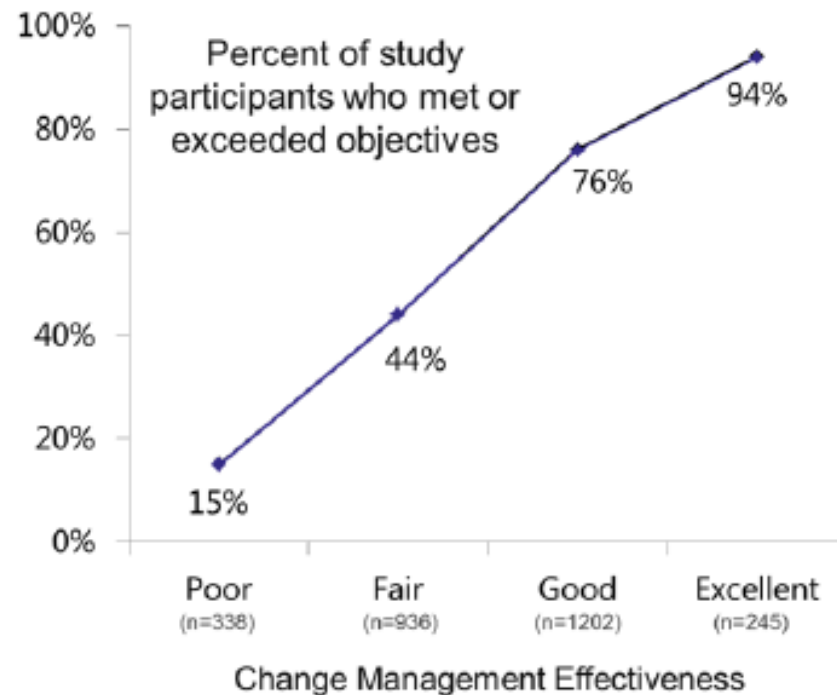
*The only thing constant is change,  
yet more than **70%** of all major transformation efforts fail<sup>1</sup>*

*Developing strong change management skills  
gives you a **95%** chance of achieving your objectives<sup>2</sup>*



# What does the data say?

Prosci's extensive research shows a direct correlation between change management effectiveness and change outcomes



Prosci 2016 Benchmarking Data  
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Data from 2007, 2009, 2011, 2013, 2015

# Exercise: Success factors

Consider past changes in your business.

Discuss with your colleagues (or if you're solo, write down):

Where a change was:

- successful, what people-related factors contributed to its success?
- unsuccessful, what people-related factors contributed to its failure?

5 minutes



# Success factors

Among VAN firms we've heard the following factors for success or failure:

Success factors	Failure factors
There was a clear change sponsor who was visible throughout the whole change	There was no sponsor or they were passive – it felt like leadership didn't really own the change
Everyone knew why the change was happening	Training was provided without any context of why
The people impacted by the change were engaged early to get buy-in	"No-one asked us how it would affect our work or what ideas we had to make it better"
"We felt like our voice was heard"	FUDs* go unheard and therefore there's no empathy
Results were tracked and reported on	After launch there is no followup or reinforcement
People were held to account long after the launch of the project and successes were celebrated	There wasn't enough communication and what was provided was at the last minute (or after the fact)
Sufficient training was provided	Owners and managers are delivering conflicting messages
Leadership were aligned	

\* Fears, uncertainties and doubts

# Exercise:

## The impact of strong or poor change mgmt.



Consider those same business changes:

- Where successful, what was the impact on your business? E.g., commercially, culturally
- Where unsuccessful, what was the impact of the failure in terms of cost or lost opportunity?

5 minutes

# Your roles: the importance of the change sponsor

## SPONSORSHIP IS THE NUMBER 1 CONTRIBUTOR TO SUCCESS

### **Active and visible sponsorship is key to success**

In each of Prosci's nine benchmarking studies, change leaders commented on the greatest contributor to success. 9 out of 9 times, effective sponsorship was identified as the top contributor to success. And, it wasn't even close – sponsorship beat out the second top contributor by a 3:1 margin.

#### **Top contributors to success:**

1. Active and visible executive sponsorship
2. Structured change management approach
3. Dedicated change management resources
4. Integration and engagement with project management
5. Employee engagement and participation
6. Frequent and open communication
7. Engagement with middle managers

# What is meant by sponsorship?

- **A**ctively and visibly participate throughout the project
- **B**uild a coalition of sponsorship with peers and managers
- **C**ommunicate directly with employees



# Your roles: change sponsor vs change manager

A change sponsor leads change while a change manager ensures the change happens. Successful change usually requires both.

