

# Why do we need Organizational Change Management (OCM)?





## Signs that you need structured change management

- Your corporate culture cannot easily change to keep ahead of the competition
- Projects fail because of stakeholder resistance and lack of user buy-in
- You have too many changes in progress causing higher project failure



# People Resist Transition Because They:

- **Are not willing . . .**
  - Have a general fear of change
  - Are in their comfort zone
- **Are not able . . .**
  - Have not been trained
  - Don't have the skills required
- **Do not know . . .**
  - Lack of communications
  - Don't understand the business Drivers
  - Cannot relate this to personal benefit



**Comfort Zone!**

# Retailers change our world, Sometimes they don't understand our comfort zone

- New Coke
  - Don't take our Coke flavor away
- Jones Soda flavors: Dirt, Mutton, Green Bean Casserole
  - NOT Appealing
- Bic Men's Cologne and Pizza Hut Cologne
  - What were you thinking??!





## What do people need to know?

- ❓ Why are we doing this?
- ❓ Why are we doing this now?
- ❓ What is the impact if we don't do this?
- ❓ Do leaders support this change?
- ❓ How will this affect me personally?
- ❓ What are the consequences if I don't participate?



# Prosci Study: Project Success Factors

- Projects with effective OCM were nearly six times more likely to meet or exceed their project goals
  1. Active and visible executive sponsorship
  2. Structured change management approach
  3. Frequent and open communications around the need for change
  4. Dedicated Resources for change management
  5. Employee Participation



# Prosci® Study: Greatest Obstacles

Greatest Obstacles to successful change:

1. Ineffective Change Sponsorship from Senior Leaders
2. Resistance to the Change from Employees
3. Poor Support and Alignment with Middle Management
4. Lack of Change Management Resources and Planning



# Change is a process, Your attitude will change throughout the transition



**Your first change**



**But then you discovered cake...**



**Then you realized that your parents don't know anything and they don't get you**



**College!**



**Another major change**

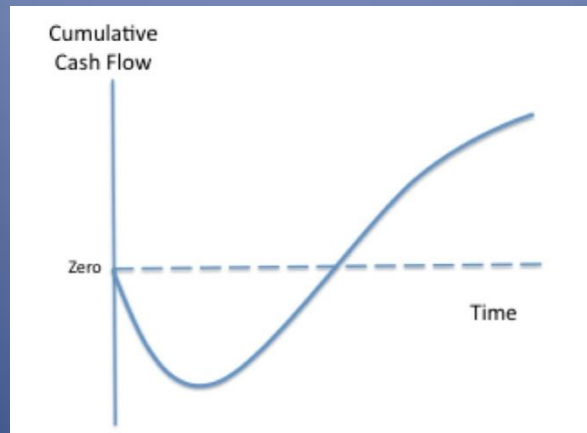


**And then you reviewed this presentation**



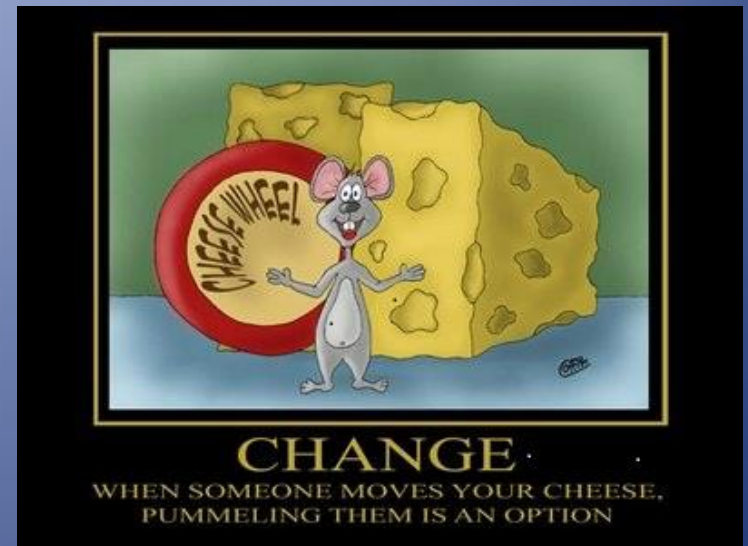


# Managed OCM lowers the drop in Production caused by people's change in attitude as they transition



## What happens when stakeholders don't participate in Change?

- Passive or active resistance
- Project failure, money loss
- Good people leave
- Productivity goes down
- Impact on customer
- Benefits and ROI not realized
- People expect future changes to fail



# What happens when you forget about OCM?

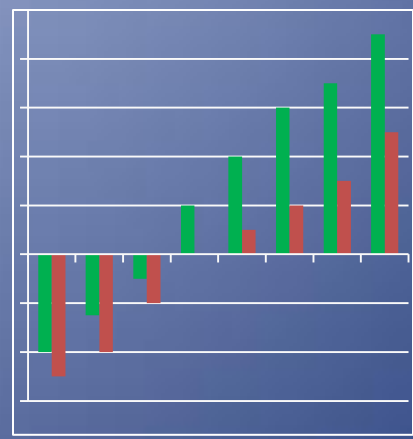
- 2010 - Lumber Liquidators (\$650 million revenue) endured 45% net income drop from reduced productivity during SAP implementation
- 2011 - UK Government cancelled Electronic Health Record initiative because users didn't buy in - \$18 Billion loss



# OCM Drives ROI

Managed Change results in:

- ✓ Faster Adoption
- ✓ Higher Utilization and Proficiency





# Working through Change

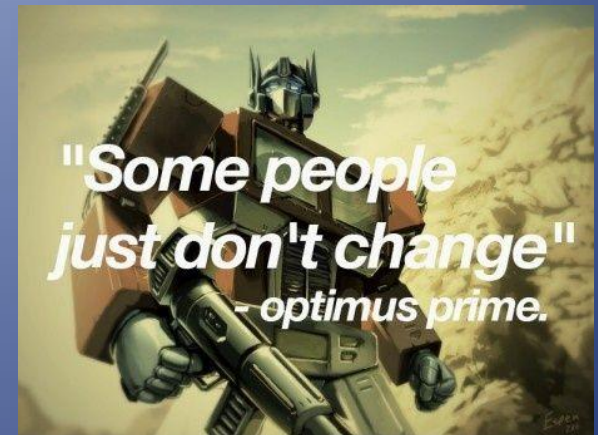
- ◆ Strong sponsorship
- ◆ Two way communication
- ◆ People understand the business drivers for the change and how it will affect them
- ◆ Expect and understand Resistance
- ◆ Provide simple, clear choices while people are transitioning

# The Change Ready Culture

- ✓ Change Management competency across the organization
- ✓ Leaders have a passion for the change & communicate the business benefit
- ✓ People know the answer to
  - ✓ What is in it for me? Why are we doing this?
  - ✓ What if we don't do this?
- ✓ Early Employee involvement in the solution
- ✓ Management knows & works on managing resistance

# Organizational Change Management (OCM)

- OCM enables organizations & people to transition to achieve and sustain the desired business strategy
- OCM drives ROI:
  - Accelerating Adoption
  - Ensuring Proficiency
  - Minimizing the dip in Productivity



# Contact Me

Thank you and I look forward to talking with you!

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- ★ My blog post on Hi Tech Answers:  
<http://www.hitechanswers.net/?s=carolyn+reid>+