



AGILE CHANGE
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Change Management Office – Benefits and Structure

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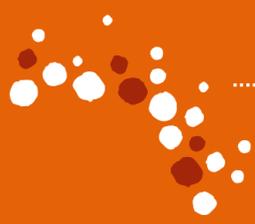
Director

Agile Change Management Limited



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Introduction

Managing change is a vital skill set. However, an organisation cannot be successful at implementing change simply because some of its employees are skilled Change Managers. There is a need to understand the scale of change across the organisation, ensure only those change initiatives with the greatest potential for benefits are undertaken and to cross check that change in one area is not duplicated or damages change in another area.

In this paper I explore the functions and benefits of establishing a team that has the capability to:

- Accurately assess the scale of change taking place within the organisation at any one time
- Implement all change initiatives successfully
- Build and support a network of Change Managers
- Create a culture where change is expected and welcomed

I have referred to this team as a Change Management Office, whilst recognising that it has many aliases including Portfolio Office, Strategic Planning Team, Business Transformation department and Change Management Centre of Excellence.

The Purpose of a Change Management Office

The purpose of a Change Management Office (CMO) is to provide the organisation with a focal point for governing, structuring and implementing change initiatives. This office provides oversight of all change initiatives planned and underway and ensures each is delivered effectively through the application of a consistent methodology and performance metrics.

The CMO supports the decision making associated with evaluating proposals for change and supports the delivery of those that are authorised. This support includes the continuous development of change management skills in managers and staff via the transfer of knowledge from the CMO to anyone responsible for or impacted by change.

The users of CMO include a wide cross section of roles including:

- Strategic planners who are the architects and designers of change
- Sponsors who are responsible for authoring and governing individual projects and change initiatives
- Project Managers who deliver elements of change to agreed budgets and timescales
- Departmental Managers who need to know the scale of the work involved in making change happen and how to resource this effort in addition to business as usual responsibilities
- Junior Managers and Team Leaders who are responsible for implementing new ways of working and changing how their staff carry out their roles
- External stakeholders responsible for reporting on the capability of the organisation (media, analysts etc) and those responsible for assessing this capability (regulators)
- All those in the organisation and its partners who are affected by change

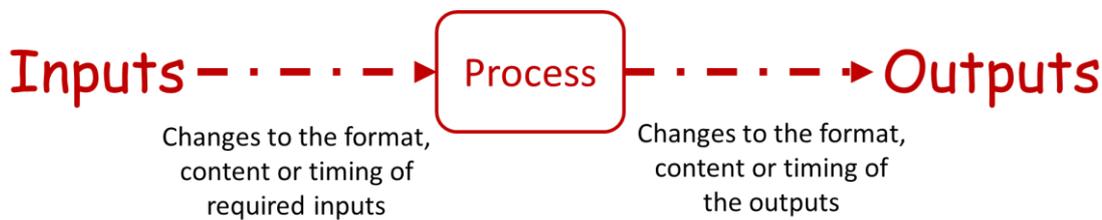


The Authority of a Change Management Office

To be effective the remit of the CMO must be organisation wide as change is rarely confined to one area. Organisations are complex systems where there is a high degree of interconnectivity between components and the boundary of ownership, especially of information is hard to establish.

For this reason change cannot be implemented using a silo-based approach. An effective CMO has the necessary authority and respect to implement and support change across all business functions, and can accurately assess the amount of change that is taking place at any one time.

Even small changes to a relatively self-contained process can have an impact on internal users further upstream and downstream in the process.



A change in one process can lead to new or amended inputs to the process or outputs from the process. Those colleagues providing these inputs need to be aware of the changes and the action they need to take to change what they produce, and those colleagues who rely on the outputs from the changed process need to be made aware of differences in these outputs and any changes they will need to make to their own processes.

