Systems Approach for Organizational Change Management
Organizational Change Management (OCM) has the capacity to **Significantly Leverage Positive Results and Outcomes from change**. Lumenor’s OCM approach is the application of a systematic methodology which takes into consideration several major areas when organizing, prescribing and executing an OCM support solution.

**Goal of OCM:**
- Maximize **value** and minimize **risk** in supporting successful business transformations, process and technology improvements.
The What & Why of Organizational Change Management (OCM)

• What is OCM and how does it apply to Systems Engineering initiatives?
• Why should OCM be considered an important part of any planned change?
• How is OCM a part of Systems Engineering?
Organizational Change Management

- Maximize **value** and minimize **risk** in supporting successful business transformations, process and technology improvements
  - Identify organizational and human risks associated with the solution implementation that would hinder project success
  - Ensure that timely and appropriate actions are taken to mitigate these risks
  - Successful organizational and human change adoption to permit realization of project benefits

- **Change management drives the realization of expected benefits that depend on employee adoption and usage**

  *Process, technology, people and organizational issues are intertwined and require business leaders to rigorously manage the interactions*
Challenges All Companies Understand

Customers want to improve their business and maximize their success by...

- Measuring performance
- Changing Business Models
- Extracting value through process improvement
- Lowering costs through standardizing processes
- Further reducing cost and complexity of Total Cost of Ownership
- Accurate / accessible data to make better business decisions
- Leveraging best practices to avoid mistakes of the past

Companies around the globe set goals and create strategic initiatives to address and mitigate risk. The fact is,

three out of four corporate initiatives fail to fulfill their objectives*

*Source: PwC Mori Survey 2015, % of 500 companies
Reduction of the “Valley of tears”

Without Organizational Change Management

With Organizational Change Management

[Graph showing the impact of organizational change management on project performance over time.]

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Change, Training and Risk Management Imperatives

Top Issues Organizations Face During Enterprise Resource Planning

- Change Management: 16%
- Internal Staff Adequacy: 8%
- Project Team: 7%
- Training: 7%
- Prioritization/Resource Allocation: 6%
- Top Management Support: 6%
- Consultants: 5%
- Ownership (of benefits to others): 4%
- Discipline: 2%
- Program Management: 8%
- Process Reengineering: 4%
- Stage/Transition: 2%
- Benefit Realization: 1%
- Software Functionality: 4%
- Application Portfolio Management: 3%
- Enhancements/Upgrades: 2%
- Data: 2%
- Reporting: 1%

Source: Deloitte Consulting and Benchmarking Partners (Based on a study of 62 companies that have gone live with an ERP system)

Note: Rounded percentages; not all categories are shown as bars

Directly related to Org Change Mgmt & Training

PEOPLE 62%
PROCESS 16%
TECHNOLOGY 9%
KNOWLEDGE ASSETS 3%
Desired Outcomes

Organizational Outcomes

- Management Committed
- Jobs and Organizational Structure Adapted
- Users Knowledgeable, Skilled and Motivated
- Optimized Tasks and Work Processes Implemented
- Interactions With External Organizations Adapted

Value Realization
(Target Business Performance, Capabilities and Culture)
The Adoption Curve

Our activities focus on enabling individuals and the organization to adopt change.
Scale of Change Determines Approach

- Minor changes
- Small change to role
- Large change to Role
- Complex new job processes
- New role

Scale of Change

1 2 3 4 5 6 7 8 9 10

Communications
Leadership & Sponsorship Alignment
Job/Organization Alignment
People Transition Planning
Skills & Competencies Alignment
Perf Mgmt/Incentives & Rewards Alignment
Email or Briefing Documents
Quick Reference Cards
Computer Based Training
Virtual Classroom/Video Conferencing
Instructor Led Training
Assessment/Monitoring/Measurement
Project Team Training
Change Leadership Roles

- Change Champion
  - CEO

- Change Sponsors
  - Initiative Leaders

- Change Leaders
  - Executive Team

- Change Agents
  - Managers
  - Supervisors
  - SMEs
  - Super Users
Where does OCM fit into Systems Approach?

**Integrating Change at Key Points in the Project**

- **Groups**
  - External
  - Department A
  - Department B
  - Department C

- **Stakeholder Assessment** => Continuous Stakeholder Management
  - Communications
  - Organizational Impact
  - Business Readiness Teams Coordination

- **OCM Team**
- **Executive Sponsor**
- **Executive/Steering Committee**
- **Project PMO**
- **Process Integration Manager**
- **Project Team**

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Challenges We Face

- Lack of awareness of:
  - Project Risk Reduction with Change Management
  - Project Value Delivery with Change Management
  - Current Change Management Capabilities within the organization
  - Line Management and Project Management Change Saturation
  - Budget, time and resource constraints
The How of OCM, a Methodology Overview

• Provides a high level review of a methodical approach to OCM
• Provides an explanation of the key elements, outputs and general timing of the OCM strategies, interventions and solutions
Living with the Change

- Performance KPIs
- Development of SOPs
- Development of EOPs
- Document Lessons Learned
- Post Live Assessments & Reporting
What to Expect with Change > Resistance

- Identifies how the concerns of employees will typically be manifest and discusses strategies that allows organizations to manage that resistance
Business Process Transformation

- Finalize Recommendations
  - Improvement Packages
  - Organization Structure
  - Role & skill requirements
  - Change Plan
  - Approvals

- Implementation
  - Change Management
  - Training
  - Testing

- Plan
  - Project Direction
  - Management Standards
  - Success Criteria
  - Kick Off

- Requirements
  - Best Practices
  - Gap Analysis
  - Process Improvements
  - “To-Be” Documentation

- Analysis
  - Interviews
  - “As-Is” Documentation
  - Workshops

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Value and Sustainability

- Stakeholder Needs
- Business Process Management
- Change Management
- Business Visions and Goals
- Community Needs

- Information Architecture
- Real-time Access
- Mobile Ready
- Business Intelligence, Analytics & Reporting
- Statutory Reporting and Compliance

- Software Solutions
- Integrated Platforms
- Decision Support Systems
- Enterprise Systems
- Support Systems

- Accommodate Emerging/Future Trends
- Information Security
- Open and Flexible Architecture
- Scalability and Portability
- Ability to Integrate and Extend

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Questions
Thank You!
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