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Agenda

1. How do you define success for a change initiative?
2. What roles are involved in defining and ensuring success?
3. How do you explain to your sponsor the contribution of change management to achieving success?
4. What, how and when should you measure to demonstrate the value of change management?

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Measuring Impact

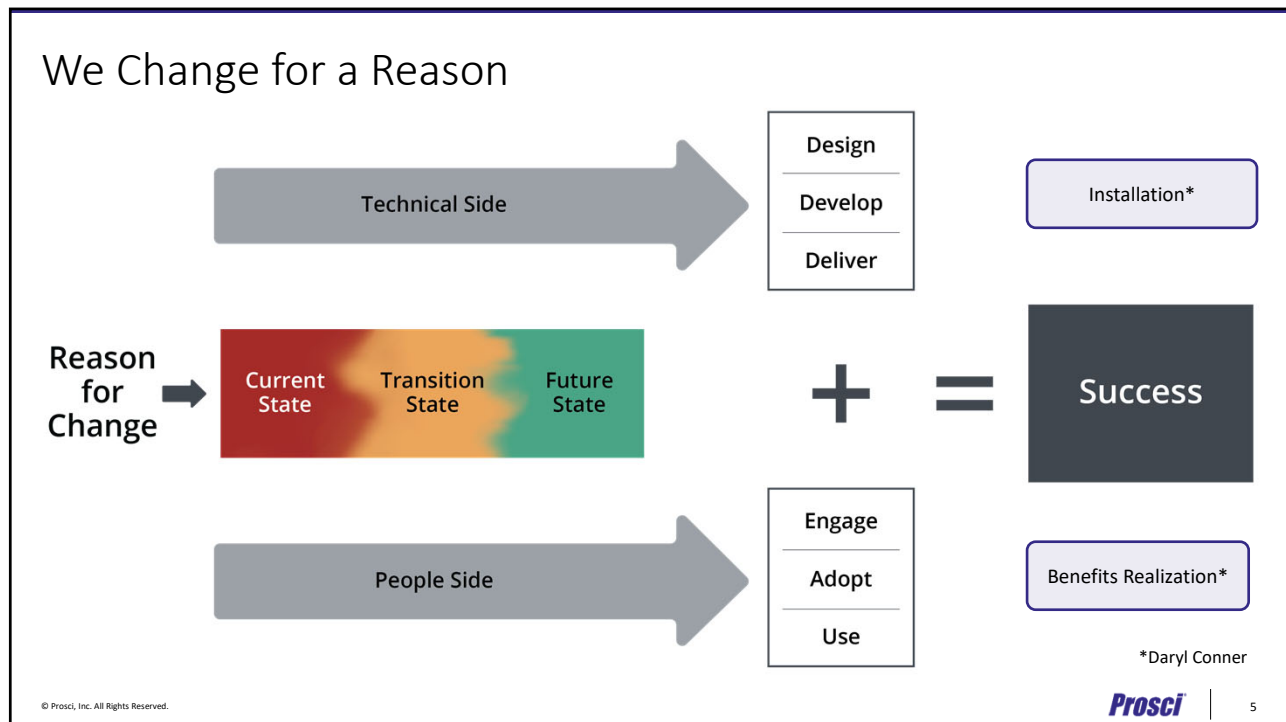
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Project Challenge

Install whiteboards at patient bedsides in hospitals.

Adoption Challenge

Improve two-way communication in hospitals between patients, families and care providers.

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The Definition of Success: Two Parts



Project Objectives What the project **achieves**

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



Organizational Benefits What the organization **gains**

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

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The Finesta Case Study

Finesta Financial LLC (Finesta) is a fictional company used by Prosci as a sample company.



Finesta Financial specializes in innovative services to plan and fund a company's growth strategy, especially to global markets.

Finesta launched a strategic initiative to address employee performance management. The aim of the **Performance Excellence Project** or 'PEP' is to achieve operational excellence goals by aligning performance goals, increasing individual accountability and supporting employee development.

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Finesta Example Statements



Project Objectives

What will the project **achieve**?

