

**Seeding the future**  
**Strategic Change Management**



**CMA-CGA-FMI Workshop**  
**January 2010**

# Agenda

- Introductions
- Deloitte Human Capital Consulting
- Ineffective Change Management - a withering tree
- Deloitte's Change Management approach and framework
- Sample Change Management roadmap and high-level plan
- Effective Change Management - an ecosystem
- Questions and answers



It's common to say that trees come from seeds. But how could a tiny seed create a huge tree? Seeds do not contain the resources needed to grow a tree. These must come from the medium or environment with which the tree grows. But the seed does provide something that is crucial - a place where the whole of the tree starts to form. As resources such as water and nutrients are drawn in, the seed organizes the process that generates growth. In a sense, **the seed is a gateway through which the future possibility of the living tree emerges.**

— Peter Senge, Presence

# Introductions



**Ilana Hechter, MA**  
Manager, Deloitte Consulting

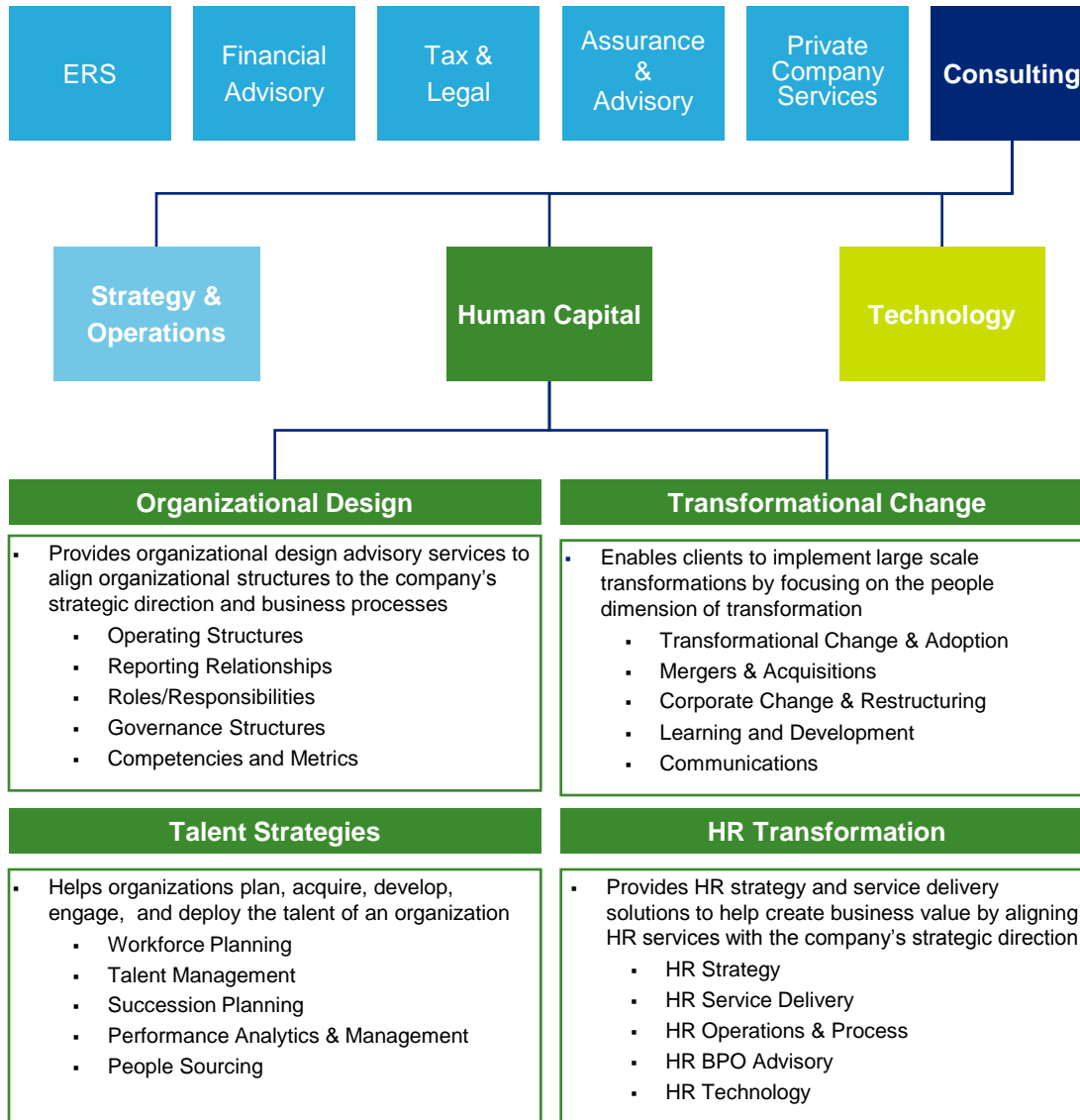
- Over 8 years of experience in strategic organization and change, leader alignment, employee engagement, culture/business alignment, workforce transition, and talent management
- Diverse background working with both internal (within Deloitte) and external global clients in Canada and the US
- Focused primarily on partnering with clients to develop and implement mechanisms for aligning leaders and engaging employees in large scale change
- Recent clients: Insurance Corporation of British Columbia, Canadian Medical Association, Toronto Dominion Bank, Loblaw, and American Express



