



White Paper

Change Management: Increasing the Likelihood of Success

By Bruce Lindeman, ICF

Executive Summary

Change is inevitable for any organization. But the extent to which companies can successfully manage change can mean the difference between long-term growth and longevity and stunted results. Massive IT and operational changes are just a few that today's businesses must manage—and the importance of effective management lies in the need to minimize disruption to the company's strategic vision while improving day-to-day operations and preventing change failure. The cost of not doing so? Lost profits, lost time, and missed opportunities—to name a few. Businesses looking to make needed leaps successfully should recognize the top-down/bottom-up nature of change management. That is, making change successful involves everyone from customers to employees and management as well as external suppliers. In looking at the organization holistically, successful change management can be implemented across the organization in an orchestrated and sustainable fashion.

Don't Wait: Timely Implementation of Change Management is Critical

Major change in any organization can come about for many reasons: mergers, acquisitions, downsizing, reorganizing, relocating, and revamping processes. The list goes on. And one thing these changes all have in common is that they typically involve a launch phase to get the ball rolling. But a change management plan to make sure the transition is effective and successful needs to be in place



long before launch. The plan should be budgeted for, planned and strategized many months in advance. Waiting too long to implement a change management plan can have many adverse effects:

Potential financial implications

Waiting too long to implement critical change strategies can result in alienated clients and customers who acutely feel the hiccups associated with new processes that are less than organized and streamlined. What's more, this can lead to inefficiencies and lost revenue and add to the cost of making changes after the optimal timing for those changes has already passed.

Risks to the current technology infrastructure

When the changes at hand for your organization involve technology (and most changes will involve technology, at least to some extent) delaying a change management strategy can put current IT assets in jeopardy. IT costs are continually rising, and they cost organizations even more when delayed. These costs come in the form of outdated software and security updates, system outages and failures, lost revenue due to computing errors, and more. Clearly, IT changes need to be initiated long before the changes will actually be needed in order to keep systems operating at peak, cost-effective performance.

Loss of time, investments, and efficiencies

Missing the optimal change management window often results in a domino effect of losses for any organization. In the case of a Fortune 500 Medicare health insurance provider, for example, the company's inability to respond to drastic increases in new Medicare applications led to inadequate project tracking and scheduling—leading to an avalanche of last-minute submissions, no time for quality review, and associated inefficiencies. Such effects can be seen when change management timing is missed across myriad industries.

Develop an Integrated Change Management Plan

Making the necessary changes to propel the growth and longevity of any organization can benefit from a trusted resource. ICF has implemented a proven model for change management that helps our clients analyze opportunity and build plans centered around people, processes, and technology. And, we help our clients implement the plan every step of the way. Our process is systematic, yet nimble and flexible in its application—making it adaptable to unique business needs. By understanding the time and cost impacts of planning change proactively, our clients can develop communication strategies and plans that glean real results. ICF's change management model and framework for successful solutions is a multi-pronged approach:

Establishing the case for change

When change in any organization is necessary, it may be abundantly clear to many stakeholders—but not always. Visibility and buy-in across any organization varies depending on many factors. The net? Making a clear case for the need for



change can be just as critical as implementing the change itself. In this stage of change management, it's important to make clear assessments, including measuring the potential impact to the entire organization and its people, documenting the projected benefits of the change, its scope, and the appropriate timing. Interviewing top-to-bottom stakeholders are instrumental in getting an accurate view of the changes proposed. Just as well, organizational, market, and financial change impact studies provide necessary data to clearly establish a case for plans moving forward.

Planning for the change

Designing a change management plan should be a process as unique as the organization. Interviews with stakeholders across the organization help identify client-defined baseline and target success metrics; map out detailed plans of key milestones, tasks, and target dates; and inform plans for management, implementation, evaluation, and longevity of the change initiative.

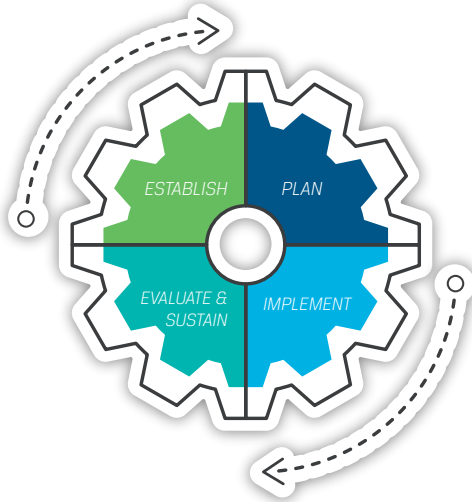
Implementing the change

How the change actually happens requires a series of carefully orchestrated actions. Analyses on the impact to the organization, business processes, job roles, staffing levels, and more, should be conducted both before and after implementation of change management activities. Specific plans outlining what will be communicated to whom, from whom, and when are essential to create unified messaging and build trust in the change management leadership. As resistance to change is likely to crop up or amplify during this stage, implementation of the ADKAR model (see sidebar for details) can help to mitigate the effects of resistance and even bring resisters on board. Finally, initiatives to design, build, and deliver training should be set in motion.

