



3 Essentials for getting started with your IFRS 17 change management strategy

<https://www.linkedin.com/pulse/3-essentials-getting-started-your-ifs-17-change-kim-vander-aerschot/>

Published on September 17, 2018

Kim Vander Aerschot,
Partner, Financial Services Consulting at PwC Canada

Organizations are at varying stages of understanding the impact of IFRS 17 on their businesses, but there are steps that business leaders can begin to take to navigate and prepare for these changes. In previous posts I shared my thoughts on the importance of [clearly defining the degree of change, scope and tone of your IFRS 17 program](#) to understand its impact on your people and enable the planning of the transformation journey. I also shared some [organizational change management lessons learned](#) from other regulatory driven transformation programs. In this third blog, I highlight the critical importance of a change management strategy and roadmap in helping your organization to begin to progress from its current state to its desired end state with minimum disruption and progress much quicker to a sustainable model.

A change management strategy is important as it defines the overarching approach for your transformation program. In order to develop your strategy, you need to understand the expected impacts on your stakeholders as well as the existing climate and culture within your organization. Impacted internal and external stakeholders should be defined along with the expected changes that these groups will experience across people, process and technology dimensions. You should understand how these individuals and groups will need to work differently in the future, considering whether and how their jobs will change as a result.

Understanding the existing climate and culture of your organization is a key factor as it can influence your overall approach to managing change. It's important that organizations look back at past programs to understand what worked and what didn't when implementing change. As I mentioned in an earlier blog post, "[IFRS 17: Preparing Your People and Organization for Change](#)", every organization is different with a unique history, culture, leadership style and capability set in its employees, and these are important inputs when developing your strategy.

Your change management strategy should set out the relevant stakeholder engagement, change readiness, communication and training interventions. Finally, your change management strategy should define the business change principles and the change roadmap required to support your organization in achieving the IFRS 17 standard.

Here are a three more key considerations to help set you on your way:

1. Engaging the organization

Communication and stakeholder engagement needs to be established early on in the Program. It starts with sharing knowledge about the Standard and then moves into communications about the process and systems changes associated with the program, as well as organizational changes and training elements.

There are several types of communication that will need to be managed and coordinated – each brings unique governance and distribution considerations. These include program, release, compliance and ad-hoc communications to help build understanding and empathy quickly and to listen and respond to the needs of the business. Engagement activities involving leaders and employees in various aspects of the change are important to build shared understanding and adoption.

2. Empowering your people

As mentioned above, engaging stakeholders early will go a long way to building understanding and acceptance of the changes. Developing a Change Network of individuals from across the organization who can provide input to the project team throughout the program, and help support and influence their colleagues as the changes roll out.

Ongoing assessments of change readiness, along with other measures to track the progress of the change management activities, will help in making course corrections along the way, enable the Change Network to address specific gaps within the organization, and lead to greater adoption.

Another critical aspect to empowering your people is, of course, training and knowledge transfer. Comprehensive plans to ensure all employees receive the information they need to understand the new requirements and execute on new processes and new tools or systems is required to be successful.

3. Planning your change management team

As you start thinking about your change strategy, you'll also need to think about the structure of the team to support it. An important consideration in doing this is recognizing that the people and skills you need at the beginning of the program are not necessarily who and what you'll need at the end and the team will evolve over time. It's important that the change management team be embedded into the project, and not operating as a silo or in another part of the organization, for example HR, for the duration of the program. The size of your team will be dependent on the size of the program and organization. A program would typically include a Change Management Lead, who would ensure the integration of all the people related work streams including:

- *Change Management*: Development and execution of the change management strategy and roadmap.
- *Engagement and Communications*: Communicating and engaging employees in the changes and wider context is critical. High impact communications, visible leadership alignment, ongoing stakeholder engagement through team building, feedback mechanisms and measurement are powerful tools to building ongoing commitment and buy-in.
- *Training* - Development and execution of any required training for process and system changes.
- *Organization Design*: Design and execution of any changes to existing roles, functions and structures.
- *Business Transition*: Development and execution of the business implementation plan to ensure the successful transition to the new Standard and the supporting process and technology changes.

While this approach to Change Management may sound obvious and straightforward, don't underestimate the amount of time and effort required to develop your change management strategy. Starting early on this journey is time well spent and will pay off in the longer term.

I'm interested in your thoughts on how insurers can get started on their IFRS 17 OCM strategy . Please share your comments below or tweet me @KVanderAerschot

Thank you to Heather Geluk, Liz MacKenzie, and Gail Whittlemore for their contributions to this post.

For additional information and related content please visit: <https://www.pwc.com/ca/ifrs17>

This content is for general information purposes only, and should not be used as a substitute for consultation with professional advisors.