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Trends in Change Management for 2018

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Executive Summary

Change management is a young profession which continues to develop in scope, maturity and the number of those adopting it. In this paper I attempt to predict what I think will be the most impactful developments in business change management for 2018.

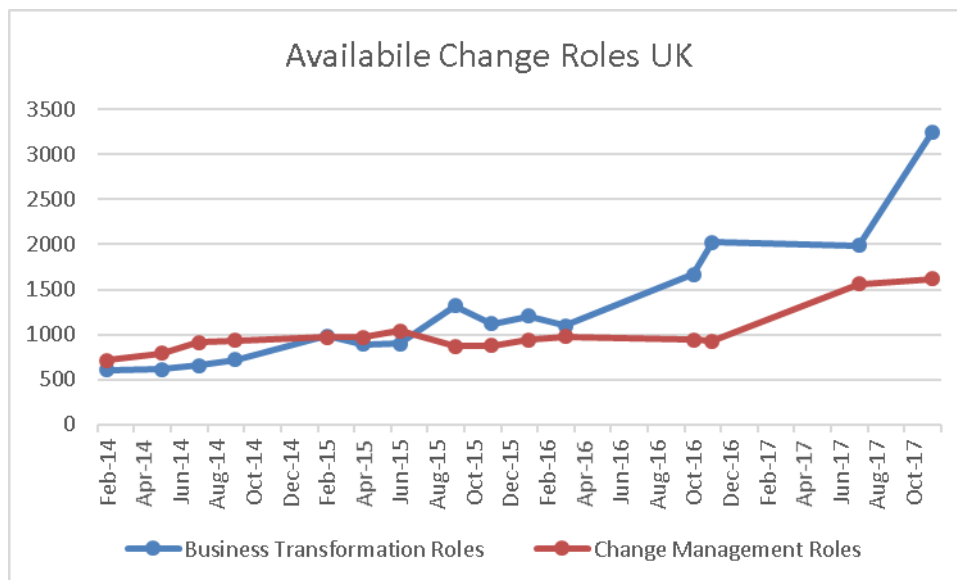
My thoughts are based on the demands I receive from clients in the private, public and not for profit sector, as well as a review of the latest insights from the big consultancies, universities and the professional body for change management, the Change Management Institute.

I think the key trends will include:

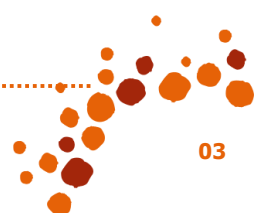
- More effort will be spent on explaining the value of change management
- Further integration with project management and links to Agile approaches
- Increasing maturity of change management as a practice

Setting the scene

From a UK perspective, there is evidence from salaries and jobs data of the growing respect and demand for change management skills. Firstly, the number of business change and transformation roles continues to increase, and that the rise in these numbers in only three years has been significant. Using data from the UK's largest job board, we can see that the trend continues upwards, particularly for the more senior roles associated with business transformation.



This increasing demand has an impact on salaries. An experienced Change Manager can expect to command between £600-700 per day in London and for a Head of Change Management role I have seen rates between £750-£1,200+ per day dependant on scale and scope of the transformation and type of business. Annual salaries have a very broad range, dependent on the scale and complexity of the change and the level of experience demanded for the role. A quick survey of the job boards shows the range to be from £30,000 to £175,000.



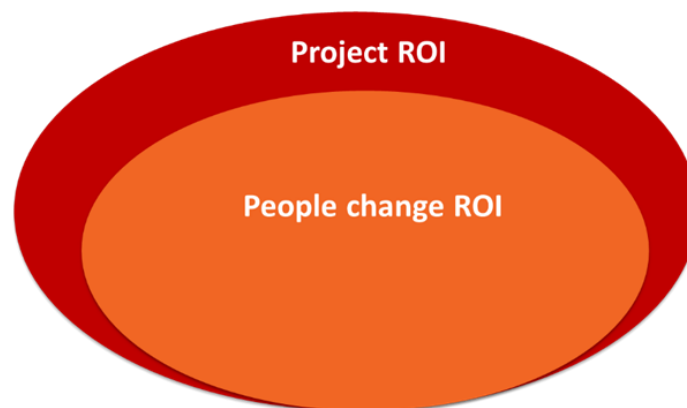
However, I think the really interesting data comes from the annual salary survey run by the Association for Project Management. They state that this year the average salary for a Change Manager is £55,500 compared to the average salary of a Project Manager at £47,500. Comparing these figures with 2016, Change Managers have increased their average salary from £51,000 (an increase of £4,500) whilst Project Managers have risen from £46,000 (an increase of only £1,500).