**Andrew Pau, CHRP**  
Senior Manager, Deloitte Consulting

- Over 12 years experience leading technology enabled business transformation and change management teams
- Experience leading teams in public and private sectors in Canada, Hong King, and the Philippines
- Focused on working with diverse stakeholders across the organization translating business strategy and technology designs into organizational implementation plans that achieve business objectives
- Recent clients: BC Hydro, Government of Alberta, Vancouver Island Health Authority, BC Health Authority Shared Services Organization, Canadian Tourist Commission

# Deloitte Human Capital Consulting



**Highlights**

- Second largest Human Capital consulting business in the world
- Practitioners include HR generalists and deep functional specialists in all areas of HR, organization design, change management, and HR transformation
- Most integrated with business consulting practice:
  - Most engagements partnered with Strategy, Operations, Technology, Risk, Tax practices

# Ineffective Change Management - a withering tree



- A significant percentage of organizational change efforts fail to meet expectations of key stakeholders
- In a recent survey, HR leaders who worked in public, for-profit organizations noted that their organizations undertook on average more than 5 major change initiatives during the 24-month period leading up to the survey – most of which were unsuccessful
- Natural “germination” does not work in change implementation; as with most seeds, better and more consistent results can be achieved through strategic and methodical activity
- A large number of change initiatives are often undertaken simultaneously which decreases the clarity of each individual initiative while failing to provide a holistic view of the context of the organization
- Organizations that do not take a carefully planned, proactive approach to change often find themselves forced to adjust later – it becomes difficult to recover

# From seeds to people - factors contributing to ineffective change

**Inadequate Root System** – inappropriate root-sized ball resulting in transplant shock and extended establishment timelines.



Failure to “ready” the organization for change. Lack of mitigating activity to minimize risks and mobilize change.

**Poor Selection** – failure to select the right seeds given desired outcomes, environment, and natural resistance to common insects and disease.



Failure to identify the stakeholders required to align and commit to the change given people risks, issues, and desired change outcomes.

**Impatience** – rushing the planting, monitoring, and growth process. Treating growth as an “event” rather than a staged process.



Expecting people to “change” overnight. Failing to recognize the phases of the change curve and the transition that stakeholders must experience.

**Improper Watering** – inconsistent watering contributing to suffocation of roots.



Inconsistent communications and leader behaviors contribute to disengagement and demotivation. Misdirected and ad hoc activity.