Employee performance management excellence by going for the GOLD!:

1. Goal alignment
2. Open communication
3. Learning focused
4. Delivering results



Organizational Benefits

What will the organization **gain**?

Achievement of operational excellence goals by aligning performance goals, increasing individual accountability and supporting employee development.

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Finesta Example Metrics

How will you know?



Project Objectives

What will the project **achieve**?

1. **Goal alignment:** 80% of performance plans show alignment between organizational and individual goals
2. **Open communication:** 80% of employees report they receive meaningful developmental feedback monthly
3. **Learning focused:** 75% of employees have a development plan
4. **Delivering results:** 85% of employees agree they have the tools, resources and support to be successful



Organizational Benefits

What will the organization **gain**?

1. Achieve workforce strength targets and reduce regrettable turnover by 15%
2. Increase scores for key drivers of engagement by 30%
3. Contribute to achieving operational excellence goals by aligning systems, processes and people to support strategic objectives

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Your Definition of Success



Project Objectives

What will your project **achieve**?

Consider:

1. How will the project contribute to solving the problem or realizing the opportunity?
2. What will the project produce or enable?
3. How will you know?



Organizational Benefits

What will your organization **gain**?

Consider:

1. What is the problem or opportunity for the organization?
2. If the problem is solved or opportunity is realized, what will be the benefit(s)?
3. How will you know?

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Roles in Defining Success

Role of the Sponsor



- Clearly articulate the why (purpose).
- Clearly identify the definition of success, including both project objectives and organizational benefits.

“Are you working harder than your sponsor?”

Role of the Change Practitioner



- Extract and package the definition of success by asking great questions and ensuring clarity.

- Why do we need to change?
- What is the problem or opportunity for the organization?
- What are the benefits the organization is seeking from this change?
- How would we know that the project is achieving what is expected?

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Measuring Impact

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Use the 4 P's to Connect and Align People to Success

Project: What is the project?	Purpose: Why are we changing?	Particulars: What are we changing?	People: Who will be changing?
Performance Excellence Project (PEP)	<p>To achieve operational excellence goals by aligning performance goals, increasing individual accountability and supporting employee development.</p> <p>Project Objectives:</p> <ol style="list-style-type: none"> 1. Goal alignment: 80% of performance plans show alignment between organizational and individual goals 2. Open communication: 80% of employees report they receive meaningful developmental feedback monthly 3. Learning focused: 75% of employees have a development plan 4. Delivering results: 85% of employees agree they have the tools, resources and support to be successful <p>Organizational Benefits:</p> <ol style="list-style-type: none"> 1. Achieve workforce strength targets and reduce regrettable turnover by 15% 2. Increase scores for key drivers of engagement by 30% 3. Contribute to achieving operational excellence goals by aligning systems, processes and people to support strategic objectives 	<ul style="list-style-type: none"> • Processes • Systems • Tools • Job roles • Critical behaviors • Mindset/attitudes/beliefs • Performance reviews 	<p>Chicago office Shared Services (2,500 employees):</p> <ul style="list-style-type: none"> • Finance • Accounting • Purchasing • Legal • Human Resources • Information Technology <p>Hong Kong office (1,950 employees):</p> <ul style="list-style-type: none"> • All functions

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How would you explain to your Sponsor the contribution of change management to achieving success?

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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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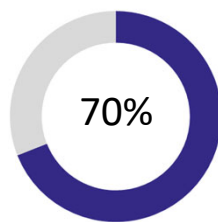
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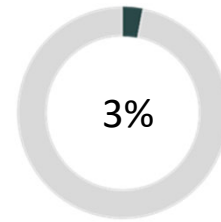
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The Key Question

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?



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What, how and when should you measure to demonstrate the value of change management?

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What to Measure: Three Performance Levels

Begin with the end in mind



Organizational Performance

Did the initiative deliver what was expected?



Project Objectives and Organizational Benefits



Individual Performance

How effectively did impacted individuals adopt and use the change?



Adoption and Usage
(Adoption, Utilization and Proficiency)



Change Management Performance

How well did we “do” change management?

