The 5 Tenets of Change Management

Why and What

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PEOPLE. CHANGE. RESULTS.™

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Webinar Agenda

Required Materials:
- Blank sheet of paper
- Writing utensil
- An initiative to consider

- Tenet 1
- Tenet 2
- Tenet 3
- Tenet 4
- Tenet 5

☐ Define and position change management in context using the 5 Tenets to build understanding and connections

☐ Apply the 5 Tenets to one of your initiatives to make connections and solidify the framework

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The 5 Tenets of Change Management

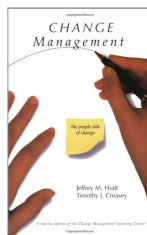www.prosci.com/webinars

> "Priority is a function of context."
>
> *Stephen R. Covey*
> *American Author, Educator, Businessman*

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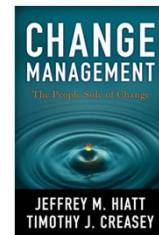---

5 Tenets Introduction: Advancing "Why and What"

1st edition: Sept 2003	2nd edition: Dec 2012
Chapter 1: "Why change management?"	Chapter 1: "Why change management?"
A textbook definition with a list of consequences of poor change management	Advance and simplify the case for change management by adding **context**

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The 5 Tenets of Change Management

5 Tenets of Change Management

Tenet 1 — We change for a reason.

Tenet 2 — Organizational change requires individual change.

Tenet 3 — Organizational outcomes are the collective result of individual change.

Tenet 4 — Change management is an enabling framework for managing the people side of change.

Tenet 5 — We apply change management to realize the benefits and desired outcomes of change.

Tenet defined: a principle or belief held to be true

The 5 Tenets form the basis for the 'why' and 'what' of change management in a simple, logical and compelling way.

The 5 Tenets enable us to make a direct connection between the people side of change and successful outcomes.

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" It is not the answer that enlightens, but the question."

Eugène Ionesco
Romanian-French playwright

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5 Tenets of Change Management – Plain Language Questions

Tenet 1	We change for a reason.	Why are we changing?
Tenet 2	Organizational change requires individual change.	Who has to do their job differently (and how)?
Tenet 3	Organizational outcomes are the collective result of individual change.	How much of our outcomes depend on adoption and usage?
Tenet 4	Change management is an enabling framework for managing the people side of change.	What will we do to support adoption and usage?
Tenet 5	We apply change management to realize the benefits and desired outcomes of change.	How will driving adoption and usage improve results?

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What is Change?

A movement out of	Through	To ultimately reach
Current	**Transition**	**Future**

* Arnold Van Gennep
"The Rites of Passage"

+

Many other contributors
to the discipline
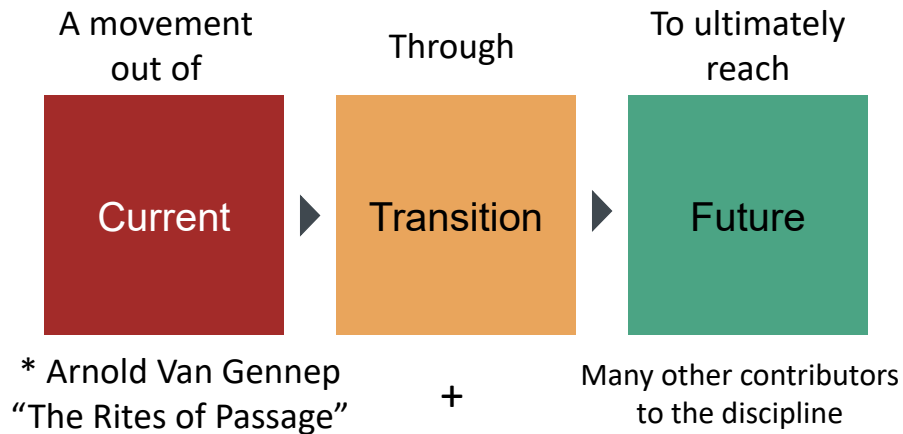
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3 States of Change Comparisons

	"Current"	"Transition"	"Future"
Van Gennep	Separation	Liminality	Incorporation
Lewin	Unfreeze	Moving	Re-Freeze
Bridges	Ending	Neutral Zone	New Beginning
Beckhard/ Harris	Present	Transition	Future
LaMarsh	Current	Delta	Desired
Conner	Present	Transition	Desired
Ackerman/ Anderson	Upstream	Midstream	Downstream
Salerno/ Brock	Red: Loss and Doubt	Yellow: Discomfort & Discovery	Green: Understanding and Integration