**Neglect** – failure to care for, and address issues in a timely manner which threatens the health of the seed and the potential for future growth

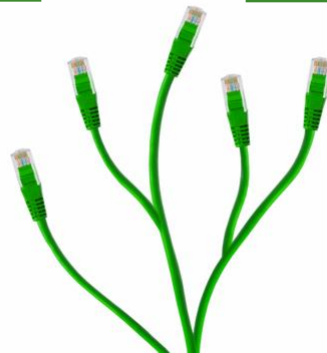


Lack of leader sponsorship and commitment to change. Lack of strategic engagement plan which threatens adoption and commitment levels.

**Failure to Monitor** – failure to pay attention to the landscape and seasonal changes that occur. Adjustments are not made in a timely manner.

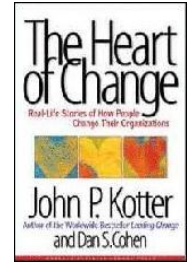


Lack of implementation of change effectiveness evaluations for obtaining feedback to inform change approach tweak requirements.

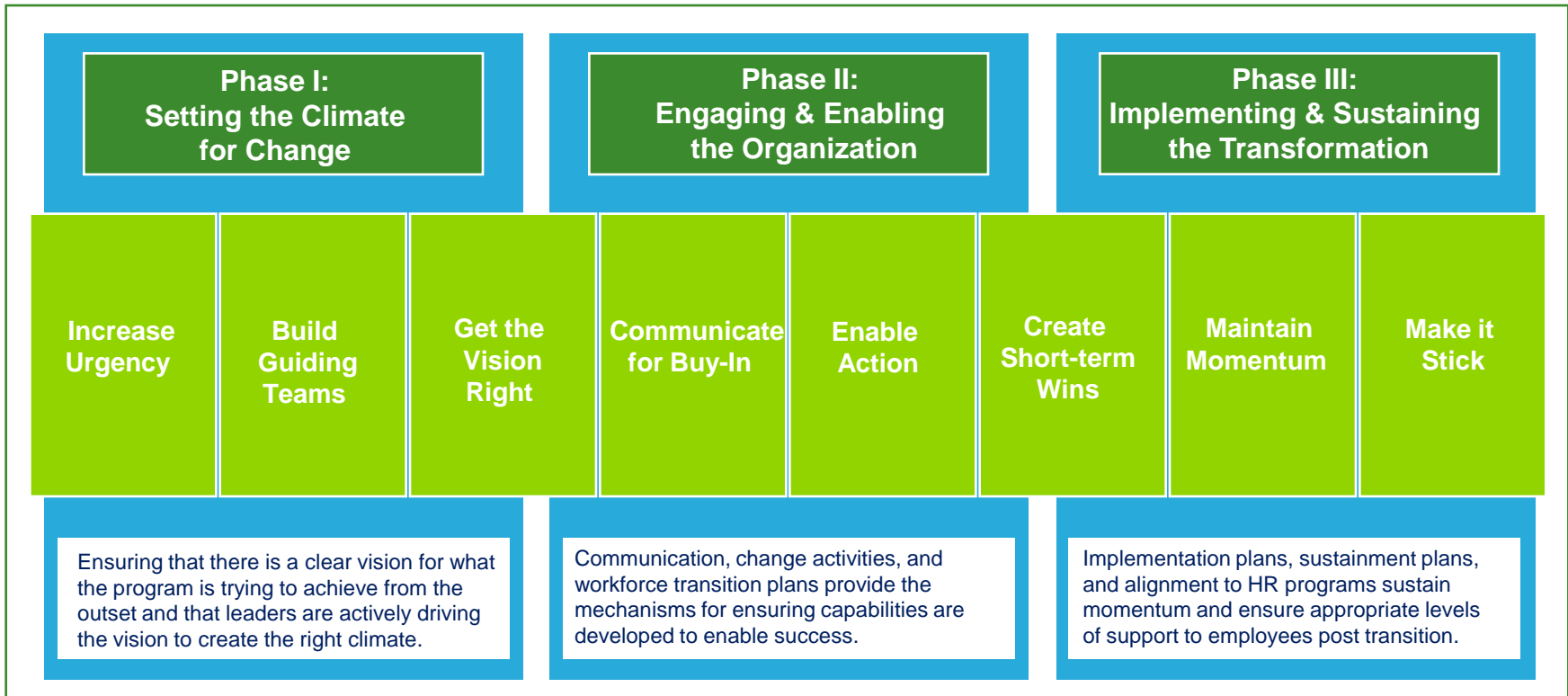


# Deloitte's Change Management Methodology and Framework

# Planting the Seed: Deloitte’s “Heart of Change”



Our strategic change management approach is based on eight steps associated with successful change. These eight steps, developed by John Kotter, provide an approach to successfully managing the key people risks for any significant change.



Our People Dimension of Transformation methodology forms the foundation of all activities within this journey.

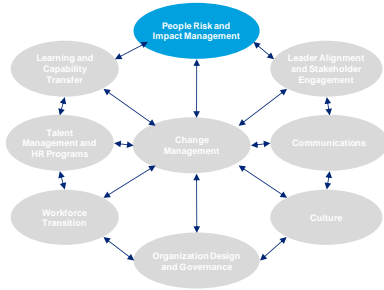
# Growth strategy: Deloitte's people dimension of transformation methodology

Change Management Dimensions
<p><b>People Risk and Impact Management</b></p> <p>Change implications must extend beyond technical and procedural change into changes in behaviors and capabilities. Understanding the people related risks is a key component of understanding and addressing change issues.</p>
<p><b>Leader Alignment and Stakeholder Engagement</b></p> <p>Identifies the individuals or groups of people that need to be engaged throughout the change process – identifies people with authority, power and influence who will visibly lead the change. Examples: Directly affected employees, Executive, partners (e.g., application teams), suppliers</p>
<p><b>Communications</b></p> <p>A targeted communications plan is needed to ensure that employees, managers, leaders, and other external stakeholders are engaged in the change initiative through compelling communications</p>
