

Cayman Government Professional Development Week

Driving the Change Management Agenda:
PMO Leading Practices



Building a better
working world

Agenda

Objective of the session

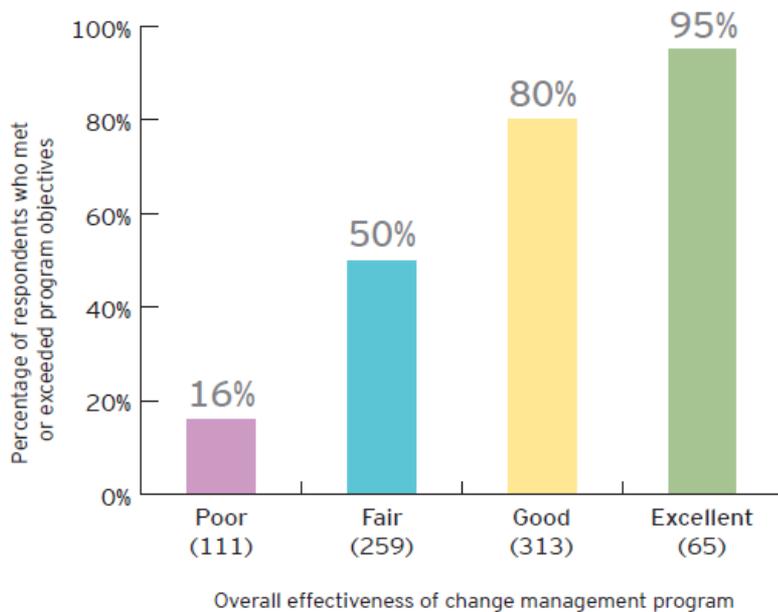
Setting up an effective Project Management Office (PMO) from the outset is a key driver in the overall success of a major change program. This session will explore some common pitfalls of project delivery and discuss how leading practice change management techniques and a strong PMO can make a substantial difference in achieving targeted project outcomes.

Agenda

1. Six common change management pitfalls and how to avoid them
2. Summary of leading practice recommendations
3. Setting up a strong PMO
4. Questions

The value of change management

Successful projects report a high correlation between organization change management effectiveness and the level of project objectives met or exceeded.



- ▶ 95% of projects with excellent change management meet or exceed their target expectations.
- ▶ 16% of projects with poor change management meet or exceed their target expectations.
- ▶ Change management activity drives successful delivery and reduces implementation risk.

*Source: "Prosci's," *Best Practices In Change Management benchmarking study* of 400+ companies.



Common change management pitfall #1

Setting a vision for change that is unclear or that the organization does not understand or accept

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Setting a vision for change that is unclear or that the organization does not understand or accept

- ▶ Change vision statements are often overly complicated and lack simplicity
- ▶ Not enough time is spent clarifying the rationale and expected results of the change
- ▶ Project vision is often misaligned with the organization's or government's strategy
- ▶ Change story does not connect with all stakeholders and employees
- ▶ Too much focus on what needs to be delivered, rather than what needs to be achieved

“Vision without action is a daydream. Action with without vision is a nightmare.”

Japanese proverb

Simple shifts in the vision can have dramatic impact

Case study

A large insurance company initiated a change program focused on improving and managing control of claims costs. The primary vision and objectives, while clear, failed to connect with or motivate the operations staff during the project initiation.

The case for change was reworked during a feasibility phase and focused on the key things that were important to employees, such as delivering excellent customer service and improving the work environment, career progression and personal development.

This simple shift in the vision provided a substantial improvement in employee engagement.

- ▶ Balanced view of benefits beyond the economic priorities
- ▶ Change story considers the specific day-to-day impact on individuals
- ▶ Greater set of benefits than originally envisioned, e.g., quicker customer resolution, fewer errors, less complaints, less rework, better career development
- ▶ Greater engagement in the project and understanding of the vision for the future

Articulate a clear and compelling project vision

Simplicity, clarity and focus

- ▶ Keep the vision statement short and succinct so it can be quickly understood by all.
- ▶ Use language that is clear and avoid ambiguity to make certain all individuals can easily grasp the message.