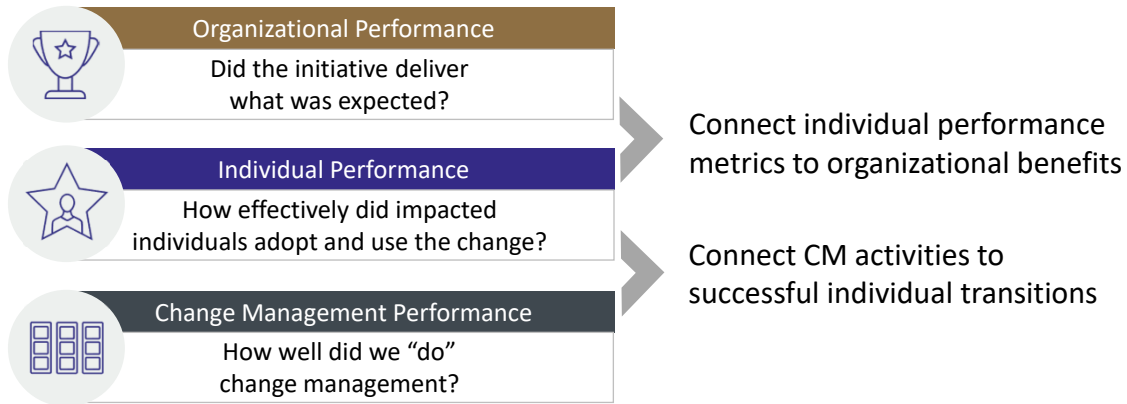


Effective Change Management

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The Three Performance Levels Are Connected

Organizational outcomes are the collective result of individual change



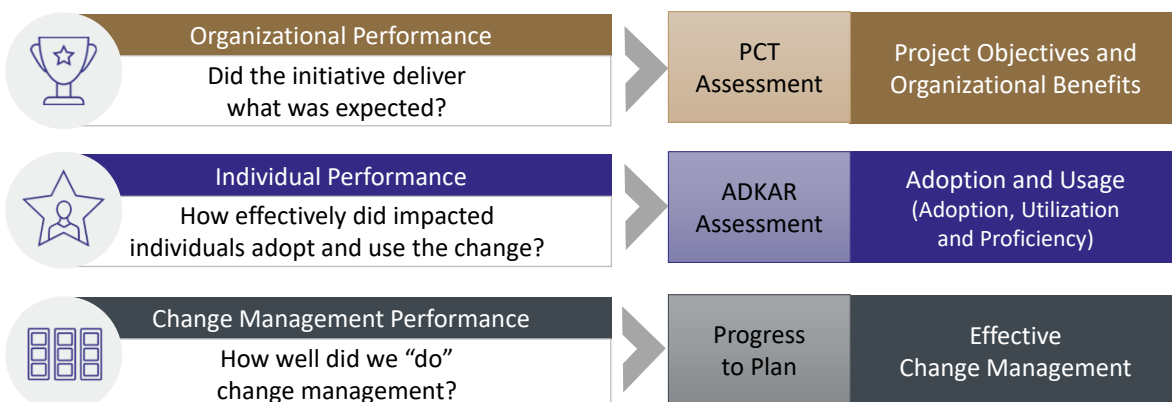
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How to Measure: Track Performance Throughout The Project



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Measuring Impact

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Organizational Performance

Did the initiative deliver what was expected?

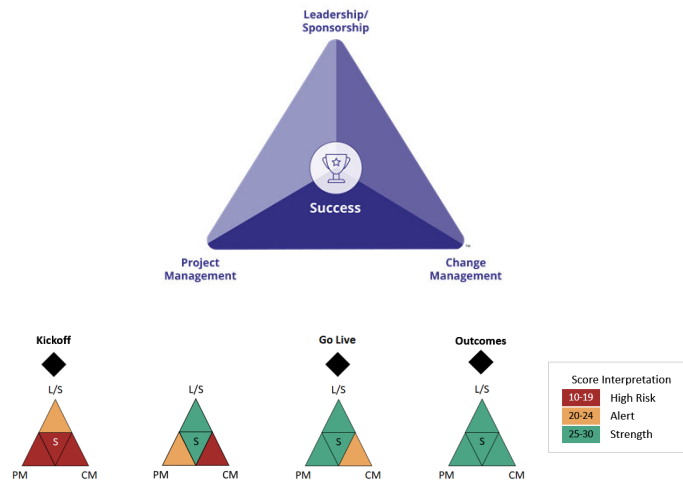


Project Objectives
What the project achieves



Organizational Benefits
What the organization gains

PCT Assessment Tracks Organizational Performance by Measuring the Strength of Four Critical Aspects



