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Whitepaper

Change Catalysts: The Key to Successful Transformation

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Executive Summary

One of the main forces behind development is change. Organizations are already aware that change is inevitable; they need to understand what drives this change in order to identify the change requirements and the adoption techniques. This paper encapsulates a few drivers of change that prevail in the present business environment, and could become gamechangers in achieving the state of transformation.

Introduction

As you know, IT takes up implementation and Managed Services projects, and they bring with them an enormous requirement of addressing the people side of Change. The challenge is in identifying and working on these change drivers. I was recently part of an interesting panel discussion conducted by L&D Global on "Innovation: How Change Happens". Panelists discussed the recent change management projects that they had worked on, along with success and failures of those projects.

In this paper, I share a few reflections and insights that I derived from this discussion, which chalk out what exactly the driving forces of Change are.

The Drivers of Change

Robert Tucker, an innovation expert, in his book 'Managing the Future', writes: "The best way to manage the future is to capitalize on the driving forces of change." A helicopter view of change management projects shows that change drivers are both external (macro) and internal (micro or identified from within). While the external drivers can be classified as legislation, competition, customer and stakeholder demands, the internal drivers can be identified as process, products and services improvements, operational expenses etc.

Change requirements may take the form of Mergers & Acquisitions, strategic change, business process reengineering, delayering or downsizing, and change or integration of organization culture. Research shows that 70 - 90% change projects fail primarily for two reasons. First, we underestimate the requirement of change management and second, we either don't identify the drivers of change or do not leverage those drivers to our advantage.

Let's look at some of the more important, and predominant drivers of change:

The Behavioral Aspect

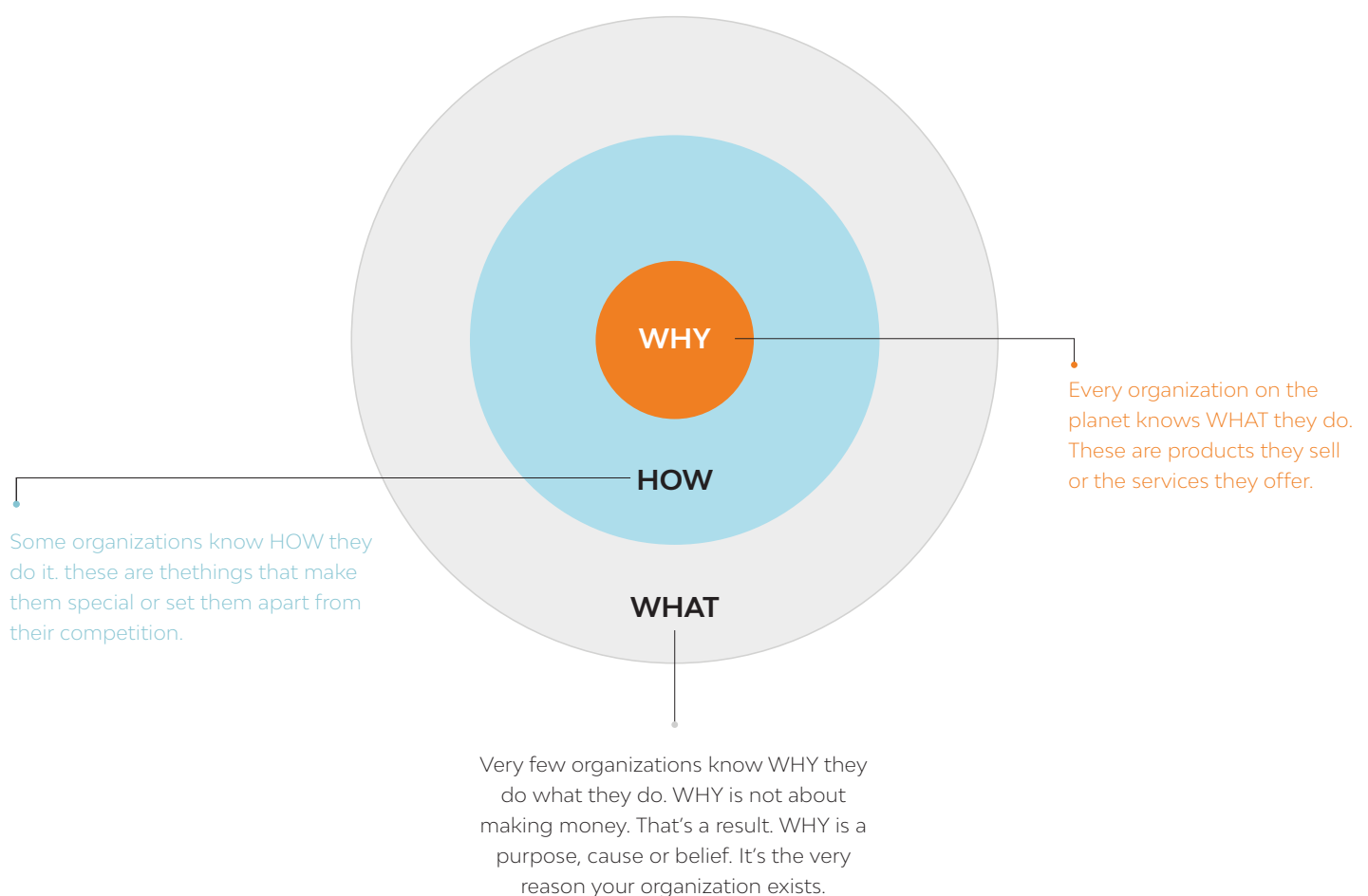
Unfortunately, most change management practices, methodologies and strategies in play today are archaic and ineffective. In a Volatile-Uncertain-Complex-Ambiguous (VUCA) world, organizations are responding to the changing requirements while safeguarding or improving their market positioning. No organization can solve this problem just by identifying game-changing strategies. They need to factor in the social dimension of strategic change implementation like addressing the fears that can potentially block change efforts, power plays between departments like IT vs. business, HR vs function, and so on. The behavioral aspect involved within any change is highly underrated. Here are a few recommendations to address these common organizational shortcomings:

- Clearly defining the purpose to emotionalize and inculcate in daily activities: The change needs to be emotionalized by the effected resources. This must be the priority of the leadership.

LTI was working with a financial services company amid a transition into a new rebadged team that was supposed to increase the standardization and automation. At one point we could not move further not because of technology or lack of skills, but because of resistance from employees resulting from a fear of cultural integration with rebadged employees from a different organization; which was a captive set-up and changes to their own roles. To get buy-in of the impacted personas (from both the organizations) we worked with a core group comprising of leaders and their level one associates, clearly explaining the purpose of the project.

Referring to Simon Sinek's Golden Circle (in the figure), we focused on defining the project's Why rather than How and What, and this was communicated repeatedly through several media; multiple times. The idea was to educate people on the change objective i.e. 'why they are doing, what they are doing' through repetitive and impactful communications. They learn it when they understand and practice it in their day to day lives. Once they internalize it, they can connect with the purpose and deliver without assumption and resistance. Understanding the very purpose of the change initiative helps employees own it; hence creating a better buy-in resulting in smooth transition.

The Golden Circle



Owning the Change

Make the wider organization design their journey into the future state of change: The accountability of change needs to be overtly distributed across the affected personas. This needs to be backed by capability-building efforts from the early stages of the project, in order to build a sense of urgency and ownership of transformation across the organization. This engagement should particularly involve the mid-management which plays a crucial bridging role between leadership and lower management during implementation.

Generally, we focus on senior leadership and the L1 which distracts us from focusing on this key persona.

LTI conducted a Transition Ideation Workshop for an organizational change management (OCM) project based on design thinking. The middle and senior level management worked together to design their transformation journey. They came up with a shared vision, emotionalized in the process and more importantly recognized each other's strength which helped them chart the roles & responsibilities they are going to play after the change was implemented. They developed their governance structure with well-articulated roles and responsibilities.

Disruption & Digital Transformation

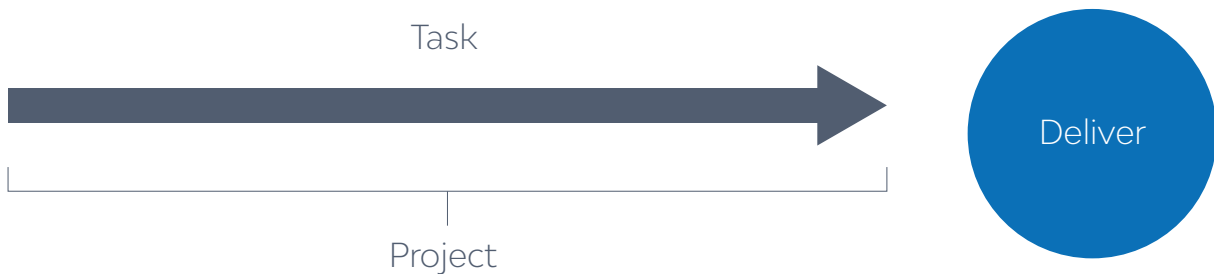
Most businesses are adopting cloud platforms, SaaS, JDE, SAP and other such technologies to manage change in a digital world. While conventional change management techniques can help organizations implement digital technologies, they won't help in realizing the full potential of this change.

