Build a Change Management Office
9 Steps to Make Your Change Efforts Stick

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Introduction

Below is a scenario that may sound familiar. A new program is designed to take advantage of a new market opportunity. It is expected that this new program will substantially improve business performance. Months are spent developing the perfect implementation strategy. Employees are given the program details and some guidelines to follow. There is initial interest in the program, but it fades quickly. After a few months, the new program is abandoned and marked a failure, disappearing into obscurity.

Similar stories play out year after year at companies across the world. The fast-paced nature of our global economy means that new promising changes are designed on a regular basis. A deliberate change management strategy is crucial for companies looking to be agile in their adaptability, but structured in their approach to change.

Establishing Change Management Offices (CMOs) or Change Management Centers of Excellence (COEs) can add structure to how a company approaches inevitable changes. This can increase the likelihood of successful implementation and adoption of new programs, processes and ideas. CMO/COEs are also tasked with enabling or improving change management capabilities within a company. Their specific role can vary from organization to organization. For some, the CMO delivers change management work, while others only provide project managers and employees with the tools and training needed to deliver the change management work themselves.

While the role may vary by company, the purpose is the same — to enable a company to effectively manage the people side of change and implement the changes needed to be successful.

Setting up a CMO: Nine Major Steps

Setting up a CMO can be a daunting task. In most cases, companies will need to build the CMO from the ground up. Organizations with successful CMOs typically undertake nine major steps to establish them including:

1. Design and establish a change management office structure.
2. Create change management methodology, tools and templates.
3. Align the change management methodology with project management.
4. Engage key leaders and stakeholders to support the CMO.
5. Raise awareness of change management and the CMO.
6. Develop change management knowledge and skills in employees.
7. Deliver change management on projects to set an example and prove the value.
8. Measure and show change management results and successes.
9. Change the culture to view change management as a key part of project implementation.

While CMOs/COEs can vary dramatically in structure, processes, staffing or goals, they can all utilize these nine steps for their development. These steps walk organizations through building the foundation for a successful CMO by engaging employees to embrace change management and create lasting change. The goal is to continue providing the change management support required to successfully meet business needs.
Step 1. Design and establish a CMO structure

The first step is to design and establish a CMO to lead change management efforts. This demonstrates a commitment to embrace and improve change management, and also provides accountability for change management within the organization.

A CMO is the place for the organization to go for change management support. It also better enables change management strategy, processes and goals. Each organization has different needs and limitations for a CMO. Changes vary on the volume, type and complexity of typical change efforts. Additionally, organizations can face limitations due to processes, culture, geographic locations or budget. Major decisions will need to be made when designing the CMO relating to scope, strategy, goals, structure, roles and responsibilities.

Strategy and Scope

Determining the strategy and scope of the CMO is a key first step when designing and establishing its structure.

Key Considerations:

- What will the CMO need to accomplish?
- Will it drive efforts to increase the use of change management, set requirements for projects that must use change management, or simply be a center where to access templates and guidance?
- Will the CMO lead change management or will change be led by project managers with CMO support and resources?
- What specific divisions, functions or project types will it support? Will it only support projects above certain impact, revenue or budget levels?

These decisions will form the foundation for designing the CMO and will influence how the CMO is implemented.

Structure

A well-designed structure can provide the foundation for success and remove barriers. The design should be informed by the strategy and scope, as well as limitations due to budget, culture or the existing organizational structure.

Key Considerations:

- Where is the CMO located within the organizational structure?
- Should it have a centralized, decentralized or matrixed design structure?

Roles & Responsibilities

The final major decision when designing the CMO structure is defining roles and responsibilities. Responsibilities are varied and can include building change management awareness, training employees, developing and maintaining a change management methodology and resources, delivering change management on projects, or advising leaders on how to structure project implementations to best support employee adoption.

After determining roles and responsibilities, determine staffing considerations, taking into account the following:

- Specialization of team members (i.e., generalists versus specialized workers).
- Employment status (i.e., FTE or part-time workers versus contingent staff).
- Once the CMO has been staffed, it can continue with the next steps to drive forward.
Step 2. Create a Change Management Methodology, Tools and Template

Once a CMO is established, a change management methodology - supported with resources and tools - needs to be created. This will enable individuals to view change management in a consistent and common way, and will serve as a guide to efficient and effective change management delivery.

Methodology

Different organizational structures necessitate varied approaches to the way business is conducted, and change management methodology is no exception. In every case, organizations should focus on obtaining and solidifying leadership and stakeholder commitment throughout the phases of change management. However, whereas a top-down organization may emphasize formal leadership engagement more heavily, a flatter organization’s methodology may focus more keenly on engaging influencers and those who lead indirectly. Organizational structures can differ greatly from company to company, so change management methodology should be tailored as such.

Organizations have several choices for establishing a change management methodology. They can:

- Leverage an existing methodology used by other organizations, but customize it to closely align to their organization’s culture. This can be beneficial because existing methodologies have oftentimes been tested and/or refined.
- Create a brand new methodology, tying it specifically to the needs and operating model of the organization.
- Create a hybrid methodology by leveraging existing methodology, and incorporating it into the organization’s current state project management processes. This approach can save time and resources, but should be done with care to ensure that the intent of change management is not lost.