Describe how the future organization will work

- ▶ Document how and when the organization will be impacted and highlight how things will be different
- ▶ Consider the major impacts of the change—positive and negative to present a balanced view.

Connect the vision to what motivates people

- ▶ Consider what motivates the different groups within the organization and if your vision speaks to all of them.
- ▶ Hold a working session with representatives from all stakeholders to create and agree on the vision together.



Common change management pitfall #2

Overly complex scope and lack of prioritization that lead to delivery challenges, delays and budget issues

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Overly complex scope and lack of prioritization that lead to delivery challenges, delays and budget issues

- ▶ Lack of scope refinement at initiation often leads to delivery bottlenecks
- ▶ Unrealistic expectations of an organization's capacity for change
- ▶ Scope ambiguity leads to conflict and rework
- ▶ All sponsors and stakeholders see their change project as the priority and therefore nothing receives focus
- ▶ Often, projects are stopped only if they are failing

Prioritize and challenge scope from the outset

*Reduce scope before
delivery issues arise*

- ▶ Be very clear about the scope of the project from the outset
- ▶ Challenge the sponsors and stakeholders to agree to the “minimum viable scope”

*Prioritize, prioritize,
prioritize*

- ▶ A structured project prioritization process can deliver alignment of change projects to the business strategy
- ▶ Define an implementation road map that delivers a series of priority quick wins to build momentum



“Doing the right thing is more important than doing the thing right.”

Peter Drucker,
author and management consultant



Common change management Pitfall #3

The right people with the right skills have not been involved or are unavailable to support the project

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The right people with the right skills have not been involved or are unavailable to support the project

- ▶ Key subject matter resources are unavailable or cannot provide adequate time
- ▶ Skilled project delivery resource constraints
- ▶ Lack of appropriate level of content knowledge and experience
- ▶ Throwing resources at a failing project will not save it, unless they are the right resources
- ▶ Often, training is considered only at the final stages of a project

Get the right people

Focus on getting the right resources

- ▶ Identify the right people, skills and key content knowledge required and engage project sponsor to secure resources
- ▶ Consider backfill options to free up key subject matter resources so they can be involved in projects

Consider training and skills development at the outset

- ▶ Use the project activity as an opportunity to involve key people and build new skills and knowledge
- ▶ Developing the right skills might require the delivery of a series of development activities, not just one event

“Get the right people. Then no matter what all else you might do wrong after that, the people will save you. That’s what management is all about.”

Tom DeMarco,
software engineer and author



Common change management pitfall #4

Insufficient consideration of the need to involve all stakeholders through the journey

Common change management pitfall #4

Insufficient consideration of the need to involve all stakeholders through the journey

- ▶ Change management often viewed as a communications exercise
- ▶ Too much focus on telling and not enough on listening
- ▶ Often, stakeholders are engaged at the end of the project, rather than from initiation
- ▶ Low involvement of stakeholders results in low sense of ownership
- ▶ Lack of consideration of the combined impact of multiple projects

Engage by allowing stakeholders to experience changes

Case study

A major, two-year change program was inflight with multiple projects delivering a wide range of organizational and technology change to the business's operations.

To build greater awareness and engagement, a "model office" was established to simulate the future operating environment and allow all stakeholders to experience the new processes and systems throughout the project life cycle.

As well as playing a fundamental part in the change management process to engage staff, this scheme also drove significant improvements in the overall solution design.

- ▶ Early exposure of key stakeholders to help prove new process and technology concepts
- ▶ Valuable communications and feedback forum to improve overall design
- ▶ Run by operations staff that took pride in communicating improvements to their colleagues
- ▶ Motivational experience that led to high level of interest and quicker buy-in and understanding

Take stakeholders with you on the journey

“Tell me and I’ll forget, show me and I may remember, involve me and I’ll understand.”