	Change sponsor	Change manager
<b>Current state –</b> before the change	<ul style="list-style-type: none"><li>• Provide the vision ('why')</li><li>• Align management</li><li>• Minimise uncertainty + create buy-in</li><li>• Anticipate resistance</li></ul>	<ul style="list-style-type: none"><li>• Impact assessment</li><li>• Change plan</li><li>• Communication plan</li><li>• Training plan</li></ul>
<b>Transition state –</b> during the change	<ul style="list-style-type: none"><li>• Be a visible presence</li><li>• Listen + address concerns</li><li>• Prioritise</li><li>• Have hard conversations</li></ul>	<ul style="list-style-type: none"><li>• Engagement sessions</li><li>• Comms/training sessions</li><li>• Coaching</li><li>• Feedback loops</li></ul>
<b>Future state –</b> after the change	<ul style="list-style-type: none"><li>• Remain visible</li><li>• Celebrate wins</li><li>• Continue communicating</li></ul>	<ul style="list-style-type: none"><li>• Reinforcement activities</li><li>• Reporting on results</li><li>• Ongoing comms and coaching</li></ul>

# Timing change management programs

Start earlier than you think!

Default



Success



# The change plan

After the session we'll provide you with a change plan template to make change management simple.

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## Why

Outline why we need to change

Why is it good for our people?:  
Why is it good for our clients?:  
Why is it good for the firm?:

Key Messages  
(Top 3)

