# BUILDING CHANGE CAPABILITY

## Leading Change as a Strategic Discipline

Strong change capability is vital to organizational success. The evidence is clear that we need to be better at leading and delivering on change. This white paper explores how to build your organization's change capability through leading change as a strategic organizational discipline.

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# Building Change Capability: Leading Change as a Strategic Discipline

Organizations that excel at change have a competitive advantage. They capture market opportunities faster and are able to continually improve their operations. They innovate,

re-brand, merge, downsize, re-structure, acquire, implement new products, services and technologies better than their competitors who struggle with change. The research is clear: 60-70% of change efforts fail to deliver their intended ROI. For organizations to thrive, they cannot afford to fail at change.

Strong change capability is vital to our organizations' near and long term success. Why are we not getting better at change? Why are we not ensuring that our organizations and leaders are able to succeed at change? This article explores how to build your organization's change capability through approaching the leadership of change as a strategic organizational discipline. This means building your leaders' and change consultants' knowledge and skills, as well as the organizational systems and infrastructure that enable change to be led more effectively to deliver superior results, consistently.

## Change Capability: A Key Competitive Advantage

Change capability establishes the core competency of improving just about every aspect of business performance. Conscious Change Leaders understand this and recognize the importance of building their organization's change capability.

Change capability is the ability of an organization to plan, design, and implement all types of change efficiently with committed stakeholders. Effective change capability results in minimal negative impacts on people and operations, so that desired business and cultural results from change are consistently achieved and integrated seamlessly into operations to deliver maximum ROI.

> *Change capability establishes the core competency of improving just about every aspect of business performance. The link between the success of change and the success of the organization must be made clear.*
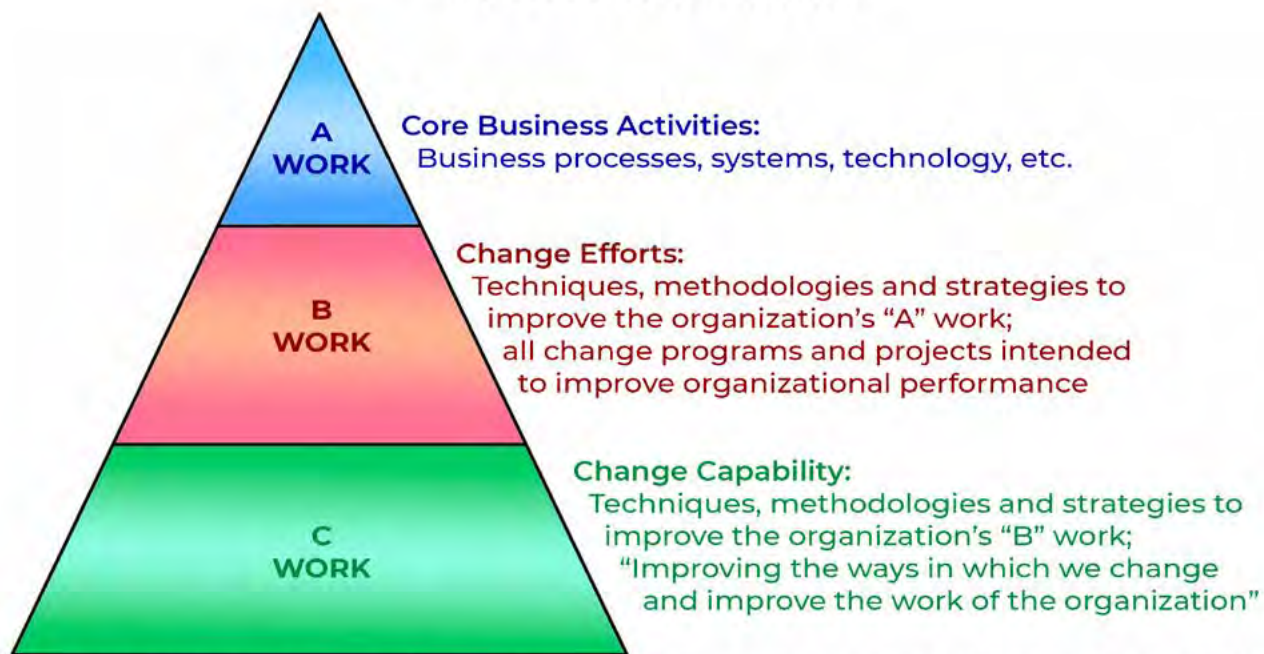
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The link between the success of change and the success of the organization must be crystal clear. To demonstrate this, Figure 1, The ABC Model, shows how building change capability positively impacts your organization. In the diagram, "A" Work denotes your core business activities; everything your organization does to provide value to customers. "B" Work includes all of the change efforts you initiate to improve A Work, making your organization the best it can be. "C" Work is improving your organization's ability to succeed at B Work. In other words, C Work—improving your ability to lead change—involves consciously building change capability so you continue to improve the results you get from change. The 70% failure rate can be stopped by C Work, delivering much greater results.