<p><b>Culture</b></p> <p>Aligns stakeholders with organization values by driving behaviors that are consistent with the future desired culture of the new organization</p>
<p><b>Organization Design and Governance</b></p> <p>Develop appropriate structures and governance to support new processes and optimize resources to support the change.</p>
<p><b>Workforce Transition</b></p> <p>Develop and implement a detailed plan to maximize transition benefit with minimal disruption to productivity throughout the change life cycle.</p>
<p><b>Talent Management and HR Programs</b></p> <p>Align HR strategies, programs and practices with, and proactively address the organization's changing talent needs as a result of the change transformation.</p>
<p><b>Learning and Capability Transfer</b></p> <p>Provide knowledge, tools, and training to help employees operate successfully in the new environment as a result of the change and future state.</p>

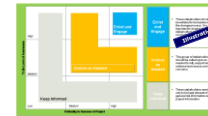
Transformational change management draws on **8 distinct dimensions** which drive change. We leverage these dimensions when partnering with our clients to proactively manage the change throughout the cycle of the transition by appropriately addressing impacts and business readiness priorities.



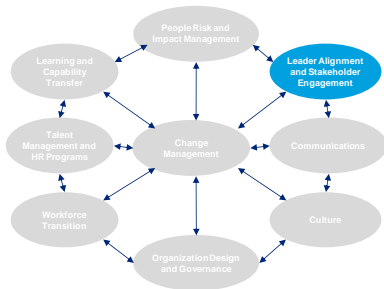
# People Risk and Impact Management



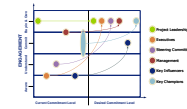
<b>Desired outcomes</b>	<b>Understand the people-related risks, issues, and impacts of the change to inform the change management strategy and plan.</b>
<b>Sample activities</b>	<ul style="list-style-type: none"> <li>▪ Develop stakeholder inventory and conduct stakeholder analyses</li> <li>▪ Conduct change impact assessment</li> <li>▪ Conduct risk analysis</li> <li>▪ Evaluate readiness for change</li> </ul>
<b>Sample deliverables</b>	<ul style="list-style-type: none"> <li>▪ Stakeholder inventory</li> <li>▪ Impact analysis</li> <li>▪ Readiness assessment</li> </ul>
<b>Sample tools</b>	<ul style="list-style-type: none"> <li>▪ Stakeholder inventory, impact assessment, risk wheel</li> </ul>