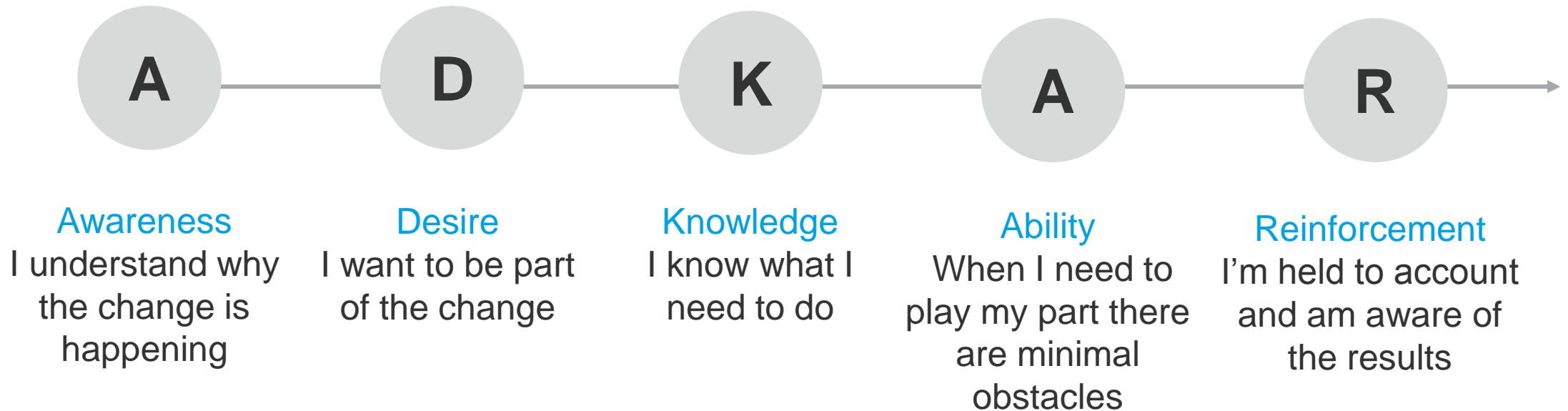
1

2

3

# Change plan examples:

## The Prosci ADKAR change model



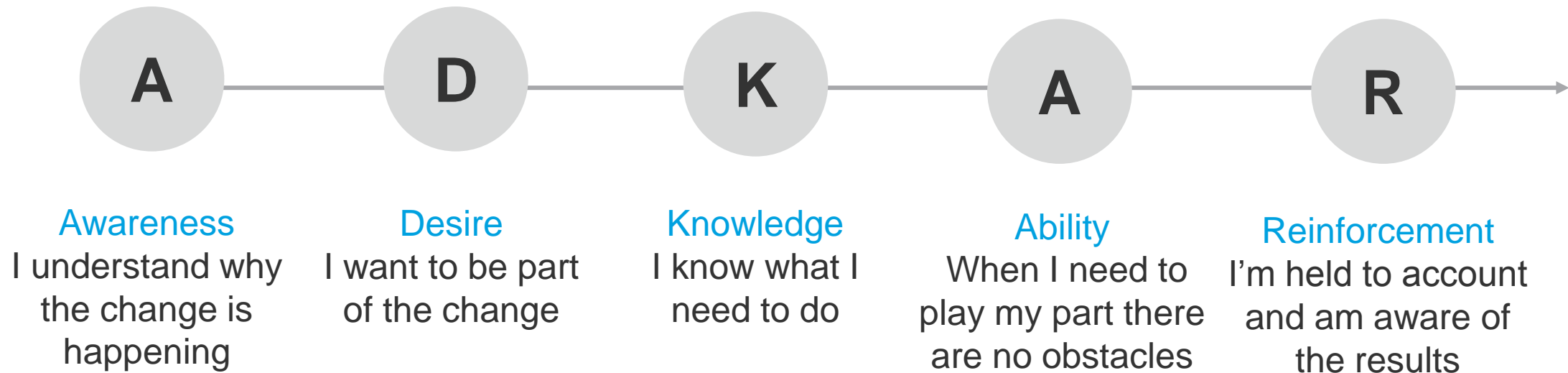
- Each stage needs to be addressed for each individual
- Each individual will progress at different times and speeds



# Exercise: Applying ADKAR

Consider a current change in your business and think of 2 people in different roles who will be impacted. Rate each person from 1-5 in each of the ADKAR attributes, with 5 being the strongest.

What does this process illustrate to you?



# Change plan examples: Buy-in

There are simple actions we can take to help get people on the bus

	CREATE	SUSTAIN
INVOLVE	<ul style="list-style-type: none"><li>• Early engagement</li><li>• Co-creation</li><li>• Engage help, influencers</li></ul>	<ul style="list-style-type: none"><li>• Opportunity to be involved</li><li>• Own it - empower/delegate/trust</li><li>• Q&amp;A/Feedback loops</li></ul>
LEAD	<ul style="list-style-type: none"><li>• Explain &amp; reinforce 'The Why'</li><li>• Demonstrate all leaders are on board</li><li>• Be transparent <small>(actions speak louder than words)</small></li></ul>	<ul style="list-style-type: none"><li>• Reinforce threat of not changing</li><li>• Explain &amp; reinforce 'The Why'</li><li>• Be transparent <small>(actions speak louder than words)</small></li></ul>
EMPATHISE	<ul style="list-style-type: none"><li>• Identify &amp; promote WIIFM</li><li>• Create safety: address their concerns</li><li>• Minimise uncertainty</li></ul>	<ul style="list-style-type: none"><li>• Listen &amp; act on feedback</li><li>• Act with compassion</li><li>• Celebrate progress, make it worthwhile</li></ul>
INSPIRE	<ul style="list-style-type: none"><li>• Aspirational vision</li><li>• Create excitement</li><li>• Prove it's possible... 4 minute mile</li></ul>	<ul style="list-style-type: none"><li>• Relaunch annually</li><li>• Don't let it get stale, reinvent</li></ul>

# Change plan examples: Resistance

## Practice the skill of assessing the difference

Resistance may be active or passive, overt or covert, individual or organized, aggressive or timid.



Level 1:  
Logical

**Specific to the change requested** - usually driven by a lack of information, lack of clarity surrounding what/why/how.



Level 2:  
Psychological /  
emotional

**Specific to the change requested** - this can be perceived or real threat to the individual – loss of reputation, income, identity. This reaction is not deliberate, it's the mind's protection mechanism kicking in – 'Fight or Flight' response invoked.



Level 3: Beliefs  
/ values

**Not specific to the change requested** – it's broader, it's resistance to every change/idea suggested as the resistance is towards you or what you/your role represents

# Exercise: Resistance

Consider the same two people you rated for ADKAR:

- What resistance might they have to the change and which level is it?
- How might you engage with them to overcome the resistance? Does it call for an empathetic approach?

## Practice the skill of assessing the difference

Resistance may be active or passive, overt or covert, individual or organized, aggressive or timid.



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# Exercise: Articulating “Why”

To move your people through ADKAR, it all starts with “why”.

Articulate why your change is beneficial. Think about the benefits to:

- Your clients
- Your people
- Your firm
- Your community

# Close and next steps

Thank you for joining the working group today.

What will you do differently following this session?

What will be the first thing you do back in the office to better manage change?

If you want to be held to account, ask your colleague or your VAN CDM to check in on your progress in 1 week.

If you'd like further support from VAN on Change Management in your practice, ask your CDM.

Thank you!