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Measuring the Strength of Your Definition of Success

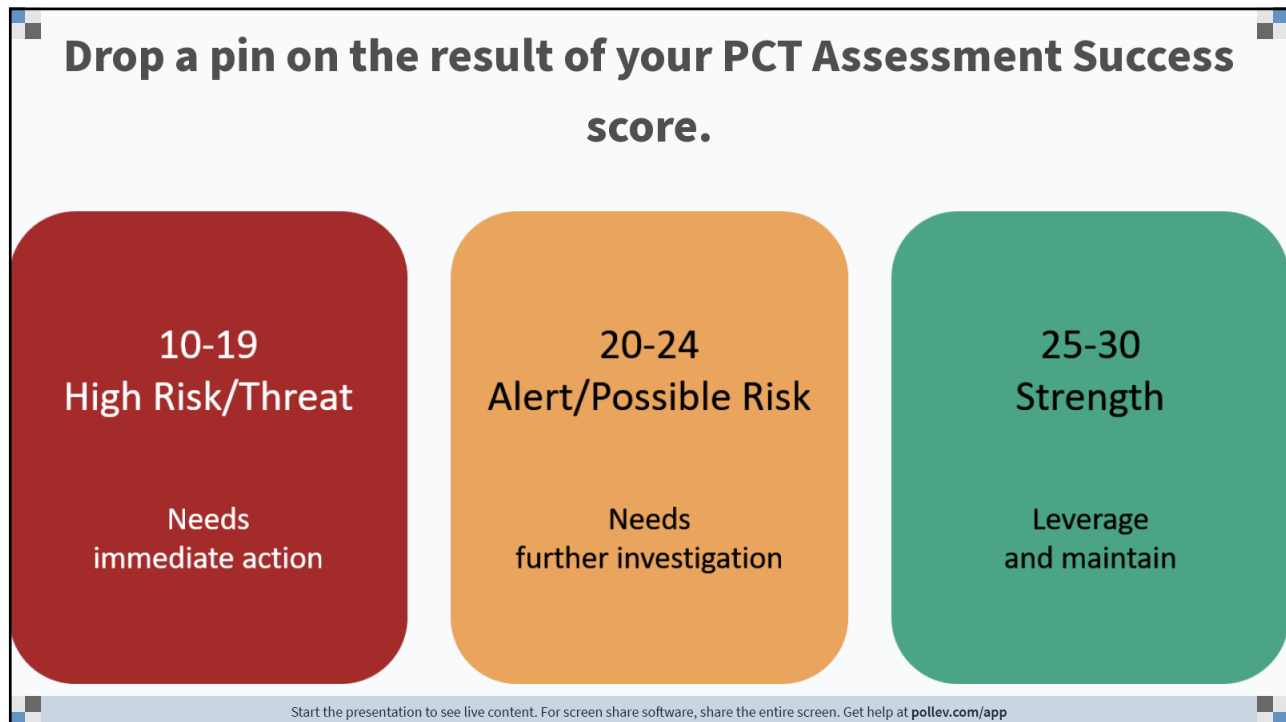
PCT Assessment	
Rank each factor on a 1-3 scale: 1 = inadequate, 2 = adequate, 3 = exceptional	
Success	Score: 1-3
1. Inputs into the change management process are defined (may include a business case, charter, scope, or plan).	
2. Organizational benefits are fully defined (what the organization gains).	
3. Project objectives are fully defined (what the project achieves).	
4. Adoption and usage objectives are fully defined.	
5. Units of measure for benefits and objectives are established.	
6. Benefits and objectives are prioritized.	
7. Benefit and objective ownership is designated.	
8. People dependency of benefits and objectives is evaluated.	
9. The definition of success is clear and ready to be communicated.	
10. The sponsorship coalition is aligned to a common definition of success.	
Sum of points for Success (out of 30 total)	0

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Individual Performance

How effectively did impacted individuals adopt and use the change?