Building change capability requires commitment, resources, and time. It starts with increasing executive, management, and employee change knowledge and skills. Executives must learn how to sponsor change effectively. Change process leaders and change team members must develop solid competence in planning, designing, and implementing change.

Figure 1



## ABC Work Model

**A WORK** — **Core Business Activities:** Business processes, systems, technology, etc.

**B WORK** — **Change Efforts:** Techniques, methodologies and strategies to improve the organization's "A" work; all change programs and projects intended to improve organizational performance

**C WORK** — **Change Capability:** Techniques, methodologies and strategies to improve the organization's "B" work; "Improving the ways in which we change and improve the work of the organization"

*ABC Work Model adapted with permission from original source, Douglas Engelbart/Bootstrap institute, 1992, Document #AUGMENT, 132810.

Managers must learn how to facilitate change in their operational areas, including how to engage employees to build commitment and capability to succeed in the changes. Workers must learn how to adapt to change, make the changes meaningful to them, and contribute to successful outcomes.

This requires a serious commitment to training and development, using real-time change projects for application. However, people cannot build competency in the breadth and depth of leading change only in the classroom. Application, action learning, and consulting support are critical.

*Virtually all key functions in organizations–finance, human resources, IT–are set up as strategic disciplines to ensure they function consistently. In today's organizations, change is as mission-critical as these other functions, and must be recognized as such.*

Communities of practice are vital for coaching, mentoring and sharing best practices. All will improve your track record in leading change, but the most important action is positioning change as a strategic discipline in your organization.

# Change: The New Strategic Discipline

Virtually all key functions in organizations—strategy, finance, marketing and sales, human resources, information technology, and supply chain—are set up as strategic disciplines to ensure they function consistently at the highest levels possible. These disciplines, and the management protocols that go with them, are crucial to these business functions

performing effectively. In today's organizations, change is as mission-critical as these other key functions, and must be recognized as such. Otherwise, the approaches to build-

ing change capability will be cosmetic, temporary and piece-meal, and not produce the sponsorship, resources, or leadership excellence required.

We have identified five key strategies so far to leading change as a strategic discipline:

1. Identifying and managing an enterprise change agenda

2. Having one common change process methodology

3. Establishing a change infrastructure

4. Building a strategic change center of excellence for all change practitioners,

5. Creating a strategic change office.

We will describe each in order, although sequence is not implied here. You will quickly see that they fit together as an integrated approach—where the fifth strategy, the strategic change office, runs all of them.

Read each description first for understanding, and then consider the possibility for creating each in your organization. You may find that your leaders are open to one or more of the disciplines. Build from there once you have demonstrated value. Creating and mastering all of these strategies can easily be a three to five year undertaking and should be paced appropriately.

As we explore each strategy, imagine your organization bringing the same level of strategic attention to change that it currently gives to finance, IT and HR. What greater results would your organization be producing from change with this level of executive commitment, practice, and capability in place?

# 1. Enterprise Change Agenda

An enterprise change agenda names the most important change initiatives required to execute your organization's business strategy. Its purpose is to capture and integrate the major changes underway or planned in your organization, ensuring their strategic relevance to business success. It may or may not include less significant changes underway or planned, depending on your capacity to monitor them. Its intent is to focus on mission-critical changes for the enterprise as a whole and its primary business lines.

You may be familiar with project portfolio management—a method for collectively managing a group of current or proposed prioritizing projects, aligning them to what is needed to implement business strategy, ensuring capacity and adequate resources to succeed, and minimizing the negative impacts on operations and the people who have to implement the changes while doing their "day jobs." Establishing an enterprise change agenda ensures that change does not get out of control in your organization and enables greater strategic oversight and accountability for priority changes. It also helps the leaders develop a cohesive story to communicate to stakeholders and the workforce about where all of the change activity is leading and what it needs to produce for success.

> *The enterprise change agenda ensures that adequate attention is given to prioritizing and aligning strategic projects, and ensuring the capacity and resources to succeed.*

projects. While similar in concept, the enterprise change agenda is owned by the senior executives and designed to address the organization's strategic changes. Its focus remains high-level—appropriate to executive oversight. The specifics of project objectives, timelines, resource requirements, risks, and interdependencies are handled by a strategic change office (if you create one), project change leadership teams, and other mechanisms within your organization's change infrastructure, described later in this chapter. If you have a project portfolio office that serves the executives, the enterprise change agenda can be tailored as an extension of it.

Consciously establishing an enterprise change agenda counteracts the pervasive chaos, "project of the month," and costly capacity issues that leaders inadvertently create by initiating untold numbers of change initiatives and pet projects. The agenda ensures that adequate attention is given to

The agenda assists your organization and executives to ensure five critical success requirements:

1. The change efforts happening are the right ones to execute your business strategy.

   Identifying all efforts enables you to stand back and assess priorities against both your business strategy and your resources.