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Today's States of Change:
Many simultaneous – but still Current-Transition-Future
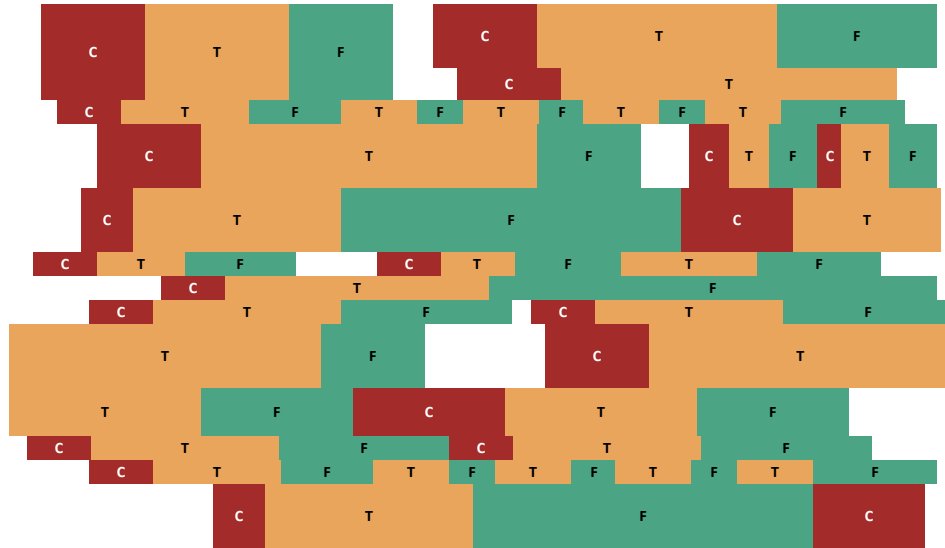
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"We change for a reason"
Organizational Benefits and Project Objectives

Project Objectives
What the project **achieves**

- How will the project contribute to solving the problem or realizing the opportunity?
- What will the project produce or enable?
- How will you know the objectives have been achieved?

Organizational Benefits
What the organization **gains**

- What is the problem or opportunity for the organization?
- If the problem is solved or the opportunity is realized, what will be the benefit(s)?
- How will you know the benefits have been realized?

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The Reasons for Change: Internal/External + Current Conditions/Future Goals

Current Conditions

Strategic plans

Internal performance

Continuous improvement

Demands to do more with less

Market and economic shifts

Customer demands

Competitive threats

New technologies

Regulation/legislation

Internal ——————————————————————————— **External**

Lower costs

Higher revenues

Fewer errors

Greater efficiencies

Larger market share

More satisfied customers

Less risk exposure

Future Goals
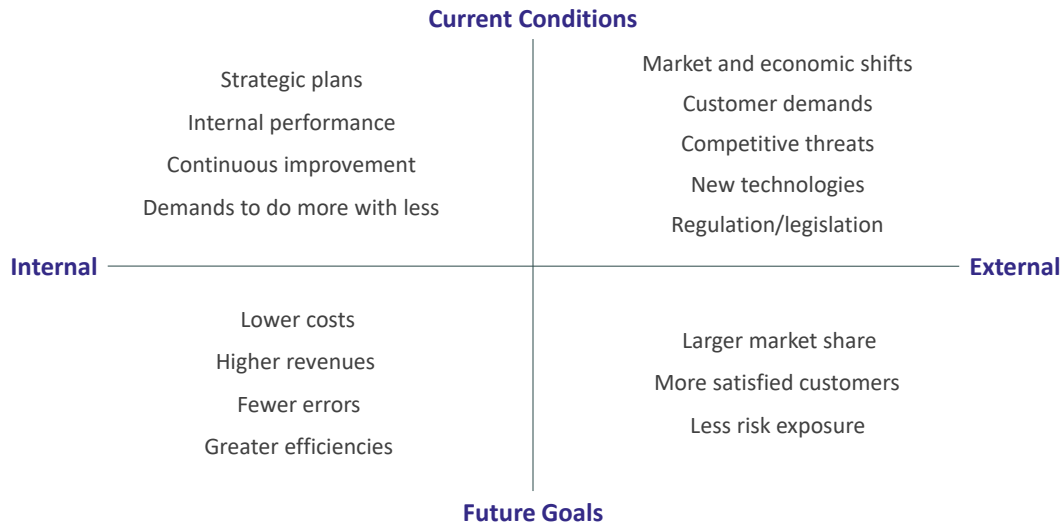
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Tenet 1: Blank Sheet Exercise

- List the "reasons" for your change:
  – Identify the objectives, benefits, and expected results and outcomes for your change.

- Consider:
  – What is the value of having clarity and alignment around the reasons for success? What are the consequences when we do not?

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Reasons

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Organizations Don't Change;
Individuals Do

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We Tend to Focus on Change at the Organizational Level

Implementing an ERP

Installing electronic medical records

Documenting and optimizing business processes

Move to a hybrid workplace

Future

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But Each Organizational Change Impacts How Specific People Do Their Jobs

C	C	C	C	C
C	C	C	C	C

F	F	F	F	F
F	F	F	F	F
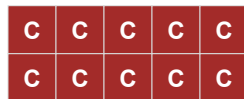
I had used the old legacy system…

I had done what I needed to…

I had reported to…

Now I'm using the new integrated system

Now I'm following the new processes

Now I'm reporting to

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The True Unit of Change is the Individual