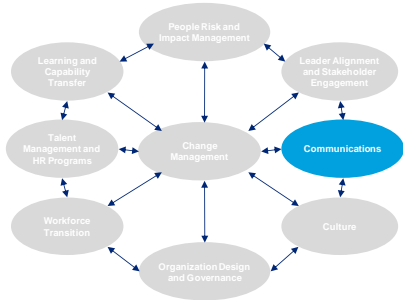
# Leader Alignment and Stakeholder Engagement



<b>Desired outcomes</b>	<b>Sustained change requires personal commitment at every level of the organization. Some stakeholders will be sponsors who will help shape the transformation vision and plans – leaders will need to be targeted first.</b>
<b>Sample activities</b>	<ul style="list-style-type: none"> <li>▪ Consider impact and people risks to inform leader alignment plan</li> <li>▪ Develop leader education and sponsorship plan</li> <li>▪ Develop stakeholder engagement plan according to segmentation</li> </ul>
<b>Sample deliverables</b>	<ul style="list-style-type: none"> <li>▪ Leader alignment plan</li> <li>▪ Stakeholder engagement plan</li> </ul>
<b>Sample tools</b>	<ul style="list-style-type: none"> <li>▪ Leader/stakeholder engagement matrix, engagement gap assessment</li> </ul>



# Communications

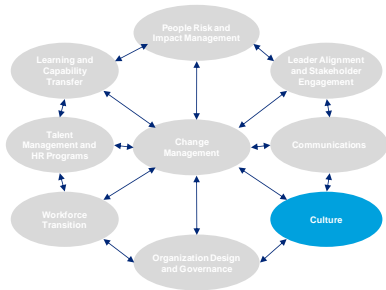


<b>Desired Outcomes</b>	<b>Communicate for buy-in through the development and implementation of a robust communications plan that incorporates opportunities for feedback, facilitates continuous dialogue and cascading of key messages, tailors messages to different audiences, motivates action, and deploys messages that are consistent, compelling, relevant, and timely.</b>
<b>Sample Activities</b>	<ul style="list-style-type: none"> <li>Develop robust communications plan targeted to each stakeholder group based on issues and impacts identified and transformation progress</li> </ul>
<b>Sample Deliverables</b>	<ul style="list-style-type: none"> <li>Communications Plan</li> </ul>
<b>Sample Tools</b>	<ul style="list-style-type: none"> <li>Communications Approach, Communications Plan</li> </ul>

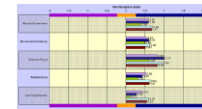


Target Group	Objectives	Communication Type	Channels	Frequency	Content	Owner	Status

# Culture



<b>Desired Outcomes</b>	<b>Challenge existing cultural characteristics (e.g., functionally-based, hierarchical) that may present an obstacle to meeting transformation requirements and introduce new reinforcement programs that recognize and sustain desired behaviours consistent with the new strategy and vision of the organization.</b>
<b>Sample Activities</b>	<ul style="list-style-type: none"> <li>Identify cultural characteristics consistent with target state</li> <li>Evaluate current culture and identify gaps</li> <li>Develop a culture transition roadmap</li> </ul>
<b>Sample Deliverables</b>	<ul style="list-style-type: none"> <li>Culture transition roadmap</li> </ul>
<b>Sample Tools</b>	<ul style="list-style-type: none"> <li>Culture Print</li> </ul>