Whichever option an organization prefers, it is important to consider that the methodology does not need to be intensive or complex. Oftentimes, a simple methodology applied consistently can provide the structural foundation for change management.

Tools & Templates

Tools and templates should also be developed to support the methodology. Many existing change management methodologies include associated tools and templates, but organizations may also create ones that may be more consumable by their organization.

Step 3. Align the Change Management Methodology with project management

Once a change management methodology has been developed, it should be aligned with project management activities to allow for an easier integration of change management principles and activities when applicable.

Organizations with formal project management methodologies should consider where change management activities can and should exist within their existing frameworks. For organizations with an informal approach to project management, change management methodology should be aligned to general project management activities. This effort may be as basic as identifying key project milestones (e.g., leadership approval/"go-lives") and aligning them to key change management activities.

Step 4. Engage Key Leaders & Stakeholders to Support CMO
Sponsorship for Change Management

Over 50% of large scale institutional changes fail because the project fails to generate a sense of urgency and importance around the change. Like any change, a sense of urgency and importance needs to be generated for the CMO to be established successfully.

A critical component to the successful establishment of a CMO – and to the implementation of any change for that matter – is the involvement of a senior-level leader as the CMO business sponsor. A key component of the sponsorship role is to engage and gain buy-in from other senior leaders – as well as key employees in informal roles of influence – to generate a sense of urgency and importance around the creation of the CMO.

Introduction to Leadership and Stakeholder Engagement

As mentioned, leadership and stakeholder engagement is critical to the successful establishment of a CMO. Leaders and other stakeholders build support for change management throughout the organization, drive changes and generally set the tone for the rest of the organization.

- **Stakeholder Analysis**: As part of efforts to engage leaders and other stakeholders, a key first step involves conducting a stakeholder analysis. This will help identify stakeholders (including key leaders), and document their influence and impact within the organization.

- **Business Case for CMO**: Additionally, as a critical component of leadership and stakeholder engagement, a clear Business Case for the establishment of a CMO must be created. The Business Case should accomplish the following:
  - Articulate the future vision of the organization.
  - Articulate why the organization will require a CMO, and the benefits of a CMO.
  - Articulate the risk or opportunity cost of not conducting a CMO (e.g., productivity declining as resources resist change or missed business opportunities because a change could not be implemented).

Key Functions to Engage

In addition to leaders of key business divisions such as operations and finance, CMOs should consider engaging stakeholders within the following departments:

**Organization Development**: If an organization has a department focused on Organization Development or Effectiveness, it is critical to engage it due to its people focus. Oftentimes, Organization Development departments are responsible for change management activities, so in the establishment and execution of a CMO, they will either be strong partners or deeply involved in key efforts.

**Human Resources (HR)**: Because of HR’s role dealing expressly with employees and talent management, this department often will naturally advocate for issues that impact its employees, including the use of change management. Since HR is often a channel for feedback on general employee concerns and attitudes, it is critical to engage HR in change management efforts to inform the CMO’s approach to managing change. If an organization does not have a department directly dedicated to Organizational Development or Transformation the CMO can be housed with the HR department.

**Program Management Office (PMO)**: The PMO is often engaged with key projects and can advocate/monitor change management activities. In some organizations, the CMO is a part of the PMO.
**Strategy or Planning Divisions**: Strategy and planning divisions are often intimately involved in leading major changes, and may have insight into an organization’s most critical projects.

**IT**: IT often drives a lot of organization-wide changes. New systems, tools and technologies often require changes to the way employees approach and understand their work. IT changes often have a much broader impact on employees than just tools and systems.

### Step 5. Raise awareness of change management and the CMO

Awareness is the first step to change adoption. The implementation of a CMO itself is a change and will require its own change management. Employees need to be informed on what change management is, why it is needed, what the CMO is, and how they will interact with it. Employees will also need to understand “what’s in it for them,” and how the CMO will impact and improve their work lives. Because of the nature of change management, many employees will require multiple communications to facilitate their understanding.

#### Ways to Build Awareness

- **Formal Communication and Events**: The most common way to build awareness of change management and the CMO is through formal communications and events. Formal communication channels can include company meetings, newsletters, staff meetings, and email communications. Typically multiple formal communication channels are required to reach all targeted employees.

- **Change Champions**: Another way to build awareness and support for the CMO and change management is to leverage change champions and advocates. The purpose of a change champion is to build awareness of change management and the CMO, and to encourage employees to implement change management activities at all levels. Change advocates are influential individuals who have bought into the change and who can advocate for it. Sometimes, advocates have formal responsibility for championing the change, but in other cases, they are informal advocates with strong influence.

- **Change Management Community**: A change management community, or a group of employees interested in change management, can also build awareness for change management and the CMO. Change advocates are influential individuals who have successfully used change management and who can advocate for it. Employees involved in the community can then be leveraged to build awareness of change management throughout the organization as informal change champions.

