

## Change Management Model

By William W. Scherkenbach

William Scherkenbach is internationally recognized as one of the world's foremost authorities on the subject of quality and its implementation. Theory without action is useless. Action without theory is costly. Bill has the rare combination of both state-of-the-art theory and the experience of applying it in the real world.

He was in the very privileged position of learning from and working with Dr. W. Edwards Deming in the last 25 years of his life. He was with him on over 1000 meetings, including at least 50 four-day seminars, with leaders of industry and government all over the world.

*"He was my student, and there's none better in the world... It takes a little ingredient called profound knowledge, and he's got it."*

*W. Edwards Deming*

Address for this paper: [ccmii.org/files/ws/change-management-model.pdf](http://ccmii.org/files/ws/change-management-model.pdf)

William Scherkenbach and the Curious Cat Management Improvement Institute have made available a large number of additional files.

Find all the files:

[ccmii.org/files/ws](http://ccmii.org/files/ws)



# Change Management Template

The purpose of this template is to guide you in the steps needed to **better implement** changes and improvements developed by PDSA, Project Management, Business Process Improvement, or other methodologies and increase their chance to be lasting changes.

## General Information

Name the Change:	There is a psychological advantage to succinctly put a name on what you are trying to change. (Yale University research)		
Methodology Used to Generate the needed Change:	PDSA, BPI, PMP, or other method		Date when form was started:
		Date Prepared:	Date when Step 1 was completed:
Project Leadership:	Name(s) of Project Leader(s)		

## Step 1: Create a Compelling Vision for Change

1.1 Specifically, what is the urgent problem and what is the needed change to fix it.

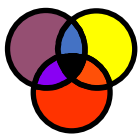
**Kotter, McKinsey**, and others strongly suggest establishing a sense of urgency. Others say that the solution or Change will be analyzed in relation to the problem or situation that it “solves”. The wrong problem or an ambiguous problem statement will complicate the efforts to engage people to Change. The sense of urgency can be linked to the triggers of the change. Urgency can be created or enhanced by a shortage of time and/or resources according to **Drucker**.

1.2 What are the drivers/triggers of the change? **External** (Key Customers, Regulatory, Statutory, Benchmarked, ...)? **Internal** (Strategic positioning, Process Improvement, New Executive, ...)?

The drivers or triggers of change can be used to create the sense of urgency in the Change. They can be **external** from federal or state regulatory agencies. Key Customers such as ERCOT or the State of Texas. Statutory agencies such as Austin City Council. The triggers could also be **internal** from Executive management, Strategic Planning, or a new Executive. Identifying these drivers or triggers puts a stamp of legitimacy on the Change. Many people need a “reason” to Change. That reason can be **Physical** “because the IRS requires it this year”. It may be **Emotional** “because we’ve listened to our employees, and this is now the right thing to do”. It may be **Logical** “because this latest methodology will improve our Customer satisfaction by 25 points within 6 months”.

1.3 What compromises were made and what coalitions were formed to come to agreement on the needed change?

The “bigger” the change and the “broader” the change, the higher the odds are that some compromises were made along the way to get agreement. Those coalitions and compromises need to be **visible** to you and your team as you develop your vision and plan to make the “needed” change a “lasting” change.



*1.4 What happens if you don't implement this change? What happens if you only partially implement the change?*

What are the risks of not implementing the change? Why is the status quo not acceptable? What could happen if you botch the change and only get part way there? Is that worse than the status quo? Risks include all resources: people, money, machines, material, etc.

*1.5 How much additional workload will be required to implement and maintain this change? High, Low and Most Likely estimate.*

Boston Consulting Group has found that if you are asking people to add 10% or more to their workload, they will balk at implementing the change. You must reduce the added workload or find an offset to the added work. This also can be a selling point if you can reduce the workload with offsets. Many will complain that any "additional" work is too much. You must be able to show that their real workload includes rework and do-overs and workarounds that the status quo tends to gloss over. When all the work is visible, hopefully the Change will not add to it.

On the other hand, you may be implementing a BPI project where you are reducing the workload through process efficiencies. People need to be reassured that they will not be losing their jobs over the change.  
Always use a range of estimates because it will give you more leeway in execution.

*1.6 What are the behaviors needed by everyone to implement and maintain the change? Skills? Knowledge? Motivations?*

Vital Smarts finds that you must identify the critical few behaviors that will be observable if the change takes place. For instance, a vital behavior to reduce infections in hospitals is for the physicians to wash their hands when entering patients' rooms. It might be the behavior to be on time for meetings will make them more effective and efficient. It might be the behavior of speaking up, without fear of reprisal, as an indicator of Open and Honest Communications.