# Organization Design and Governance



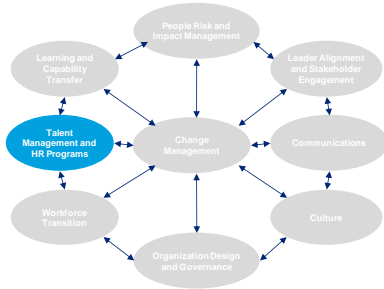
<b>Desired Outcomes</b>	<b>Develop and implement organization designs, protocols, and governance within the organization to support change objectives and the future of the organization.</b>
<b>Sample Activities</b>	<ul style="list-style-type: none"> <li>Identify organization structure and governance requirements to support future state (use to inform workforce transition and training plans)</li> <li>Develop design principles to be applied throughout the change process</li> </ul>
<b>Sample Deliverables</b>	<ul style="list-style-type: none"> <li>Future state operating model and governance structure</li> <li>Design principles</li> </ul>
<b>Sample Tools</b>	<ul style="list-style-type: none"> <li>Operating Model, Design Principles, Governance Model</li> </ul> 

# Workforce Transition



<b>Desired Outcomes</b>	<b>Develop and implement a detailed plan including staffing models, job profiles, and job design criteria to maximize transformation benefit with minimal disruption to productivity.</b>
<b>Sample Activities</b>	<ul style="list-style-type: none"> <li>Identify business critical talent and develop retention strategies</li> <li>Develop workforce transition plan (including redeployment, knowledge transfer, etc.)</li> </ul>
<b>Sample Deliverables</b>	<ul style="list-style-type: none"> <li>Workforce Transition Plan</li> </ul>
<b>Sample Tools</b>	<ul style="list-style-type: none"> <li>Workforce Transition Approach, Workforce Transition Plan</li> </ul> 


# Talent Management and HR Programs



<b>Desired Outcomes</b>	<b>Work collaboratively with HR to align strategies, programs, and practices to address changing people requirements.</b>
<b>Sample Activities</b>	<ul style="list-style-type: none"> <li>Align and leverage existing HR and talent programs to change (e.g., performance metrics, recognition, policies, procedures)</li> <li>Redeploy, transition, or recruit talent as per workforce transition plan</li> </ul>
<b>Sample Deliverables</b>	<ul style="list-style-type: none"> <li>Develop plan to integrate and leverage talent management and HR programs</li> <li>Develop talent management plan</li> </ul>
<b>Sample Tools</b>	<ul style="list-style-type: none"> <li>Talent management plan</li> </ul> 