- Speed of Adoption**
How **quickly** are people up and running on the new systems, processes and job roles?
- Ultimate Utilization**
How **many** employees are demonstrating “buy-in” and are using the new solution?
- Proficiency**
How **well** are individuals performing compared to the level expected?

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ADKAR Assessment Tracks Individual Performance by Measuring ADKAR Transitions

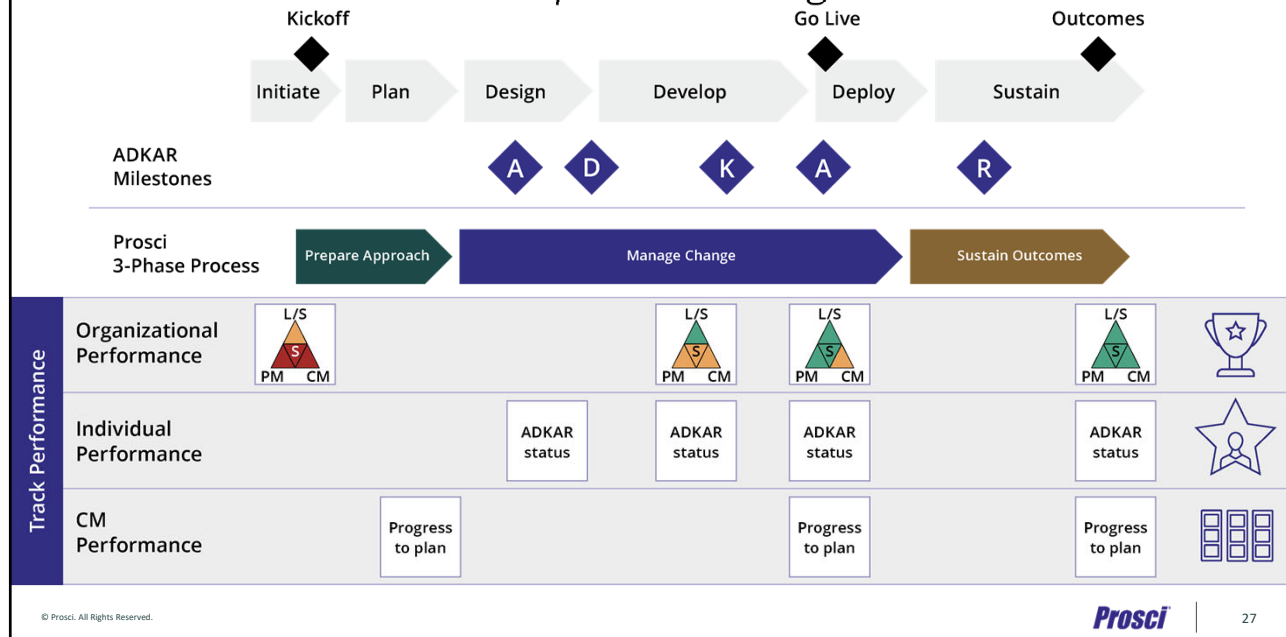
A	Awareness – Of the need for change
D	Desire – To participate and support the change
K	Knowledge – On how to change
A	Ability – To implement desired skills & behaviors
R	Reinforcement – To sustain the change