### Step 6. Develop Change Management knowledge and skills in employees

Once employees are aware of change management and the CMO, they must develop foundational knowledge and skills in change management. Regardless of whether change management will be planned and facilitated by dedicated CMO individuals, or if employees will be responsible for planning and facilitating it themselves, employees must understand when and why it is needed. As employees better understand change management, they can effectively leverage the CMO and integrate change management activities into their everyday roles.
Methods for Developing Change Management Knowledge and Skills

Two key methods for developing change management knowledge are formal training and coaching:

- **Formal Training:** The most common way to develop change management knowledge is formal training. Organizations can use a number of methods including instructor-led trainings, online training and written training. Depth of the training varies, depending on the role employees will have in leading change management activities. In-depth training is required if employees are responsible for planning and facilitating change management on their own projects. More high-level training can be used if dedicated change managers are available. While formal training can be useful due to its structure, it can be costly up front and may be met with initial resistance to the change that learning new skills represents. However, if presented in a way consistent with steps 1-6, resistance to training can be mitigated.

- **Coaching:** Another method to develop change management knowledge and skills is coaching. On a smaller scale, employees working on a project or teams requiring change management are coached through the process by someone from the CMO. This provides a hands-on opportunity to learn how to deliver change management, while the recipient of the coaching can integrate their learning in real-time. After they have learned through experience, employees can continue to deliver it on future projects. Coaching is an effective way for employees to learn, but can also require significant resource investments and time.

Step 7. Deliver Change Management on projects to set an example and to prove the value

Oftentimes, teams need to see the benefits of change management firsthand in order to buy into it. To set the bar for change management effectiveness and prove its value, the CMO should model change management delivery on individual projects early on.

Select a high-profile, high-visibility project so employees can experience the benefits of change management directly. Ensure project sponsors and leaders already support change management to increase the chances of a positive experience. Finally – and most importantly – select a project where change management efforts have a high probability of succeeding. Understand that if the project fails, employees will have difficulty distinguishing between well-executed change management on a poor project and poorly executed change management. When the right project is selected and change management is delivered well, a powerful message is sent demonstrating the value of change management.

Step 8. Measure and show Change Management results and successes

Demonstrating positive results over multiple projects builds continued buy-in and support for change management. These results and successes can include both anecdotal evidence and metrics. When leaders and employees see change management is beneficial over time, they will continue to support it and it will become a part of the regular way they operate.
Anecdotal Evidence

Anecdotal evidence creates a personal connection that leaders and employees can relate to. These stories make the benefits of change management personable. It answers the question: “what's in it for me.” Anecdotes can include case studies that share how change management was used on a project and what results were achieved. Quotes and feedback from change leaders and individuals on the receiving end of the change can also send a meaningful message of how change management was beneficial.

Metrics

Change metrics can include measures of adoption of the change and measures of project success. Examples of measures of adoption include the number of individuals using a new tool, the percentage of employees operating in the change state, and the percentage of projects within the organization including change management activities. Examples of measures of project success include the overall realization of project value and the time required to reach full productivity with a change. Two metrics that are used most successfully to demonstrate the value of change management are the percentage of projects that include change management activities that met their adoption goals, and the percentage of projects using change management efforts that realized intended business objectives. When these metrics are compared to the percentage of projects not including change management activities, it can send a powerful message on the value of change management. This can be the most compelling business case for change management.

Step 9. Change the culture to view Change Management as a part of project management

The last step to establishing a successful CMO is the hardest. The organizational culture needs to change, to view change management as a key component to project management success. Transforming an organization’s culture requires time, patience and a conscious effort by employees and leaders to embrace and normalize change management as a natural part of business operations. To do this, leaders must consistently demonstrate the value of change management and reinforce its use. Additionally, when celebrating project or initiative “wins,” leaders should laud not only the design and execution of a project but change management’s role in its success. As leaders reward and recognize change management, its importance will be reinforced with employees and within the organization.

Change management should become an expectation within the organization. As projects are planned, change management should be included in the plans. As budgets are made, change management should be included. When a project’s progress is reviewed, change management needs to be included in that review. Employees and leaders need to come to expect that change management, like project management, will be used on every project/initiative – every time. Change management becomes ingrained within an organization’s culture when it becomes a standard expectation for any new initiative or project.
Conclusion

Organizations that have successfully established a CMO typically follow the following nine major steps:

1. Design and establish a change management office structure.
2. Create a change management methodology, tools and resources.
3. Integrate the change management methodology with project management.
4. Engage key leaders and stakeholders to support the CMO.
5. Raise awareness of change management and the change management office.
6. Develop change management knowledge skills in employees.
7. Deliver change management on projects to set an example and prove the value.
8. Measure and show change management results and successes.
9. Change the culture to view change management as a part of project management.

As these steps are thoughtfully and deliberately taken, organizations can begin to make change management a part of their business, and thereby, a part of their success. Fully establishing a CMO takes time – often between three and five years. However, once a CMO is successfully established, it provides the ability to effectively land changes, thereby building and maintaining the competitive advantage needed to survive and thrive in business.