C	C	C	C	C
C	C	C	C	C
C	C	C	C	C
C	C	C	C	C
C	C	C	C	C

▶

T	T	T	T	T
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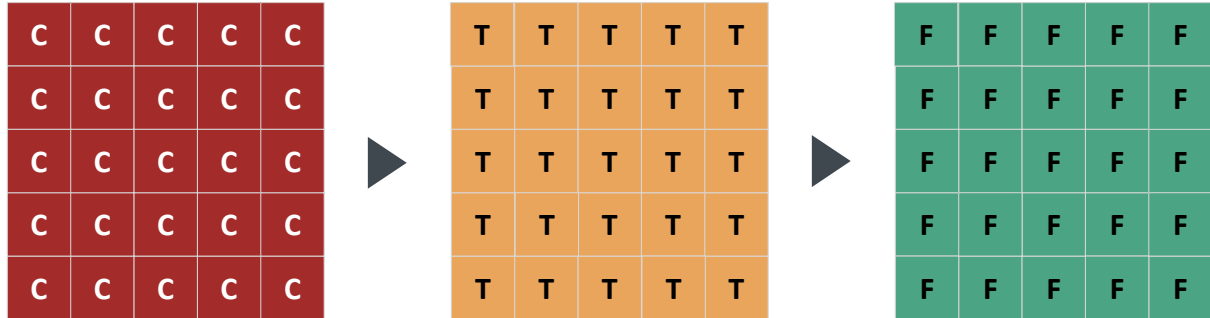
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10 Aspects of Change Impact

Start

Aspects of a Person's Job
You Can Impact

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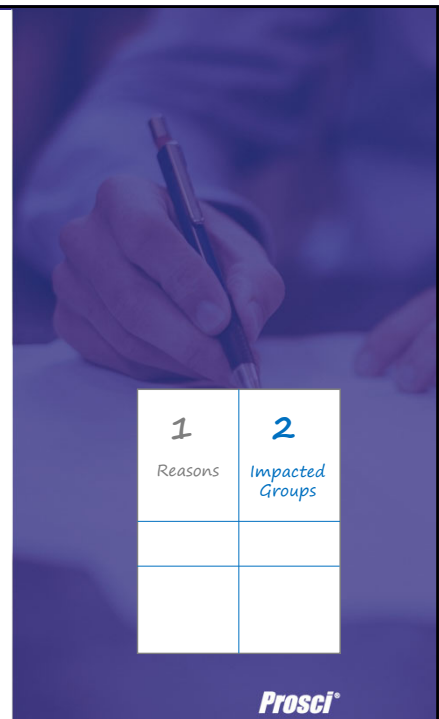
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10 Aspects of Change Impact

Yesterday (before the change)	Aspect	Tomorrow (after the change)	Degree (0-5)
	Processes		
	Systems		
	Tools		
	Job Roles		
	Critical Behaviors		
	Mindset/Attitudes/Beliefs		
	Reporting Structure		
	Performance Reviews		
	Compensation		
	Location		

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Tenet 2: Blank Sheet Exercise

- Identify who is impacted by the change:
  - List the groups that are being impacted by the change.

- Consider:
  - Which aspects of each impacted group's job will have the greatest impact?
  Processes, Systems, Tools, Job Roles, Critical Behaviors, Mindset/Attitudes/Beliefs, Reporting Structure, Performance Reviews, Compensation, Location

1	2
Reasons	Impacted Groups

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"The achievements of an organization are the results of the combined effort of each individual."

Vince Lombardi

Legendary head coach and general manager of the American football Green Bay Packers

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An organizational move to a future state

Current	Transition	Future

Ultimately requires individuals to move from their current to their future state

C	C	C	C	C
C	C	C	C	C
C	C	C	C	C
C	C	C	C	C
C	C	C	C	C

T		T	T	T
		T	T	T
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T	T	T		T

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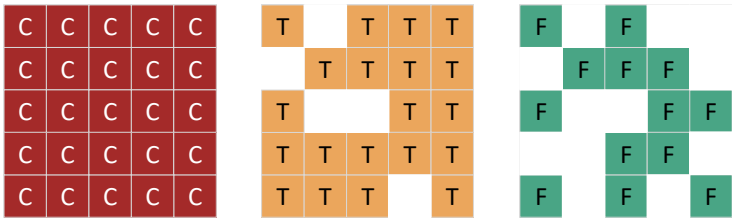
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The People Side of Change Is How to Close the Gap