Kickoff Go Live Outcomes

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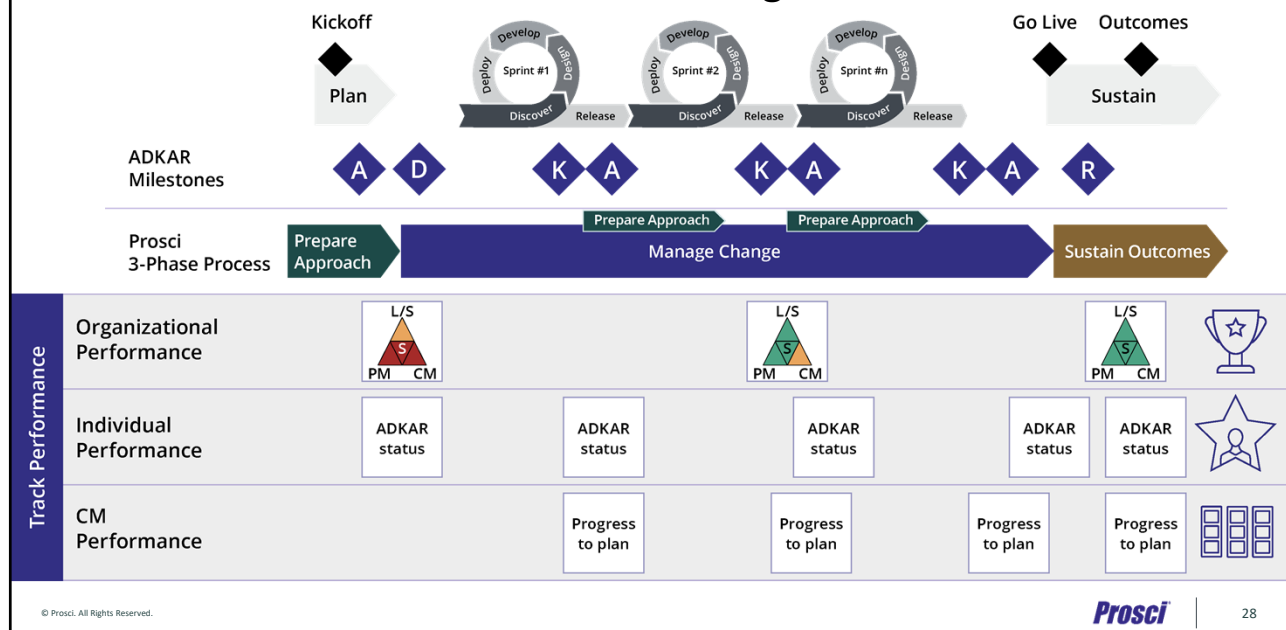
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Measure Performance: Sequential Change



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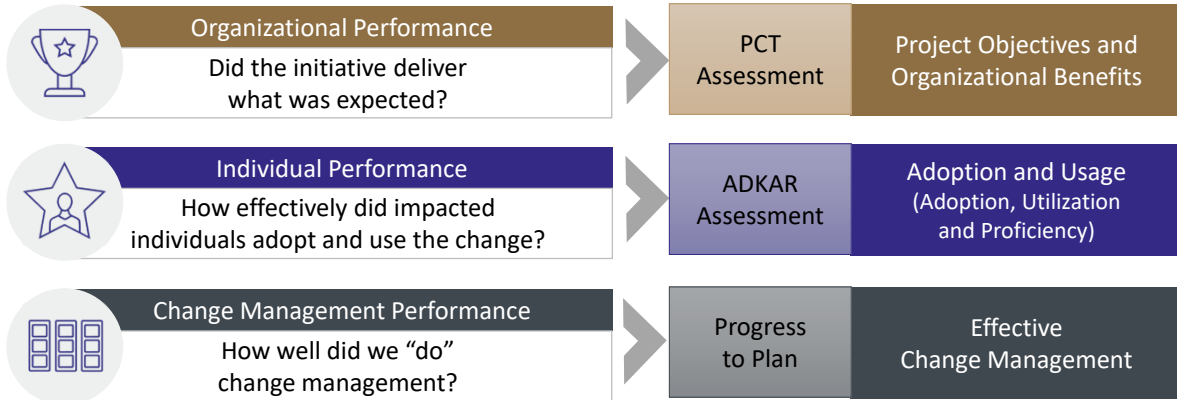
Measure Performance: Iterative Change



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Measure the Contribution of CM to Benefits Realization

What can you start defining and measuring?



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