# Learning and Capability Transfer

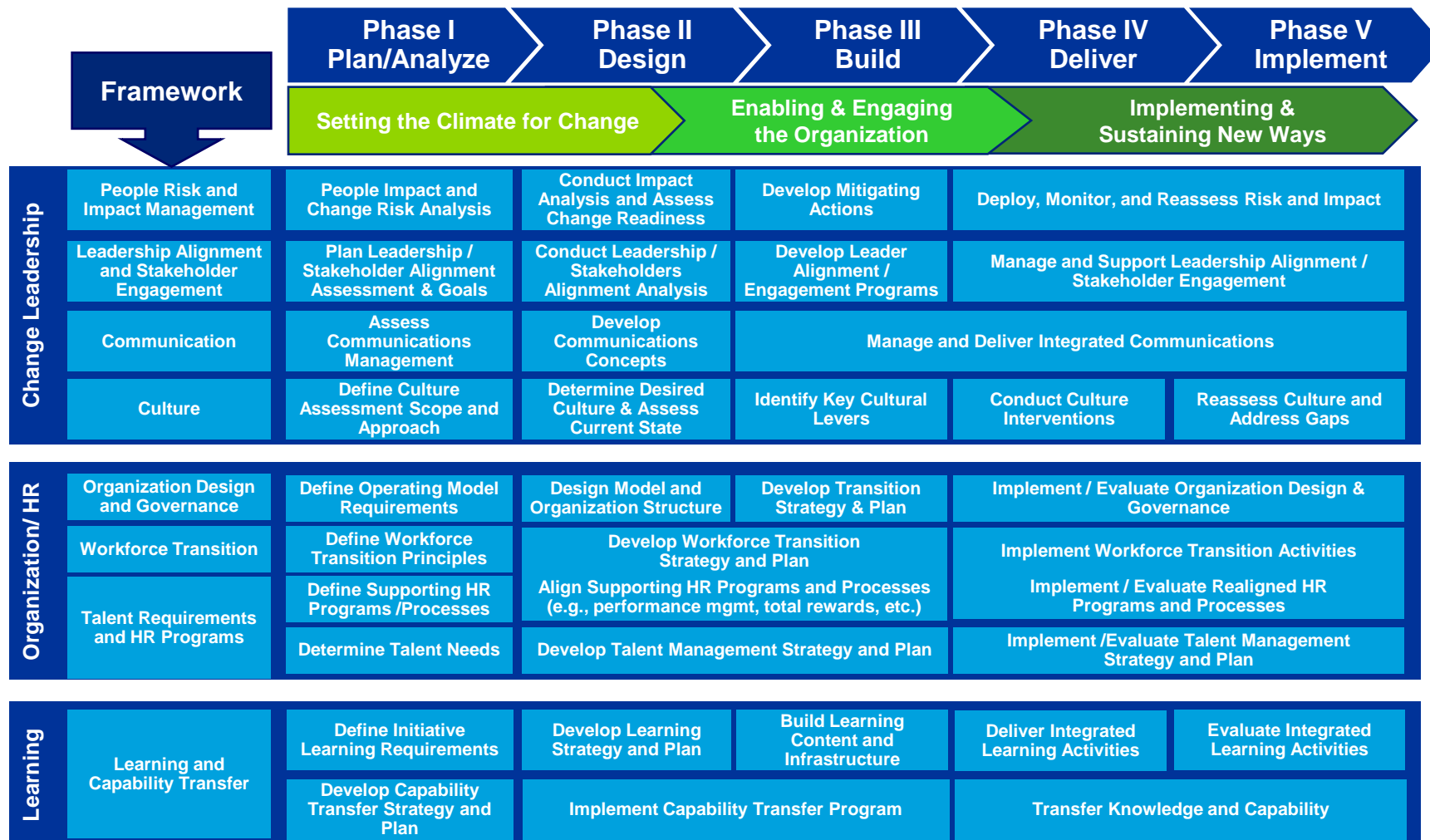


<b>Desired Outcomes</b>	<b>Develop and implement an overall training approach that addresses knowledge, skill sets, and capability gaps required for successful implementation.</b>
<b>Sample Activities</b>	<ul style="list-style-type: none"> <li>Conduct skill gap assessment to inform training plan</li> <li>Develop training plan for all impacted stakeholder groups</li> </ul>
<b>Sample Deliverables</b>	<ul style="list-style-type: none"> <li>Training Plan</li> </ul>
<b>Sample Tools</b>	<ul style="list-style-type: none"> <li>Training Approach</li> </ul> 