Requirements
Outputs
Specifications
Installation

The People Side of Change

Results
Outcomes
Sustainment
Realization*
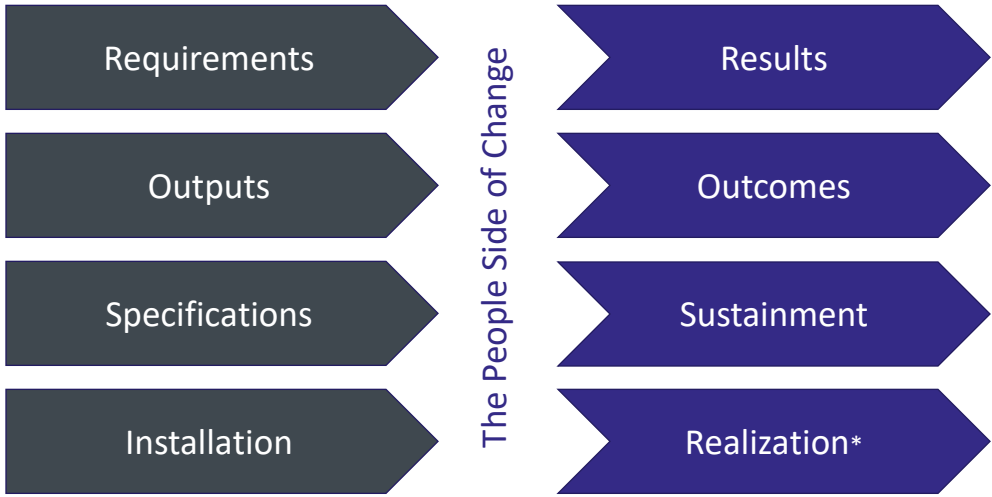
The Leader's Challenge: Installation or Realization, Conner Partners, 2004

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"The results and outcomes of workplace changes are intrinsically and inextricably tied to individual employees doing their jobs differently."

Jeff Hiatt and Tim Creasey
Change Management: The People Side of Change

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Capture the People-Dependent Portion of ROI

Project 1: Install motion-activated lights in meeting rooms

Project 2: Install recycle and compost bins in the office

How much of the expected ROI depends on adoption and usage?

_____   _____

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The Key Question

For your project, what percentage of overall results and outcomes **depends on** employee adoption and usage of the change?	The follow-up question: How much are we **investing** (budget, people, energy) in driving and supporting employee adoption and usage?

Installation contribution

70%

Adoption contribution

3% of total investment in support of adoption

3%

97% of total investment on technical side of solution
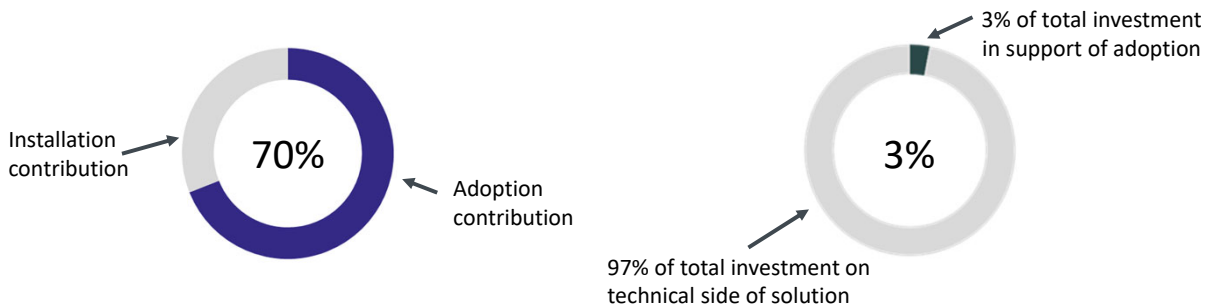
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Tenet 3: Blank Sheet Exercise

- Connect people to results:
  - Identify the potential costs and risks of poor adoption and usage.
  - Estimate the percentage of expected results and outcomes that depends on people changing how they do their jobs.

- Consider:
  - How does each group contribute to outcomes through their adoption and usage of the change?

1 Reasons	2 Impacted Groups
Costs/ Risks	CMROI %

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How Organizations Often Handle Change

M	T	W	R	F

An email on Monday	for training on Tuesday	for "go live" on Wednesday

is NOT the way to prepare and equip individuals to successfully change

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Define Change Management

On a Project Level

Change management is the application of a structured process and set of tools for leading the people side of change **to achieve a desired outcome.**

On an Organizational Level

A leadership competency for enabling change within an organization.

A strategic capability designed to increase change capacity and responsiveness.

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Change Management Is:

Outcomes Desired

Each individual who needs to do their job differently as a result of this change is sufficiently adopting and proficiently using the solution.

ADKAR

Activities Required

What "we" – those who are bringing the change into the organization – can do to support those impacted individuals through their own changes.

In Context
As a Process
By a System
Through Specific Levers
That Drive Outcomes Desired

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Outcomes Desired: ADKAR

ADKAR element	Definition	What you hear	Triggers for building
(A) Awareness			
(D) Desire			
(K) Knowledge			
(A) Ability			
(R) Reinforcement			

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Outcomes Desired: ADKAR Defines Success at Scale

Change with one person…

Or 1,000 people…

Or five people…

Or 20 people…

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Outcomes Desired: ADKAR Journeys are Individual