Chinese proverb



Listen and understand

- ▶ Invest time in listening and address the varying concerns of stakeholders early
- ▶ Deep understanding of the current operations and strengths and weaknesses is critical to fully understand the change

Involve stakeholders throughout the project

- ▶ Involve stakeholders as early as possible in the project to build their understanding and allow them to contribute valuable feedback in the design process
- ▶ Develop and foster a sense of ownership of the change



Common change management pitfall #5

Governance forums have inappropriate representation or occur too infrequently to support detailed design making

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Governance forums have inappropriate representation or occur too infrequently to support detailed design making

- ▶ Having the right sponsor is critical and they play an active role in effective governance
- ▶ The wrong mix or representation on governance forums can lead to poor decisions
- ▶ Governance structures need to be manageable but appropriate for the project scope
- ▶ Design decisions and project delivery decisions require different forums
- ▶ Monthly steering committee meetings are common, but do not necessarily drive timely decisions

Create a focal point for design decisions

Objectives of a Design Authority

1. *Coordinate a group of representative stakeholders authorized to sign off on design decisions*
 2. *Control changes to the underlying operations and assess the impact of changes across the organization*
 3. *Provide visibility of key design decisions*
 4. *Create a central forum for cross-program challenges of design integrity across all project silos*
 5. *Free up agenda of other project governance meetings to focus on project management and delivery*
- ▶ Bring design decisions from across the program into one place
 - ▶ Visibility of design decisions drives improved quality and greater understanding of the change
 - ▶ Avoid silo decision-making and conflicting designs
 - ▶ Consider the aggregate impact of change across the organization

Smart governance forums will drive smart decisions

Build an effective governance group

- ▶ Keep the governance groups manageable. This will increase the accountability of each member.
- ▶ Use existing reporting relationships to support socialization of approaches before key governance forums.

Design Authority to avoid design silos

- ▶ Create a central forum to give visibility to key design decisions across the program.
- ▶ Address the risk that projects operate in silos and that design decisions are missed or do not align.

Make best use of key stakeholder's time

- ▶ Determine the timing of governance forums based around key project milestones.
- ▶ Consider quick updates rather than face-to-face meetings if only reporting on progress.



Common change management pitfall #6

Assessing the readiness of the organization to adopt the change too late in the process

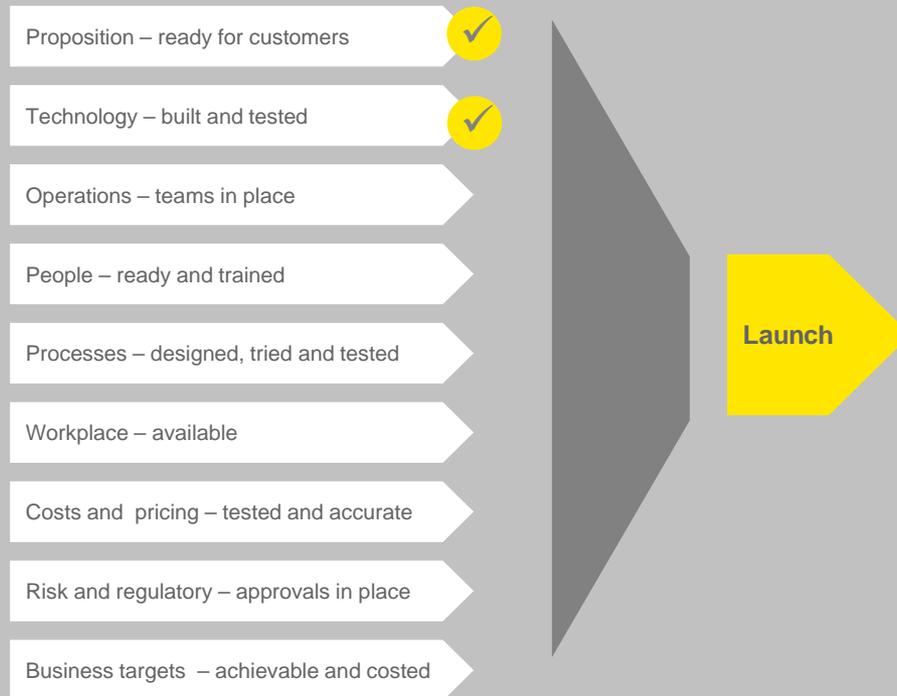
Common change management pitfall #2

Assessing the readiness of the organization to adopt the change too late in the process