The first step in determining OCM effectiveness is to understand that tech disruption brings in a change in the business model. OCM failures manifest through lack of funding, timeline delays, change resistance etc. As a result, few organizations fail to complete their transformation programs and others finish but fail to change their competitive position. Considering the enormous investment involved and disruption to customers, this is not an acceptable outcome. In order to maximize the benefits of OCM, here are some strategies that work:

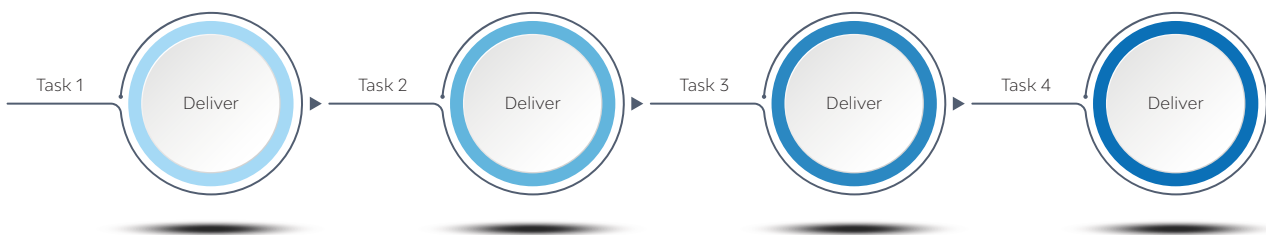
- **Think beyond the PMO:** The Project Management Office (PMO) is responsible for investments of a project, allocating resources, documentation, tracking outcomes and reporting. However, its track record for orchestrating change through digital transformation needs improvement. That's probably because digital transformation changes are very different in nature and need end-to-end process change, must be applied to more than one vertical and line of business and requires significant capital reallocation across functions; all of which may not fit into PMO's scope.

- **Think Agile** : Try MVP: The Minimal Viable Project (MVP) approach ensures agility while providing edifice and discipline to deliver quantifiable results aligned with strategic intent. They break the transformation initiatives into a series of small sprints. If the plan doesn't work in one of the sprints, they can immediately be changed, keeping a track of the completion. It also focuses on a two-pronged management involving a journey team and a capability team. While the former (internal team) ensures the organization achieves its objective, the capability team; which is generally an external entity is responsible for implementing the change and executing it according to the strategic intent of every sprint.

Big Bang Approach



MVP Approach



Social Media

The third and the most important driver is social media, or specifically internal social media platforms. These help level organizational hierarchies and facilitate smooth and transparent communication across the geographies, thus engaging all employees. Here are a few tips on how we can capitalize the power of social media to facilitate a faster change management:

- Employee involvement: Social media gives a platform to gather and share information from multiple levels and directions. For example; Using microblogs for sharing infobytes (small piece of information) or tweet-size messages helps in crowdsourcing ideas and involve employees directly in the change program.
- Building a collaborative work culture: Work relations can be strengthened by real-time experience sharing. Employees can form communities to work together and learn from each other. Social media accelerates the chance of building a collaborative culture which is one of the major objectives of any change program.
- Facilitate communication: Social media doesn't only give a platform to voice ideas and concerns but also helps in getting a transparent communication on the change efforts.
- Engaging learning experiences: Live web meetings and user-generated content platforms like YouTube helps deliver personalized learning experience related to a change initiative.
- Culture assessment: Use of social media touches on issues of role change, trust, risk tolerance, skills and communication style. Thus, brings more of a cultural shift than operational. Internal social media can highlight some of the potential resistance that can hit the strategies going forward.

Summary

While a system change like SAP implementation may look like a completely IT project with external drivers, there is certainly a need for internal change as well. I always quote this to my team, "In a technology change, what requires to be changed first is the people who will be using the new technology." Behavioral change and taking help of tech-enabled platforms helps accelerate the change process and adoption. People tend to focus too much on trying to find a perfect recipe to deal with change; whereas the key lies in dealing with self and teams in the changing environment. As this white paper charts out, understanding the drivers of change at the onset of a deliverable, accounting for the human and tech aspects, can help set organizations for successful change implementation and adoption.

Resources:

Book: Managing the future by Robert Tucker

Meliorate: News articles

Project Smart: Building an Effective Change Management Organization

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Abhipsa has extensive experience across investment banking, L&D and Transformation Consulting. As a trusted business advisor, she is responsible for driving transformation initiatives to meet the Change requirements of clients, and also initiatives under engagement, training, integration and communication. She is also a prolific writer, a certified trainer of DISC, TA 101, and an ISO 9001-2015 auditor from Bureau Veritas.

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