Legend: Awareness | Desire | Knowledge | Ability | Reinforcement

Kavita

Rahim

Grace

Alana

Eric
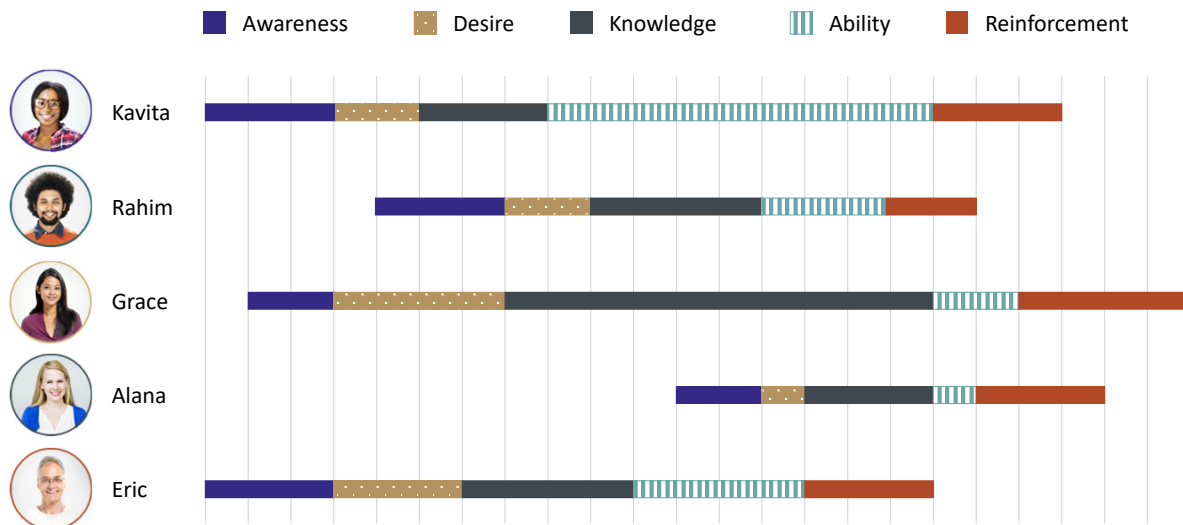
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Outcomes Desired: ADKAR Aligns Milestones For Success

**ADKAR milestones describe individual progress and
need to align with the lifecycle of the initiative.**
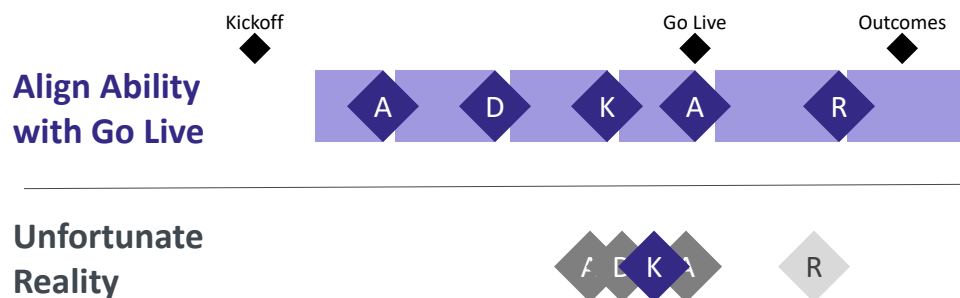
Kickoff | Go Live | Outcomes

Align Ability with Go Live

A D K A R

Unfortunate Reality

A D K A   R

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Activities Required: In Context