- ▶ Business readiness assessments conducted just before change happens, if at all
- ▶ Go/no-go decisions not fully informed of business readiness
- ▶ Heavy focus on technology delivery and wider business requirements often missed
- ▶ Not allowing enough time to test and validate the new end-to-end processes, organizational structures and systems
- ▶ To be ready to launch major change, all components need to be in place and checked if fit for purpose

Measure readiness periodically during the journey

Example business readiness criteria

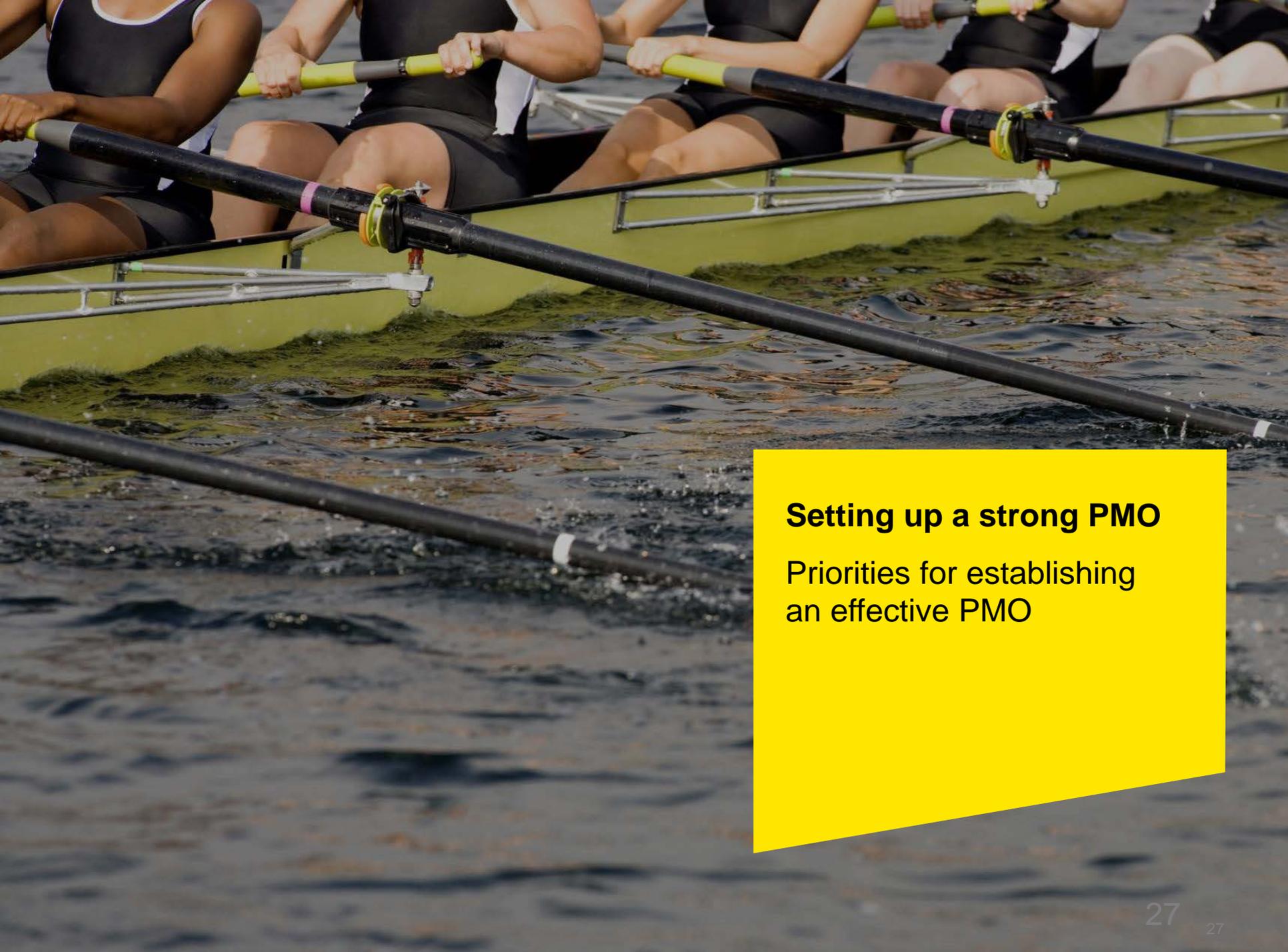


- ▶ Create an overall “readiness checklist” of criteria you plan to measure, linked to milestones that you can monitor
- ▶ Measure readiness at different times during the change journey (e.g., after significant milestones)
- ▶ Proactively manage the risks if readiness is not progressing as expected
- ▶ Make certain change readiness is part of a project go/no-go decision

