

Viewpoint

Change Management: Telling the Story

It is true that any organisation that is growing, progressing and adapting will be undertaking change of some sort, maybe by design or out of necessity. The change outcome will be far more successful if implemented and supported using effective change management approaches. This article provides an insight into this critical subject.

Definition

Change management is an approach to transitioning individuals, teams, and organisations to a desired future state.

Source: Wikipedia

Business change affects:

- Processes
- People
- Systems

Effective change management is delivered in three stages:

1. Creating and developing the change story
2. Implementing the change
3. Sustaining the change

Creating and developing the change story

This is one of the biggest challenges facing a transformation programme; this activity needs to be sufficiently detailed to develop the right measures that will ensure the change is achieved and sustainable. The story must be credible and easily understood so that employees can get behind the change and align with it.

The story is developed from the very basic question: **Why?**

If we go back to the drivers for outsourcing that will help shape the change story; we are looking for answers to the following questions:

- What are the benefits to the organisation?
- Why is the organisation doing it now?
- What are the benefits to the individual?
- What are the benefits to the people in the organisation?
- What will be different in the future?
- Who will be affected by this change?

This is all about understanding the existing problem (if there is one), the potential opportunities for both organisation and individuals and future vision.

The story needs to be agreed and supported by the leadership team, who can then articulate and cascade the vision and the story to their teams.

When it comes to outsourcing, there are basically three valid scenarios to consider:

New to Outsourcing	• Internal Roles will change/move/go • Governance will change • RACI needs to be clear • Supplier Management will need to be in place
Renew to same structure	• Potentially get to know new people • Need to ensure existing processes still work • Ensuring a new supplier understands processes and RACI
Renew to different structure	• Potentially get to know new people • Need to review existing processes • Need to look at interfaces and processes • Need to understand RACI

All three scenarios require a structured change management approach, without which will lead to problems with the new operating model.

Implementing the change

Implementing the change will be a much easier task if there is a good story to tell. For many people change has become the norm in business life and therefore employees are less phased by it than they used to be. If you think about the way we go about our daily lives, things have changed considerably over the past 10 years, largely due to technological advancement.

Implementing change is not dissimilar to any other project:

Design - the story and the measures

Develop - the change networks across the organisation

- Assess - the readiness for change, is the organisation (people and processes) ready for the change?
- Monitor - the impact of change and take corrective action where necessary

Implementing change is a crucial part of any transformation programme and whilst the section above seems short, the activities taken can be complex and time consuming in nature and require the appropriate level of resourcing.

Sustaining the change

‘Old habits die hard’ – the change manager’s nightmare quote. As with any large programme, as budgets get tight, change is one area that gets squeezed to make the figures work. Therefore, to make sure all the good work is not lost, it is important to undertake periodic reviews to ensure the new practices and processes are being adopted, tweaked and optimised.

Questions for Outsourcing Decision Makers

- 1. How can our organization effectively develop and communicate the change story during an outsourcing initiative to ensure that employees understand the purpose, benefits, and vision behind the change, leading to their alignment and support for the transformation?*
- 2. In the context of outsourcing, what specific change management approaches should be adopted for each scenario (new to outsourcing, renew to same structure, renew to different structure) to address the challenges related to role transitions, governance changes, process reviews, and interface adjustments, ensuring a smooth implementation of the new operating model?*
- 3. To sustain the change and prevent reverting to old practices, how can we ensure that change management activities are consistently prioritized and adequately resourced throughout the transformation program, even during budget constraints or challenging times? How can periodic reviews be conducted to optimize and enhance the new practices and processes resulting from outsourcing?*

If you want to discuss these questions, or any other outsourcing challenges please do email us at experiencematters@ascea.co.uk and we can set up a call with you.

This article has only summarised many of the key aspects of change management. Gillian Perry has written IT Outsourcing – A Practical Guide to Change Management.

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