Prosci Change Triangle
(PCT) Model
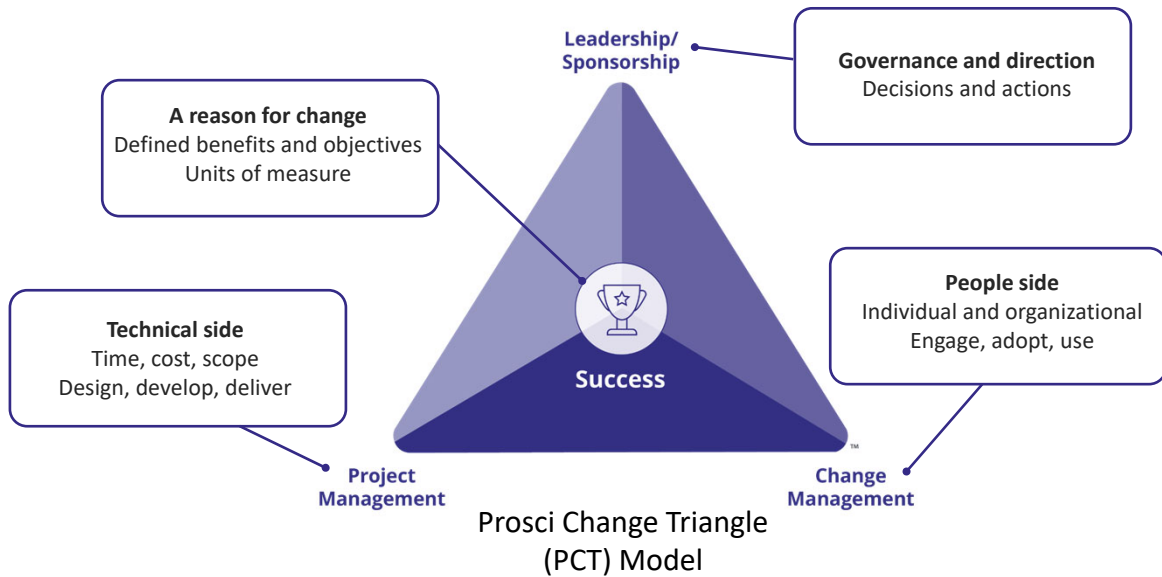
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Activities Required: As a Process
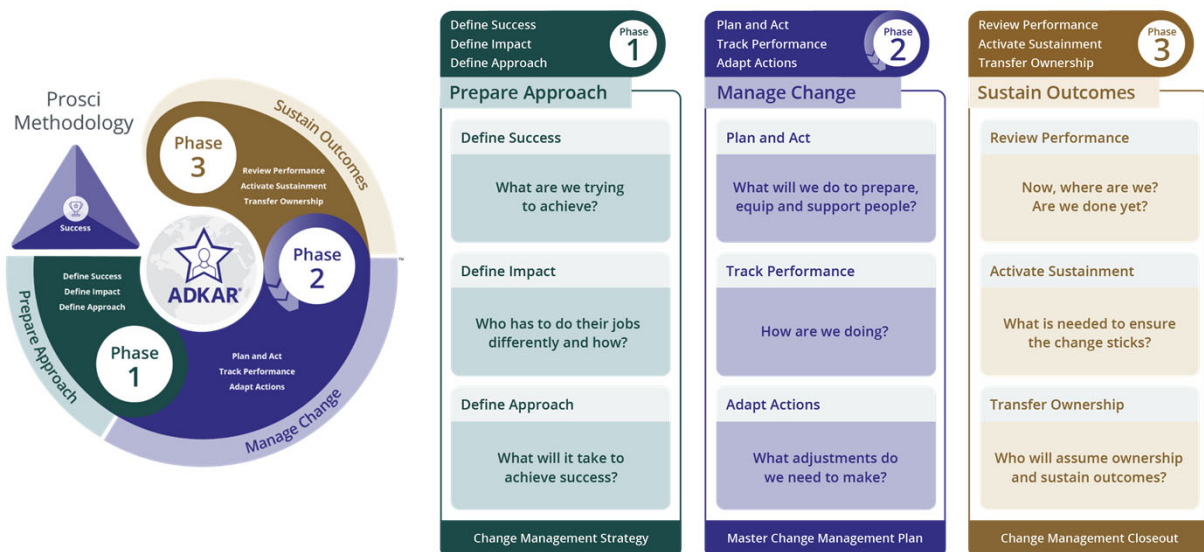
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Activities Required: By a System

Employee-Facing Roles		Enabling Roles	

Sponsor	• Authorize the change
	• Fulfill three key roles: (ABCs)
	   • Actively and visibly participate throughout the project
	   • Build a coalition of sponsorship with peers and managers
	   • Communicate directly with employees
		Change Practitioner	• Apply structure and intent to change
			• Enable and equip other change roles
			• Collaborate on a unified approach with the project manager

People Manager	• Support direct reports in their change journeys
	• Fulfill five key roles: (CLARC)
	   • Communicator
	   • Liaison
	   • Advocate
	   • Resistance Manager
	   • Coach
		Project Manager	• Design, develop and deliver the technical solution with employee adoption and usage in mind from the beginning
			• Collaborate on a unified approach with the change practitioner

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Activities Required: Through Specific Levers

	Sponsor Roadmap	Outlines the actions required by senior leaders to fulfill their ABC roles and responsibilities
	Communication Plan	Right message; Right audience; Right time Right sender; Right channel
	Coaching Plan	Outlines middle manager engagement with direct reports to fulfill their CLARC role
	Training Plan	Build skills required during the change, after the change, in order to change
	Resistance Management Plan	Preventative, Proactive, Reactive approaches to mitigate resistance impact

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Activities Required: That Drive ADKAR Outcomes Desired

	A	D	K	A	R
Sponsor Roadmap	●	●			●
Communication Plan	●				●
Coaching Plan	●	●	●	●	●
Training Plan			●	●	
Resistance Management Plan		●			●

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Tenet 4: Blank Sheet Exercise

- Notes on your current change management approach:

1. Are we using a structured approach?
2. Is it scaled and customized?
3. Do we have dedicated resources (who is doing the CM work)?
4. Do we have a budget?
5. Are we aligning with best practices?

1 Reasons	2 Impacted Groups
Costs/ Risks **3**	CMROI %
4 CM Approach	

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The ability to successfully deliver
on **organizational benefits**
and **project objectives**

is directly impacted by how effectively we
manage the people side of change

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BLUF of Tenet 5

We apply change management to…

- Improve likelihood of change outcomes
- Meet or exceed objectives, on time and on budget
- Avoid a "Swiss cheese" future state
- Minimize negative consequences
- Reduce costs and risks
- Drive people-side outcome variables
- Capture people-dependent ROI
- Deliver results and outcomes

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We Apply Change Management to…
Improve the Likelihood of Change Outcomes