*1.7 How will this change improve the organization's ability to meet your Vision, Mission, Values, Strategic Goals and Objectives? Pay particular attention to the Values because employee survey results indicate a strong skepticism of recognizing performance.*

Many people look to see if what they are doing contributes to the good of the organization. At the very least, you must show that you are not asking people to act counter to the Vision, Mission, and Values. You can begin to establish a "Line-of-Sight" from the VMV to the Change's Vision and what people are being asked to do in the Change.  
The lowest satisfaction scores in employee surveys typically revolve around employees not being recognized for their contributions. Linking to the values can be a powerful motivator for Change.

*1.8 Project Manager, look in the mirror. What do you need to do to internalize and then Communicate the behaviors needed to influence and implement the change? Skills? Knowledge? Motivations? What do you need to shore up? What do you need to tone down? Who do you need help from?*

This is a very difficult step for most. Studies have shown that a big barrier to change is



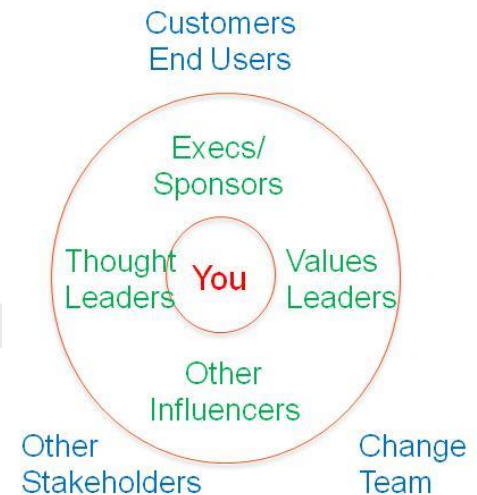
Executives thinking they already are the change. The same goes for Project Managers. Each of us must say “follow me”; not “I’m behind you all the way”. Acquiring new skills requires training and practice, not just “book learning”. Knowledge, on the other hand, is “book learning”. Motivation is very personal. Others can see if you are not being authentic, if you are just going through the motions, wink, wink. Ask someone (or two) you trust to tell you straight what you need to change.

*1.9 Identify the Champions (Deming’s Critical Mass) needed to lead the change: Executives/Sponsors, Thought Leaders, Pride/Values Leaders. Who will be leaving before this process is Anchored? Assess the risk of breaking continuity.*

*In many cases the Sponsor is most important in implementing the Change. The Sponsor must be actively out front, not “behind you all the way”.*

*Additionally, identify those who have a reputation as experts or go-to people. Who has the respect of others?*

*Continuity of the Champions is critical. If one is projected to leave or be reassigned, consider someone else who will be there from start to after the “finish”.*



*1.10 Identify the Stakeholders: Customers/End Users; Change Team; Other Stakeholders. Who will be leaving before this process is finished? Assess the risk of breaking continuity.*

*Customers should be involved from the beginning to give input and reaction to the changes as they occur. It is usually too late to wait until the end to get the customer to accept the change. Make sure to include any market niches that exist.*

*Try to have people who have worked together on the Change Team with you. Follow Intuit’s 2-pizza rule on the size of the team (4 to 6 people).*

*As with the Champions, make sure everyone on your team will be there and participate for the duration.*

*1.11 Meet with Stakeholders and Champions to get their inputs and develop a Vision Statement that includes quantitative, qualitative, and emotive themes. If this Change has been tried before, what will we do differently? Look at previous Lessons Learned, After Action Reports, surveys inputs for ideas on what to include or not include in the Vision.*

*Ask each Stakeholder and Champion to write what they think should be the compelling Vision Statement. If there is a clear winner, go with it. It should look like it was written with one voice. If there is no clear winner, the Project Sponsor and Project Manager should take all the inputs and collaborate and write the Vision Statement. (Scherkenbach) (Incorporate P,L,E frequencies)*



*1.12 Write the Vision (It should be SIMple, short, compelling and memorable) (McKinsey)*

SIMple = Specific, Important, and Memorable. The more specific the better. Identify before-change baseline measures that will be compared to after-change results to gauge the effectiveness of the Change. (VoC VoP Gap)

Short = no more than 1 or 2 paragraphs

Compelling = State What, Why, Wow

Memorable = multi-sensory appeal; also, see Short and Compelling

*1.13 Develop a time-phased plan for the Change to include “Quick Wins”, Pilots, and periodic Customer acceptance of the Change.*

Kotter and others strongly recommend that you build in “Quick Wins” in your Change timetable. The reasons are obvious. People need to be reassured that the Change effort will return the benefits and not be a waste of their time and resources. Your plan should include a “Pilot” that includes some customers and minimizes the risk of “all or nothing” that jeopardizes the rollout of the Change.



