Change management

Cheat sheet

According to Kotter International, more than 70% of major organisational transformation efforts fail.* In a financial services environment that continues to evolve, developing strong change management skills give you a far higher chance of achieving your objectives.

What is change management?

Change management enables individuals to move from A (before) to B (after) with the least amount of friction, in order to realise value more quickly. But the reality of change management is that it's made up of a collection of individual changes – that is, individuals making a change. You can't force individuals to change – you can only give them the tools and information they need to change in their own time. That's where effective change management can make a difference.

Preventing common pitfalls

1. Start change planning early

Typically, change planning starts shortly before a project is due to be launched. In a best-practice scenario, change management starts shortly after project planning first kicks off. Getting the change management process underway early means you'll have the time to analyse the impact of the project, appoint a change sponsor and change manager to communicate the change, overcome resistance and train the team to embrace the change.

2. Remember the three pillars: team, operations and client

When you're planning an organisational change, there are three key pillars to consider: team readiness; operational readiness; and client readiness. The traditional project management function generally takes care of operational readiness – but for many firms, there's an opportunity to improve team and client readiness. Start change planning and preparation early and ensure you plan to address the change with all audiences.

Top tips for leading effective change

- **Start early:** Change management should start soon after your project planning kicks off.

- **Appoint a change team**: Engage both a change sponsor at the leadership level and a change manager at an operational level. Both roles are critical for driving successful change.

- **Define the 'why'**: Clearly articulate why the change is happening, and what the benefits are for the firm, the individual employee and the client. Ensure your 'why' statement is used consistently throughout the change process to ensure everyone's clear on what the firm is trying to achieve.

- **Take your team on the change journey**: Successful change relies on all the individuals in your organisation embracing the change. Check in with your employees regularly throughout the change journey, so that you can address any blockers as they arise.

Your change team

Strong change management involves a change sponsor and a change manager.

- **Change sponsor:** A crucial and ongoing responsibility, involving rallying and engaging the leadership team to ensure they're all on board with the change; and inspiring the broader, firm-wide team.

- **Change manager:** Responsible for planning and executing the change program. If the change manager encounters resistance they can't overcome, they can turn to the change sponsor for support removing the roadblocks.

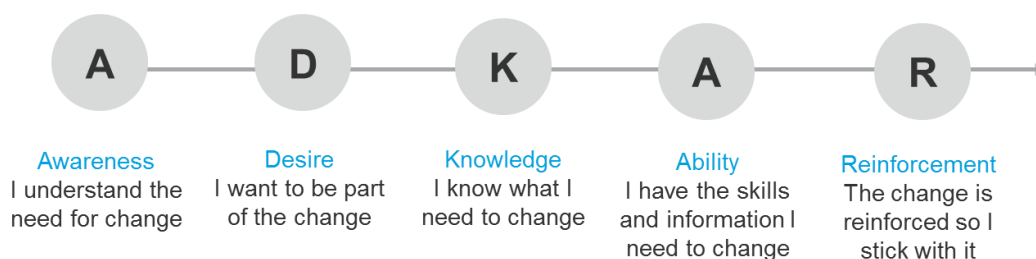|	Change sponsor	Change manager

Current state (before change)	• Provide the vision ('why')
	• Align management behind the change
	• Minimise uncertainty
	• Create buy-in
	• Anticipate resistance
	• Define the plan / roadmap
		• Complete an impact assessment
		• Develop the:
		  • change plan
		  • comms plan
		  • training plan
		• Anticipate resistance

Transition state (during change)	• Be a visible presence • Listen • Address concerns • Prioritise • Lead hard conversations	• Run engagement sessions • Develop comms/training plans • Coaching • Provide feedback loops • Assess responses
Future state (after change)	• Remain visible • Celebrate the wins • Reinforce new behaviour • Continue communicating	• Lead reinforcement activities • Report on results • Coordinate ongoing coaching • Deliver an ongoing comms plan

Defining the 'why'

When considering a change project, one of the first things to consider is your 'why' statement. If you and your leadership team can clearly define the answer to 'why change?' upfront, you'll be able to reinforce the benefits of the change consistently across the organisation throughout the direction of the project and beyond.

When crafting your 'why' statement, consider the below.

● What is the change being considered?

● What's the benefit to the firm?

● What's the benefit to the individual?

● What's the benefit for our clients?

Prosci's ADKAR**

ADKAR is one of many proprietary acronyms that describes the process an individual needs to go through in order to embrace change.

A	D	K	A	R
Awareness I understand the need for change	Desire I want to be part of the change	Knowledge I know what I need to change	Ability I have the skills and information I need to change	Reinforcement The change is reinforced so I stick with it

A good way to think of each letter is as a traffic light – each employee needs to be a green light before they are ready to progress to the next letter in the acronym. If an employee is amber or red, they'll be left behind as the firm moves onto the next step, and will likely not embrace the change. When considering your change planning, plan to help each staff member move from red to green in each stage of the ADKAR journey.

* Kotter International research. http://www.kotterinternational.com/the-8-step-process-for-leading-change/
** Prosci's ADKAR: https://www.prosci.com/adkar

For more information contact

Fiona Mackenzie

Head of Market Development

T: +61 421 249 908

E: Fiona.Mackenzie@macquarie.com

Janelle Rees

Market Development Manager

M: +61 0439 195 728

E: Janelle.Rees@macquarie.com