Alongside the number of roles, the number of those with qualifications in change management continues to grow. APMG-International, the examining body for the Change Management Practitioner qualification, which is based on the Change Management Institute Body of Knowledge has seen an increase from 2016 from over 5000 exams taken to nearly 12000 this year.

Explaining the value of change management

If change management is to be taken seriously as a management discipline, it must justify itself. Those of us in the profession must get better at explaining both what we do and the value of what we do.

Too often we fail to point out the obvious, that what we do realises the benefits of the project investment. After all, when we look at the majority of projects, they provide the opportunity for improvement, but unless someone is willing to work in a new way, their organisation will not benefit. I find this diagram a useful reminder of this basic concept.



For example, I am currently responsible for the implementation of a project management tool, replacing reporting to the PMO using spreadsheets and Microsoft Project. The key benefit of this implementation is increase the capacity that the existing PMO will have to oversee projects.

Currently there are 4 staff, at an average cost of £60,000 per annum. The organisation is growing and it has a high number of projects, many of which have to be ignored by the PMO because of their capacity constraint. The PMO spend their time chasing Project Managers for reports, which come in different formats that have to be assimilated by the PMO.

As a result, the demand for reports starts almost as soon as the monthly programme board has finished. This means that the information is often several weeks old by the time it is presented to senior management, so decisions are taken to chastise failing projects that have already fixed their

issues, and praise on time projects that are actually falling behind on key deliverables. It is a monumental waste of effort and time.

The new platform enables the Project Managers to record project information, automate chasing emails to team members and use a dashboard to analyse all aspects of performance. The PMO no longer chase for data and can add value by providing analysis, spot trends and step in earlier to assist with difficulties across a much broader portfolio.

However, these benefits are not achieved because I have bought the new tool. They are achieved because the Project Managers have changed their behaviour and started putting their data into the tool, and using the dashboard to assess their progress. The PMO have changed the nature of their conversations with the Project Managers. They are not nagging and chasing, they are providing comparison information across all the projects which helps the Project Managers understand the wider picture. The Programme Board are willing to use a live feed from the tool, and not rely on lots of pages of type written reports all printed out for them ahead of the meeting.

Nothing that I am saying here is new, behaviour change has always been the magic ingredient of realising benefits. I just think we ought to be clearer about claiming our successes.

One of the ways that we can achieve this clarity is to explain what we do and the best way to do this in a business environment is to track our progress and share our metrics. I believe that there are simple metrics that we can use to show how through our work people are shifting to new ways of working.

- Awareness – I think we can track how many people know about the change. I don't mean know as in 'they know what the change is and when it is going to happen'. I mean that they have a real understanding of what the change is will mean to how they work. Those leading the change have provided enough explanation of the change for people to assess what new tasks they will have to do and what work will remain the same.
- Perception – at the start of the process of change, this initial awareness generates negative feelings as the impact is understood. However, if we are doing our job well, we help all those affected by the change to appreciate its benefits and how it can help them work more effectively. We need to track the level of support the change has, to ensure that we are moving the conversation from the reasons why the change shouldn't happen to all the reasons why it is important and useful.
- Participation – change only happens if those affected by it make a personal decision to work in a new way. As Change Managers it is our job to influence that decision, and an important part of that is providing them with lots of opportunities to co-create the change and make it something they are doing to themselves, and not something we are doing to them.
- Usage statistics - change becomes a self-fulfilling prophecy when more people than not are working in the new way. We should track who has actually made the shift to doing things differently. How many people are actively using a new system, not just logged into it? How many people have applied the new process? How many people are supplying information in the new format? These questions will depend on the change you are making, but we should be tracking the shift to new ways of working early and consistently throughout the change.

This is because a key value that change management can deliver is early adoption of a new approach, which means the organisation is realising the benefits early in the lifecycle.