## Approval and Signatures

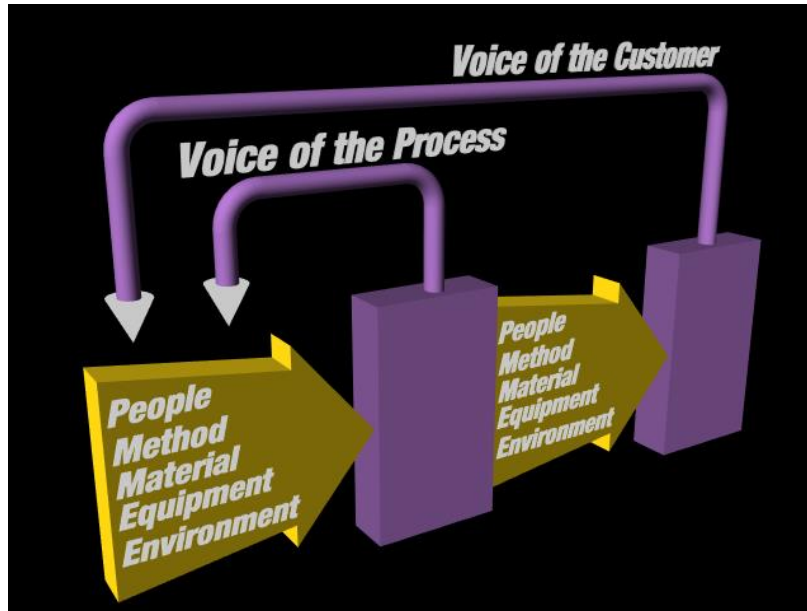
1.14 The signatures below signify formal approval and a commitment to actively participate in the next three steps to make the change. (Cialdini)

Name/Title	Signature	Date
<i>Business Unit Executive</i>		
<i>Project Sponsor</i>		
<i>Project Manager</i>		
<i>Key Influencer</i>		
<i>Key Influencer</i>		
<i>Team Member</i>		
<i>Team Member</i>		
<i>Customer</i>		
<i>Customer</i>		



## Step 2: Communicate the Vision to All Stakeholders

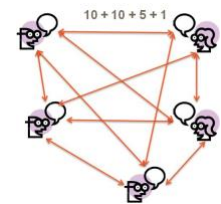
2.1 With the help of your Stakeholders and Champions, use the **process** diagram to Identify/Initiate/Cancel/Modify policies, procedures, processes, training, systems, etc. to begin to anchor the change. Then include in your personalized communication plan the intent and potential benefit to all.

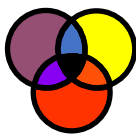


**People** may be influenced by all that is in the Process: Other people, Resources of time and **Materials, Methods** specified in Policies, Procedures, Standards, Performance Measures and Goals. Is there fear in the organizational **Environment** that inhibits improvement? Are you heavily invested in **Equipment** that prevents improvement? Each of these should be considered a mode to get others to make the Change. Use these to include in your Communication Plan. They are the leverage to get people to Change. Let them know that these can be adjusted in the future to react to any collateral problems.

2.2 Develop a personalized plan on how and how often to build awareness as well as communicate with each Stakeholder and Champion. Messages must be communicated and received 5 to 7 times before most will internalize the information. (Prosci, Scherkenbach)

Ask each of the Stakeholders and Champions what their preferred mode of receiving important information is. Additionally, what is their preferred mode of giving important information to others? Some modes include: email, person to person, Instant Messaging, phone conversation, Video Conference, Twitter, all hands meeting, regular staff meeting, Computer Based Training, Policies, Procedures, Others of influence, Standards, etc. Construct or update a file that keeps track of the best way to communicate to each individual. Keep in mind that even the simplest message must be communicated in numerous ways and numerous times to get the action you desire.





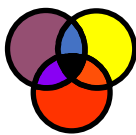
*2.3 Integrate this Change Management Process Plan into your specific Project Plan. Be sure to highlight the “quick wins” you build in to your Change. Build in a Pilot or beta-test to build support for the Change. Include periodic Customer acceptance milestones; don’t wait till the end to test and get acceptance. Include milestones to periodically assess and address management commitment.*

Augment and update your Project Plan with the specifics of this Change Management Process Plan. There shouldn't be two Plans.

*2.4 Meet/Huddle at least every 2 weeks to adjust and reprioritize tasks. Meetings should focus on coordinating future actions, yesterday's gone. Share all change journal entries.*

Boston Consulting Group found a drop off in the effectiveness of making the Change if the Team and Stakeholders were not meeting or huddling at least every two weeks. The focus of the meeting is what needs to be coordinated between the players the next few weeks. There are other and more efficient ways to communicate what has happened. If you get people together, take advantage of their participation to impact the future; yesterday's gone.