1. CMO provides the following services

The CMO has to provide services to those making change happen and those responsible for authoring and funding the changes:

a) Services to sponsors and senior managers

- Reporting of change progress and achievements in relation to the strategic objectives of the organisation
- Identification of all potential change initiatives and prioritisation of those initiatives against pre-agreed criteria, and mapping of each initiative onto the organisations change plan
- Planning and monitoring of the organisation's change budget
- Identification of the benefits associated with each change initiative, when they are likely to be realised and how these benefits are to be measured
- Identification of all risks relating to change, creation and resourcing of risk mitigation actions and maintenance of the Risk Register



- Review of the scope, activities and progress of each change initiative against pre-agreed criteria to ensure completeness and appropriate quality of the work
- Requests for resources that are needed to support change management activities in general, or to support all of the change initiatives including training, contracts for provision of services in communication and marketing, funding for events etc

b) Services to those managing each change initiative

- Provision of a change management methodology which explains the processes, the techniques and the activities needed for managing change
- Provision of a toolkit of guidance, checklists and templates for managing change
- Maintenance of the organisations change management communication plan, showing the messages sent out to staff to explain the changes taking place
- Creation and dissemination of messages about change management and their strategic importance and relevance to the organisation
- Provision of message content to help individual change managers communicate with those impacted by their changes
- Highlighting inter-dependencies and common issues between change initiatives so that managers of each initiative have an understanding of the wider context
- Sharing lessons learned and good ideas across each of the change initiatives and providing a supportive, encouraging environment for managers of these initiatives to come together and share their concerns and access practical help
- Design and creation of change management training courses and materials that can be used by each of the change initiatives
- Development of a pool of skilled change management trainers who can be deployed to run training courses for anyone taking on a change management role
- Development of a pool of skilled facilitators who can be deployed to run workshops on behalf of any of the change initiatives

2. CMO answers the following questions

Strategic viewpoint

- Are the changes planned and underway capable of achieving the strategic objectives?
- What other initiatives should be added to fill any gaps between strategic ambition and current changes?

Governance viewpoint

- How can we filter initiatives at the ideas stage to prevent authorisation of the 'wrong' initiatives
- What steps in the decision making process can we remove or amend to increase the speed of decision making?

Progress viewpoint

- What achievements have been realised and how are these being acknowledged?
- What initiatives are failing to deliver expected improvements?
- Should they be prematurely terminated?



- Should a task force be assigned to their repair?

Impact viewpoint

- How many resources are involved in change management initiatives?
- How is this affecting the productivity of business as usual?
- Which areas of the business are experiencing change fatigue?
- Which areas of the business are at risk of multiple changes taking place within a short timeframe?

Capability viewpoint

- What skills and experiences do managers have to support change initiatives?
- How many staff have been formally trained in change management?

3. Benefits of a Change Management Office

Creating a CMO leads to the following benefits:

1. Increasing the authorisation of the 'right' changes i.e. those initiatives which help to move the organisation towards achieving its strategic goals
2. Increasing the probability of success for specific initiatives by providing
 - a. Guidance on how to manage them
 - b. Offering specialist skills and expertise on change related issues

These benefits are felt by the organisation as whole and by those directly affected by change:

a) Benefits at an organization-wide level:

- One source of reporting leads to more effective communication of issues, risks and progress:
 - Information gathering, analysing and report creation takes less time as the processes for these activities are defined and understood by all those involved
 - The same information is gathered from each change initiative, speeding up the process of comparison and identification of any work that falls outside of acceptable parameters
- Development of a complete picture of all change taking place, at a functional and organization wide level enables much quicker identification of likely 'change overload' or destabilization of the business as usual environment
- An increase in the focus of how changes are contributing to strategic direction increases the speed at which senior managers can intervene to suspend or terminate initiatives that are not on course to deliver their expected strategic benefits
- Improved understanding of resource requirements and allocation across change initiatives, with the opportunity to build skills and competencies through the application of an organization wide change management method
- Total cost of delivery of each change initiative is reduced as the CMO is able to achieve economies of scale across common change activities including communication, implementation planning, risk analysis and project management
- By enabling the true cost of delivery to be visible to the business, managers can contribute more effectively to decisions on which changes to endorse and which to put on hold



b) Benefits specific to change management initiatives:

- Increases the level of skill in change management that resides directly within the organisation, by building the competence and capability of line managers and their staff to lead and manage change initiatives
- Reduction in number of external consultants required to support change activities as the organization develops capability internally through the application of its change management method, guided by the CMO
- The CMO acts as an internal consultancy service, supporting individual change managers, assuring the quality of their work and continuously improving the change management method
- Reduction in the level of stress felt by those managing change as the CMO provides support, guidance and advice, facilitating to solutions to issues that impede the progress of change

4. Success criteria for a CMO

- Sponsor is a board member/director responsible for strategy, change or projects
- Sponsor demonstrates commitment and enthusiasm
- Change information is reported by the CMO to the board on a regular and frequent basis
- The manager of the CMO has experience and knowledge of organisational change, portfolio, programme and project management and strategic planning
- There is a clear set of strategic objectives which is known and understood across the organisation
- CMO staff have high degree of practical experience in running change initiatives and have a strong skill set in project and change management methods and techniques
- The CMO defines and owns the organisational change framework and method and provides training in this to all relevant staff
- There are opportunities for those managing and impacting change to influence the way that the CMO operates through forums and regular discussions
- CMO staff build strong relationships with their stakeholders
- There is clarity over the remit of the CMO versus its key stakeholders including any Portfolio, Project or Programme offices (PMO), the corporate communications function, corporate risk management and audit functions and the learning and development function



5. Considerations when building a CMO

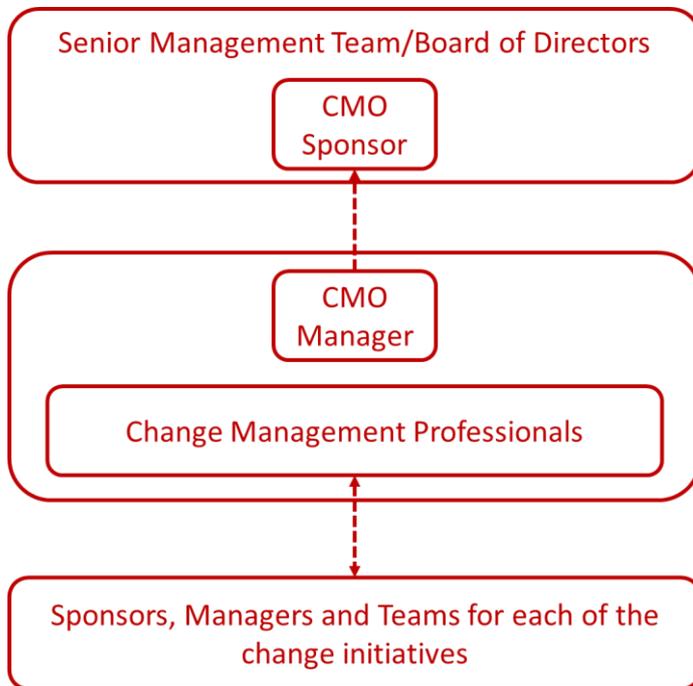
There is no 'one size fits all' solution. The model that is right for your organisation will be a product of a number of factors including:

- The scale of change that is taking place - if your organisation plans to undertake transformational change it is unlikely to be able to achieve its goals without multiple change projects in the majority of business functions which will require a higher degree of control than small scale incremental change that takes place within individual departments and teams
- The existing level of structure for portfolio, programme and project management - if there is already an established PMO function then considering widening its remit to include organisational change rather than building a separate change management office that may have to compete for similar resources
- The level of maturity that exists within your organisation in its approach to change management – if an organisation wide change management framework, methodology, documentation and performance metrics are already defined, understood and successfully in use then the driving force of the CMO will be to exploit economies of scale and drive improvements in quality through a process of continuous improvement. If organisation wide change management does not yet exist, then the main function of the CMO will be to build this approach, educate users in its use and guide its application
- The level of centralised control that your organisation wishes to apply to how changes are made. In a distributed organisation, whilst change cannot be effected in a silo based approach, a great deal of decision making will be delegated across the business units so the role of the CMO will be information provision and coordination. In organisations where decision making is concentrated at board level or equivalent then the CMO will take the lead on information gathering from individual change managers and providing summary reports across all of the change initiatives