- Met or exceeded objectives
- On or ahead of schedule
- On or below budget

Change Management Effectiveness: Poor, Fair, Good, Excellent
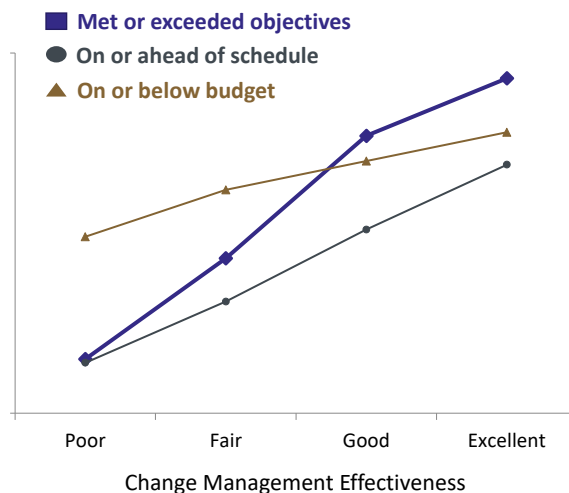
- Improve project results and outcomes
- Drive benefit realization and financial return
- Enable leaders and project teams to achieve the outcomes they already signed up for faster and more completely than they imagined

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We Apply Change Management to…
Mitigate Consequences of the "Swiss Cheese Future State"

Future State	**Instead of**	Future State

Lower ROI	History of Failed Changes	Unachieved Improvement	Not What We Expected/ Hoped For
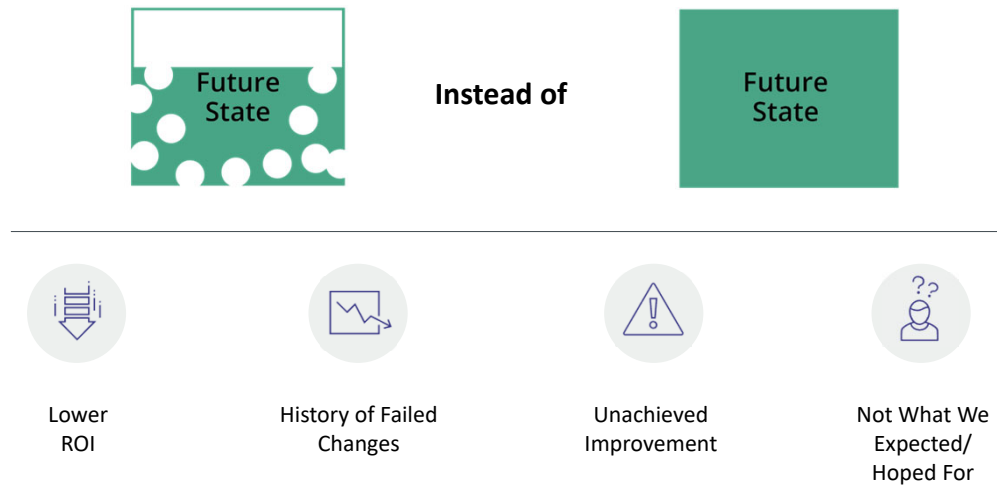
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We Apply Change Management to…
Minimize Negative Consequences

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We Apply Change Management to…
Reduce Costs and Risks

	Costs	Risks
Individuals	($)	⚡
Project	($)	⚡
Organization	($)	⚡

The **RE** costs:

REwork **RE**design
REdo **RE**scope
REtrain **RE**treat

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Costs and risks of poor adoption and usage

- abandoning of service/tool
- abandonment of truly good change
- additional project costs
- additional time
- additional training
- additional travel
- alienation of team members
- ambiguity
- anger
- attrition
- audit failures
- audit findings
- bad attitudes
- bad data
- bad decisions
- budget cuts affecting project support staff
- buying new technology - over and over
- canceled project
- cash flow
- change calendars
- change overload
- change requests
- changing requirements
- changing timelines
- complications
- conflict
- confusion
- contractual penalties
- cost of a new technology tool
- customer dissatisfaction
- cycle of project failures
- cynical employees

- cynicism
- declining morale
- decreased confidence in management
- delayed implementation
- delayed results
- delayed rollout
- delayed timeline
- delays
- dissatisfied customers
- distrust in leaders
- domino effects on other projects
- duplication
- egg on leader's face
- employee disengagement
- employee experience
- employee frustration
- employee loss
- employee resistance
- excess time spent on task
- extended contracts
- extended project schedules
- extended utilization post implementation
- failed efforts
- failed project results
- failed projects
- failure to deploy a major implementation
- failure to provide accurate details
- fear of new systems
- fines
- frustration
- further organizational 'scar tissue'
- going back to the drawing board

- go-live delay
- halting project
- "here we go again"
- high turnover
- hyper-care costs
- impact to customer
- inconsistent ways of working
- incorrect information
- initiative failure
- lack of adoption
- lack of comprehension of roles and responsibilities
- lack of transparency
- lack of trust from end users of tool
- lengthened time to ROI
- less delivered for more money
- longer delivery to market
- losing excellent employees
- losing key team members
- losing resources
- losing the audience of change
- loss of clients
- loss of credibility
- loss of customers
- loss of efficiency
- loss of high performing talent
- loss of institutional knowledge
- loss of key accounts
- loss of key talent
- loss of market value
- loss of money
- loss of moral
- loss of productivity
- loss of staff
- loss of time
- loss of trust
- low adoption
- low morale