Evaluation and sustaining the change

Evaluating how change management activities are working is critical. At this stage, feedback is solicited on a regular schedule and key metrics are analyzed against the defined success metrics. And, since any change management plan should have the flexibility to adjust as needed, data from the evaluation is used for ongoing modifications and refinement—or even revamping some plans altogether. The ability to be flexible and adjust according to actual results and goals will increase the organization's odds of sustaining real and meaningful change over time.

While change management strategies can be implemented in-house, having a third party expert lead the effort can be beneficial given the objective lens through which they view the change event. This results in unbiased evaluation and implementation of change management efforts, unaffected by any personal gain or loss associated with the organization's plans. For organizations with their own change management structure in place, a third party consultant can also help to lead specific areas of the change management plan, helping to add specialized expertise where needed.





Help Ensure Success with a Comprehensive Communication Plan

While change may be helpful for your organization in the long term, it can disrupt work in the short term and may require a shift in team attitudes and approaches. This can be made easier by gaining buy-in and support from key organization leaders in order to inform and educate the teams that will be most impacted. Comprehensive and consistent communication strategies should be implemented to ensure that each person, organization, client, partner, supplier, etc. is notified and educated about how the change will impact them.

Key players in this effort? Executives, change managers, middle managers, and project support teams are all critical leaders involved. Being clear about the impact and expectations for everyone involved can help to ease the transition and minimize any internal resistance to change. Also important: feedback. Implementing a mechanism by which employees at all levels can communicate back to leadership can be very helpful in mitigating problems early on—particularly those that may only be visible within certain pockets of the organization.

Bottom Line: The Benefits of Successful Change Management Far Outweigh the Costs

Becoming aware of the cost implications of improper change management as well as the end-to-end benefits for successful transitions makes the decision to invest in a comprehensive change management strategy clear: The benefits far outweigh the costs. While many organizations may set aside little budget for change management, lack of proper planning inevitably leads to greater costs down the line. With proper planning, strategy, and implementation from a trusted change management resource, organizations can realize:

- Minimal disruption to their business
- Greatly improved efficiencies
- Lower costs
- Improved service
- Preparation for new lines of business, service offerings, and revenue streams
- Improved quality and accountability
- Streamlined regulation compliance

Built on practical research conducted in more than 900 organizations, the ADKAR® model is a practical answer to effective change management. ADKAR is an industry-accepted, proven model used to help in changing stakeholder beliefs and behaviors. In any change endeavor, there will be resisters—stakeholders who do not want to change. Using ADKAR, consultants can ensure that resistance is mitigated so that the change can be implemented successfully.

THE ADKAR® MODEL CONSISTS OF FIVE SEQUENTIAL STEPS OR ACTIONS:



About ICF

ICF (NASDAQ:ICFI) is a leading provider of professional services and technology-based solutions to government and commercial clients. ICF is fluent in the language of change, whether driven by markets, technology, or policy. Since 1969, we have combined a passion for our work with deep industry expertise to tackle our clients' most important challenges. We partner with clients around the globe—advising, executing, innovating—to help them define and achieve success. Our more than 5,000 employees serve government and commercial clients from more than 65 offices worldwide. ICF's website is icf.com.

About the Author

Bruce Lindeman's broad experience spans almost 30 years in assisting companies of all sizes realize their goals through strategic IT program planning and project management and delivery. His experience spans the healthcare, financial services, federal, retail, insurance, and high-tech industries and includes strategic consulting and leadership managing business process consulting, web site, database, and e-learning solutions with many Fortune 500 firms. Mr. Lindeman is an Agile Certified Scrum Master.

His consulting expertise includes: executive leadership, program management, project management, business process management, business change management, managing multiple projects, offshore teams, Information Architecture, educational services consulting, Instructional Systems Design, and Agile/Scrum program and project management and delivery.

For more information, contact:

Bruce Lindeman

bruce.lindeman@icf.com +1.804.874.9325

healthcareconsulting@icf.com

icf.com +1.703.934.3603

Any views or opinions expressed in this white paper are solely those of the author(s) and do not necessarily represent those of ICF. This white paper is provided for informational purposes only and the contents are subject to change without notice. No contractual obligations are formed directly or indirectly by this document. ICF MAKES NO WARRANTIES, EXPRESS, IMPLIED, OR STATUTORY, AS TO THE INFORMATION IN THIS DOCUMENT.

No part of this document may be reproduced or transmitted in any form, or by any means (electronic, mechanical, or otherwise), for any purpose without prior written permission.

ICF and ICF INTERNATIONAL are registered trademarks of ICF and/or its affiliates. Other names may be trademarks of their respective owners.