- Benefits – finally, we should lay claim to the improvements that the change has generated. Maybe one of the reasons we are not good at doing this is because good things that emerge from change are often intangible. How do you measure a happier working environment? How do you attribute an improvement in reputation to a specific change initiative? I think as change matures our ability to define and measure a wide range of non-financial benefits will improve. Meanwhile, we need to claim the financial benefits as a result of changes in behaviour and not just project delivery. Use this equation to explain the value of what you do.

$$\text{Return on investment of change management} = \frac{\text{Total benefits dependent on people changing how they work}}{\text{The cost of the change management activities}}$$

Specific benefits of a change management discipline

Aside from the value of the behavioural change, I think we can also make an argument for the discipline that the process of change management brings to the business. When I facilitated a discussion on the benefits of change management recently, the group identified the following advantages:

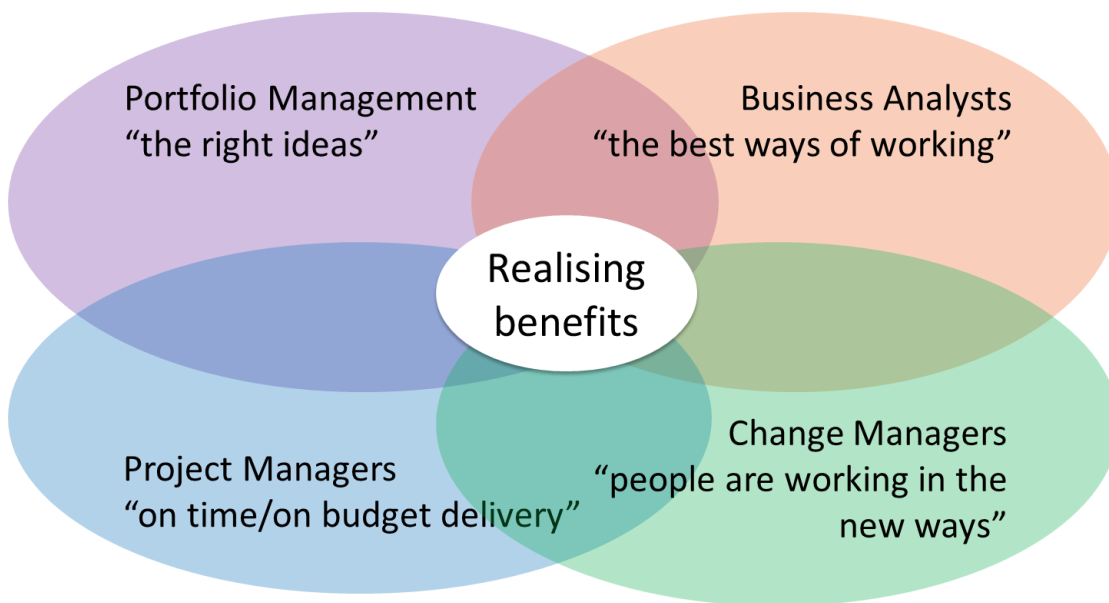
- We can offer the business a managed approach to achieving benefits. The achievement of the benefits promised in the Business Case are systematically planned and worked towards via the Change Plan. This appeals to those who like a structured way of working, and creates clarity of what is going to happen by providing a roadmap of activities that move the business from delivery to adoption.
- The activities on the roadmap means that progress can be tracked, offering greater certainty of what is happening, and offering opportunities to step in and take action if needed. This increases the chances of realising the benefits.
- This roadmap of activities also reduces the stress and resistance generated by the uncertainty created by change. Those impacted by change might not understand exactly what the end game will look like, but at least all of the steps on the journey have been clearly defined so they can see how far they have come and how far they still have to go.
- There was a strong feeling that this roadmap of activities can increase the speed of adoption, as everyone affected knows what they need to do and when they are expected to do it. Of course, earlier achievement of the change brings benefits of increased return on investment as we need to wait less time to achieve payback. However, there are a number of less tangible benefits because by achieving the change earlier, we achieve the improved working environment earlier which is more pleasant for everyone and which creates motivation and momentum for further change in the future.



- Finally, the identification of all the change activities into a cohesive plan encourages continuous improvement. This is because it creates an environment where continual change and enhancement is the norm and provides processes for ensuring continuous improvement can be achieved.