- miscommunication
- mis-integration
- missed implementation dates
- missed requirements
- missed target ROI
- missing key milestone dates
- missing revenue goals
- morale degradation
- morale issues
- more hand holding
- more training
- negative comments
- negative customer impacts
- negative employee morale
- negative impact to reputation of the project and sponsors
- negative impacts to future change
- negative impressions of program
- new system not used
- no results
- no usage
- over budget
- overtime costs
- plummeting service levels
- poor customer experience
- poor customer service
- poor marketing
- poor results
- poor service offering
- productivity drops
- project delays
- project failure
- pull out part of functionality
- pulling in consultants to help post-change
- reboot
- re-communicate

- re-design
- re-development
- redo
- reduced confidence in future
- reduced trust in process and project team
- re-engineer
- re-explaining
- regret
- regulatory impacts
- re-implementation
- re-launch
- remediation
- re-organization
- repeated training
- replace resources
- replace the entire software with a new one
- replace with new system
- re-planning
- reputational risk
- re-scope
- resentment
- resignation
- resistance
- resistance to future change
- resistance when it didn't exist initially
- resources
- resources undesignated
- re-start of projects
- re-train
- re-training
- reverting
- rework
- rogue solutions and shadow systems
- ruined relationships
- rumors

- salary costs
- schedule change
- scope change
- scope creep
- shadow systems and all maintenance costs for those
- silos between teams
- silos within integrator team
- skepticism
- staff dissatisfaction
- staff turnover
- stagnant workers
- stakeholders not available
- starting from square one again
- terminations
- time away from work to deal with system errors
- travel
- trust issues with leaders
- turnover
- uncertainty
- underdeveloped requirements
- unfilled vacancies
- unhappy leaders
- unnecessary processing
- unnecessary software development
- unorganized training
- unrealistic deadlines
- unused systems
- using incorrect success measures
- wasted man hours
- wasted production time
- weak sponsorship
- "we've had enough"
- work disruption/stoppage

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The 5 Tenets of Change Management

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We Apply Change Management to…
Drive People-Side Outcome Variables

Speed of Adoption

How **quickly** are people up and running on the new systems, processes and job roles?

Ultimate Utilization

How **many** employees (of the total population) are demonstrating "buy-in" and are using the new solution?

Proficiency

How **well** are individuals performing compared to the level expected in the design of the change?

We Apply Change Management to…
Capture People-Dependent ROI

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We Apply Change Management to…
Deliver Results and Outcomes

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We apply change management to…

Tenet 5 Summary

- Improve likelihood of change outcomes
- Meet or exceed objectives, on time and on budget
- Avoid a "Swiss cheese" future state
- Minimize negative consequences
- Reduce costs and risks
- Drive people-side outcome variables
- Capture people-dependent ROI
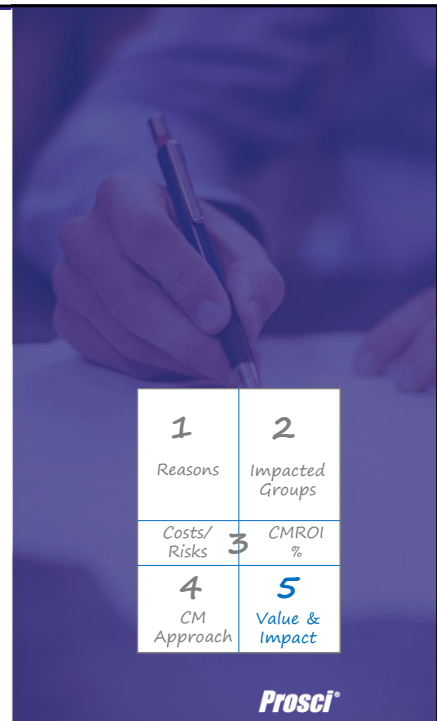- Deliver results and outcomes

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Tenet 5: Blank Sheet Exercise

- **What do we hope to realize with CM:**
  - Identify the value you can create when you do a great job of preparing, equipping and supporting people through the changes they experience.

- **Consider:**
  - Improve likelihood of change outcomes
  - Meet objectives, on time and on budget
  - Avoid a "Swiss cheese" future state
  - Minimize negative consequences
  - Reduce costs and risks
  - Drive people-side outcome variables
  - Capture people-dependent ROI
  - Deliver results and outcomes

1 Reasons	2 Impacted Groups
Costs/ Risks **3**	CMROI %
4 CM Approach	5 Value & Impact

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5 Tenets of Change Management

Tenet 1	We change for a reason.	Why are we changing?
Tenet 2	Organizational change requires individual change.	Who has to do their job differently (and how)?
Tenet 3	Organizational outcomes are the collective result of individual change.	How much of our outcomes depend on adoption and usage?
Tenet 4	Change management is an enabling framework for managing the people side of change.	What will we do to support adoption and usage?
Tenet 5	We apply change management to realize the benefits and desired outcomes of change.	How will driving adoption and usage improve results?

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The 5 Tenets of Change Management

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