6. Organisation structures of CMO

As stated earlier in this paper there is no 'one size fits all' structure for CMOs, and this is reflected in the roles set out below which highlight the key responsibilities that a typical office would include, and is based on the example governance structure set out below:



Sponsor/Owner of the Change Management Office

This role may be known as Director of Change or Strategy or Head of Organisational Change. The role is performed by a senior manager who is responsible for the change agenda for the organisation, which is driven by the strategic objectives set by the board or senior management team. The sponsor owns the blueprint for how the organisation is expected to evolve over time, which is devised from functional strategies and plans including the IT architecture plan, the facilities plan, sales forecasts and market analysis and operational plans. The sponsor is responsible for reporting progress against the change agenda to the board or senior management team using the information provided by the Change Management Office.

This reporting means the sponsor has oversight of all the change initiatives that are planned and underway and provides a summary of how the totality of change is impacting the day to day operational capability of the organisation. The sponsor draws attention to the risks and issues associated with the totality of change and will require decisions to be taken about the results to date and any re-prioritising of initiatives that senior colleagues feel is necessary to achieve strategic objectives.



CMO Manager

This role reports to the sponsor, and has line management authority for all those assigned to the Change Management Office but will also need the confidence and support of all those change managers supported by the CMO.

The level of authority needed by the CMO manager is dependent upon the remit of the function. For example, if the change management office is responsible for ensuring that the change management methodology is applied to all initiatives irrespective of which function is funding them, then the Manager will need the authority to insist on use of the method, and have the support of the Sponsor to address those that are not applying this organisation wide approach. If the CMO is a central information hub then the Manager must have the authority to request progress, risk and issue information from all those within the organisation who are running change projects, programmes or other initiatives.

CMO staff

- **Process expert** – this role may be performed by those with business analysis skills. The role acts as a source of information about end to end processes across the organisation, pinpointing where change in one area can impact systems, processes, inputs, outputs and behaviours in other areas
- **Risk and issues expert** – this role is responsible for the identification, analysis and definition of responses to risks and issues that have the capability to prevent change being implemented successfully. A key aspect of this role is information sharing as risks and issues occurring in one change initiative might also apply to other initiatives to which the relevant change managers need to be made aware. This role has a coaching element as it is in the interests of the organisation to develop an ability to analyse and situations for potential and actual impediments and have the confidence to define actions to address them before they harm the progress of the planned change activities.
- **Communications expert** – change requires everyone to be aware of what is changing, when and how so this role is central to ensuring all stakeholders are fully informed and engaged with the changes that matter to them. This role requires creativity and innovation to get the messages across to a high number of individuals, often when they are very busy and have little time for taking in new information.
- **Planning expert** – whilst individual change managers will identify the change activities relevant to their work, there is a need to collate all of this activity across the organisation and be able to understand how much is changing, where and for how long so that the risk of destabilising the ability of the organisation to deliver 'business as usual' is understood. This role requires excellent technical estimating, scheduling and resource management skills.
- **Finance expert** – although many changes are made at a micro level to the way in which individuals work, there is still a need to identify the required funding for system and infrastructure acquisition, loss of productivity and back-filling of roles during periods of change. Decision makers need a clear picture of the expected budgetary impact of change and the progress of change initiatives against this budget. This role requires excellent financial planning and control skills.



4. Conclusion

A Change Management Office is a vital component of effective change. It is staffed by skilled and experienced change professionals who provide a 'centre of excellence' for change management within the organisation. The CMO provides vital information to sponsors and senior managers to ensure that they can authorise the right changes at the right time. The CMO supports those managers responsible for specific change initiatives, providing resources and information that would be a duplication of effort if created by each initiative.