# Transformational Change Management Roadmap: Sample

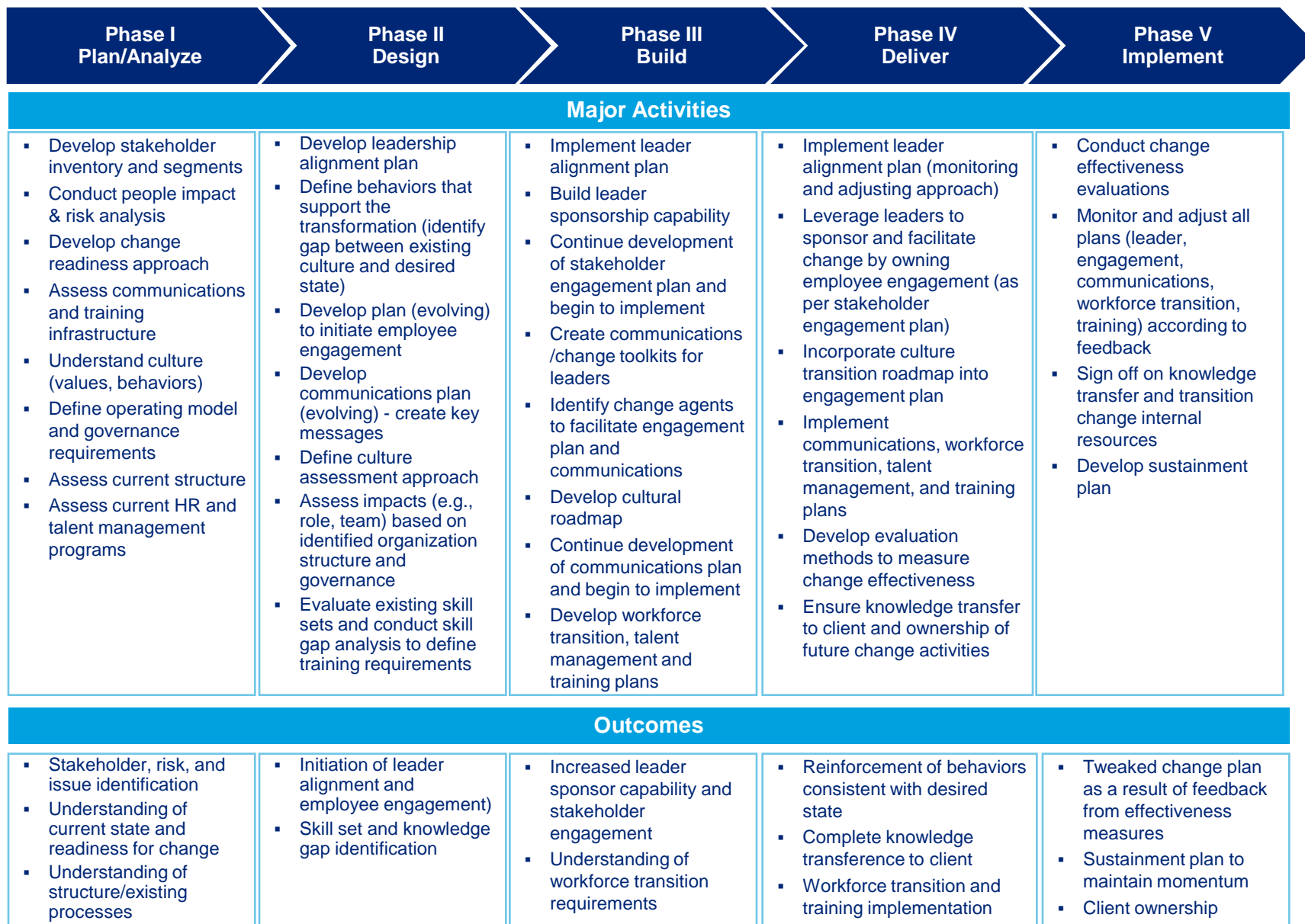
Illustrative

For any large scale change effort, the “Heart of Change” forms the foundation of our approach while our People Dimension of Transformation provides the framework from which our activities are designed.



# Transformation Change High-level Plan: Sample

Illustrative



# Effective Change Management - an ecosystem

## Clean, Cool, Air

- Air quality (environment, culture) is improved
- Resistance/pollution mitigated
- Oxygenated/charged environment has positive impact on teams and individuals

## Stronger Relationships

- Correlation between amount of trees (positive seeds) in a community and interaction/engagement with others
- Opportunities for discussions related to individual motivation, values, and performance



## Increased Land Value

- Healthy trees (organizations) attract businesses and tourists
- The “soul of a community” – sends a message about care, investment, and priorities
- Healthy seeds = critical talent; increased organizational value
- Attract new seeds

## Health Check Cadence

- Constant monitoring of seasonal changes (engagement) and landscape (environment)
- Adjustments to care (evolving change plan) based on requirements

## Alignment of Efforts

- A park of healthy, diverse, and highly interdependent trees contributing to a single overall system
- Collaborating by living (working) towards a common vision

# Questions and answers

**Deloitte.**