Further integration with other management disciplines

I think that as change management develops, it will 'pull in' other management disciplines, aligning to the common goal of realising the benefits of the initiative.



Increasingly I am seeing the broadening of the scope of the change management function, to include staff from the project management disciplines. As this diagram shows, each of these functions has an important part to play in realising benefits.

Portfolio Management

An important element of effective change management is portfolio management. Change cannot be managed in isolation and unless those creating new ways of working can easily understand what other changes are taking place in the organisation, they are likely to miss their target.

Project Managers

I think many Project Managers understand that their role is actually much wider than on time, on budget delivery. If they are to realise the benefits promised in their business cases, they have to ensure that those that they deliver to are going to use what they deliver. They are often frustrated in their application of change management by their move to another project before sufficient adoption has taken place, but increasingly organisations are bringing together project and change disciplines to create an integrated approach from creation and delivery of new ways of working to their adoption as the new norm for the business.

Business Analysts

Business analysts have always had an interest in helping staff move from existing to new ways of working, and the increased visibility of Change Managers in their organisation, along with the existence of change management frameworks and toolkits makes it easier for them to identify the tasks needed to change the ways of working.

To encourage this collaboration I think the change profession has to get better at explaining what we do and how that contrasts and complements these other disciplines. We will have to work to forge these relationships, which will take time as we step on each others toes initially and learn to compromise on who does what and how we do it.

Increasing maturity of change management

I think that whilst change management has started to clarify its scope, what we do now is only a point in time and I think that must continue to improve.

From my experience of many organisations, if they have a change management method or approach, it is linear set of activities based on project management approaches. It implies that change is the product of a set of tasks that move people from uncertainty to new ways of working, carried out one after the other. This approach is underpinned by the assumption we are dealing with one change at a time and that change originates top down, and that when we hit problems we escalate up to the next level of management for help.

We know that the reality is that there is no linear path from old to new ways of working and that finding the right starting point, and being willing to repeat many activities time and again as more people become aware of the change is part of the art form of change management. In 2018 I will certainly be working hard to develop approaches that reflect this reality. I think this will mean working out how to manage multiple, inter-dependent changes, and spending more time supporting those who feel the environment of constant change is wearing them down.

I think our approaches need to develop more psychological support, and that instead of templates and checklists forming the backbone of our change toolkits, they need to include lots of coaching guidance on how to hold difficult conversations, how to role-model new ways of working and how to tell effective stories that re-set the expectations and provide reassurance during the transition.

Above all I think we need to move from a world where change management is carried out only by change professionals, to one where all those impacted by change are sufficiently trained in change to manage themselves through change. At the moment things feel very similar to the growth spurt that project management had at the start of the century. We have 'professional' project managers, who all had a PRINCE2® qualification and were called in to manage projects. Now we are in a more democratic world, where those directly affected by the projects are leading them. I see a similar development path for change management.



Conclusion

To summarise these trends for 2018, I think the continuing growth in change management will include:

- Greater awareness that change has to be supported, and that change management is a risk mitigation activity. Achieving benefits only happens if people work in new ways, and that they need encouragement to do so.
- An increase in the structures that support change management including the creation of more integrated Change Management Offices, although I don't think that is the term that will be used. I think we are likely to hear these functions described as Portfolio Offices and they will be staffed by project and change professionals. These Portfolio Offices will be responsible for portfolio management, supplying vital information about all the changes taking place and how they fit together.
- Finally I think that those offered training in change management will broaden to include line managers and staff who are impacted by change, and who are expected to lead the implementation in their own areas of responsibility. This is backed up by the decision of APMG-International to launch a new course aimed at this group, called the Certified Local Change Agent qualification <https://apmg-international.com/clca>

About the author

I have been responsible for the successful delivery of effective change and for creating environments that support transformational change for over twenty years. I have an impressive track record of successful consulting assignments and I am an acknowledged thought leader in Change Management.

I am the Co-Chair of the Change Management Institute UK and a respected author of text books and articles on change, project and programme management. I am a talented communicator with a reputation for delivering complex information with humour and passion. I draw on my wealth of practical experience to illustrate concepts and to engage my audience in lively debates on advantages and disadvantages of each approach that I outline.

To access more resources about change management connect with Melanie on LinkedIn <https://www.linkedin.com/in/melaniefranklin1/>