“No sensible decision can be made any longer without taking into account not only the world as it is, but the world as it will be.” Isaac Asimov, author and professor

Summary of leading practice recommendations

- ▶ Articulate a clear and compelling project vision.
- ▶ Simple shifts in the vision can have a dramatic impact.
- ▶ Prioritize and challenge scope from the outset.
- ▶ Get the right people.
- ▶ Engage by allowing stakeholders to experience changes.
- ▶ Take stakeholders with you on the journey.
- ▶ Create a focal point for design decisions.
- ▶ Smart governance forums will drive smart decisions.
- ▶ Measure readiness periodically during the journey.

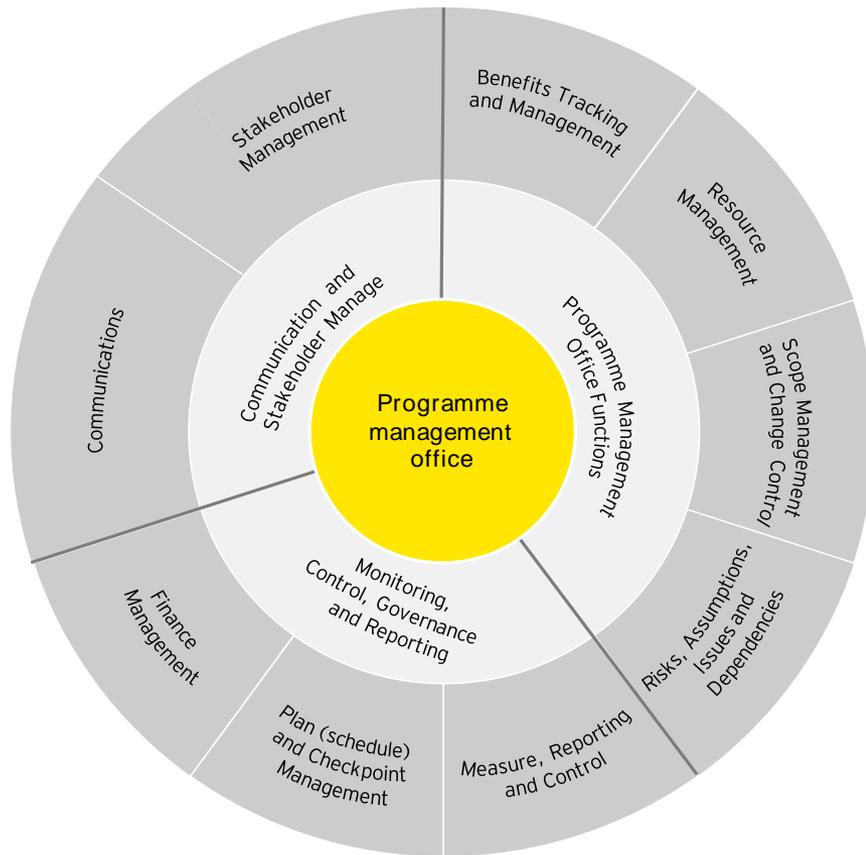


Setting up a strong PMO

Priorities for establishing
an effective PMO

Priorities for establishing an effective PMO

Components of an effective PMO



Principles of an effective PMO

Clear and controlled scope up-front

Simple, clear, measurable and achievable target outcomes

Robust delivery plans, including key milestones

Active risk analysis and contingency planning

Project resource profile defined in advance

PMO staffed with highly experienced program managers

Strong change management embedded across the program

Engagement with key departmental resources and effective governance structures

Questions?



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