## Step 3: Monitor the Progress of Change

3.1 Hard and soft measures: Use variables data over time where possible. Make visible the interdependencies and conflicts. (Perfect, Free, Now) (Expand with Process Model)

V,M,V Key Terms	Key Questions	Measure	Direction	
Clean	What is the risk of EPA non-compliance?	Nox	LTB	+
		SO2	LTB	+
Affordable	How competitive are our costs?	Total Bus Bar \$/MWh	TP	+
		Total Cost to Serve Load \$/MW	TP	+
		Non-Fuel O&M \$/MWh	TP	+
Reliable	What is our reliability risk?	EAF	HTB	+
		EFOR	LTB	+
		?	LTB	+
Safety	What is the risk of NERC non-compliance?	Incidents (LWD+RWD)	LTB	+
		Near Misses	LTB	+
		?	LTB	+
Customer Satisfaction (Internal, External)	How satisfied are our Employees?	LTW	HTB	+
		CSAT	HTB	+
		?	HTB	+

+ Positive Correlation  
o No Correlation  
- Negative Correlation

The only reason to collect data is to take action. The trick is to take appropriate action. You want to balance playing bop-a-mole with head-in-the-sand. You also want to identify the few metrics that are key to impacting the Change. Customer satisfaction is influenced by three parameters: Quality, Cost, and Timeliness. You should be monitoring those over time.



3.2 Pay particular attention to monitor cultural issues that overshadowed past Change performance.

Culture usually trumps strategy. If there is fear to participate openly and honestly, then ... If micromanagement ... If sacred cows ... If there are issues that are not discussable ...

3.3 Involve the customers frequently to get their input and monitor their response to the change.

Transparency and visibility are key. Follow up every meeting with a written statement on what was agreed upon.



### *3.4 Use real-time Dashboards, screensavers, social media trending on the change.*

Dashboards are a great way to convey what has happened and what is happening. This is usually a far more efficient way of communicating what happened in the past than a meeting. (Follow the individual dossiers for the Critical Mass)

### *3.5 Recognize short-term wins when they occur.*

These should be planned, but if they are unexpected, highlight them. If the project is longer, look for mid-term wins and wins throughout the implementation so that the team keeps energized. (Show the progress of the narrowing Gap)

### *3.6 Monitor employees for their contributions to the change.*

Employee surveys consistently show that employees feel that they do not get recognized for their accomplishments. Recognize them.

### *3.7 Monitor and adjust added workload*

The Boston Consulting Group in their "DICE" process found that the chance of making a successful change drops off dramatically if the added workload is over 10%. You should have planned a lesser workload in Step 1, so monitor it and adjust.

### *3.8 Use real-time lessons learned. Don't wait till it's over. Don't stop when you think it is over.*

Borrowing from Agile and Rapid Prototyping and Lean, keep the Lessons Learned visible and updated every two weeks. (No Bop-a-Mole though)

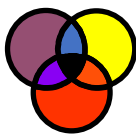
### *3.9 Incorporate a no fear rule: Encourage sharing and candor. Focus on those who use fear to get things done.*

Make a point of celebrating candor and not encouraging those who use fear to manage. Recognize employees for their contributions to making the change.

## **Step 4: Anchor the Change**

### *4.1 Make sure that the Customer/End User Team is transitioned by the Change Team.*

There are a lot of "between the lines" discussions and decisions that the Change Team must make to develop the Change. Make sure that customer/end user communication and "buy-in" is a continual process throughout the development of the Change. You should consider a "transition" or "turnover" event to signal that the customer/end user is running it now.



#### *4.2 Continue to model the changed behaviors*

Champions must not only continue but get better at modeling the behaviors necessary to effect and continue the Change. Recognize employees for their contributions and behaviors in making the change.

#### *4.3 Tweak the policies, procedures, processes, etc. to reinforce and maintain the Change*

You need to have the flexibility to adjust the policies, procedures, etc. that you modified or created to facilitate the Change.

#### *4.4 Audit/Assess and make corrections at 6, 12, and 18 months after the launch of the change.*

Put the Post-Change Audit and Assessment schedule into your Project Plan. Use ISO 19011:2011 as a guide.

## **Cost Estimates**

*What are the costs to the business if this change is made? What are the costs to the business if this change is not made? Estimate costs 2 years beyond the Change start date. (Incorporate these costs into your PDSA, PM, BPI, or QMS cost estimating process.)*

Self-explanatory. Compare to Business Case estimates for O&M and CIP moneys. As in the Project Planning, there should be only one financial document to avoid confusion.