2. The efforts are prioritized, organized, assigned, and paced in the optimal way.

   Each change effort is a piece of your organization's overall change strategy. When you look objectively at the whole picture of change, it reveals whether the picture is realistic, complete, and possible within your required time frame. It also allows you to see where there may

be conflicts, overlaps, interdependencies, or opportunities for integration and coordination.

3.  The organization has the capacity to actually carry out—and succeed in—these changes.

    Defining the entire change agenda is the only way to obtain realistic data on capacity, including workload, stamina, capability, and the best use of your in-house change resources. Since the capacity to accomplish your change efforts comes largely out of your capacity for operations, decisions to ensure adequate capacity for both are essential.

4.  You are effectively managing your external consultants to help with the range of change efforts underway.

    The agenda enables an enterprise look at the use of these resources, and supports leveraging them, coordinating them, and ensuring you have all of your needs covered to produce your outcomes in the most cost-effective and timely ways—without duplication, loss of strategic oversight, or excessive expenditures.

5.  Your change efforts are aligned to support your desired culture.

    Most if not all change initiatives on your agenda will have an impact on the organization's culture, and be affected by leadership style and competency. Coordinated, overt attention to changing culture and realigning leadership style in each effort is essential to producing and sustaining overall culture change and collective results from these critical efforts.

The organization's change agenda is built by identifying change initiatives currently underway or planned in four categories, from the most strategic to operational:

➤ Strategic importance to business success

➤ Enterprise-wide impact

➤ Functional or business line specific

➤ Operational requirement

You would identify the change efforts within each category, cluster them to assist with prioritization, review your available resources and contracted services, and ascertain if you have adequate capacity for the change efforts within each level.

The creation of the enterprise change agenda typically follows on the heels of the organization's strategic planning process, and precedes your operations planning cycle. Since new change efforts may arise in any of the categories throughout the year, you must revisit the agenda periodically to ensure that it is still

relevant and accurate. Having one executive over-see the agenda and coordinate its use and accuracy throughout the year is the best way to ensure it supports economies of scale and minimal negative impact on the organization. Organizations that have large autonomous business units have each business create and monitor their own change agenda, aligned with enterprise requirements. This makes reporting on each business unit's annual change priorities, progress, and resource usage very easy. These issues can and should be added to your scorecard.

The agenda is also the basis for leaders deciding how to allocate the organization's in-house change-related resources to the highest priority efforts. These resources and services might include project management, organization development, change management, LEAN management, Six Sigma, training and development, quality improvement, etc. They also include the change leaders and team members you borrow from operations. The use of resources and oversight of the enterprise change agenda can be handled by creating a strategic change office, described later in this article.

In most organizations, the decision to establish the discipline of an enterprise change agenda belongs to the senior executive team. Ideally, you would recognize its value in advance of the overwhelm created by its absence. Consider the Case-In-Point (on the following page).

## Case-in-Point

We worked with a federal government agency that was undergoing a major transformation. We began our work with Being First's Executive Change Lab, a one-and-a-half day session where the senior leaders were briefed on the requirements of leading transformation and determined their risk of failure from a review of ten predictable change leadership mistakes.

Link to agency strategy and capacity were two of their top issues. To get a handle on them, the executives created a map of their existing change efforts. Three things became clear as a result of this exercise. First, they had over forty initiatives on their "priority" list, which had been honed down from one hundred. Secondly, many of these efforts were good ideas, but not driven by the immediate needs of the agency's transformation or its mandate. Thirdly, they did not have anywhere near the capacity to address these efforts successfully and maintain their operational standards.

The executives created an enterprise change agenda of seven top transformational priorities and focused their attention on the success of these. They were able to staff, train, and support these efforts to be successful. In the three years since this work, their change agenda has enabled them to review and adjust each year as new priorities have surfaced and change efforts were completed.

Their success catalyzed them to initiate a formal process for adding to or reducing their enterprise agenda, resourcing the initiatives, and monitoring progress and ongoing capacity. This has had significant positive impact on their ability to fulfill their mandate, achieve citizen outcomes, engage employees, and communicate more effectively. More results have been produced with better efficiency and use of resources. They have also created a number of the change infrastructures we discuss in this chapter, all to their organization's change leadership benefit.

Exhibit 1 (on the following page) provides an assessment to generate the call to action for an enterprise change agenda. Engage your executives in this exercise and discussion. First, have them complete the worksheet individually, then compile the results, average them, and review them collectively to determine the value of establishing an enterprise change agenda.

## Exhibit 1.
## Enterprise Change Agenda Needs Assessment:

How many major change efforts are underway in your organization or planned to begin within six months?   (Major refers to scope, complexity, impact, necessity, scale, and demand for significant resources and capacity.)

Consider the implications of having the number of major change efforts you have:  <5: no need for an agenda  /  5 to 10: slight need  /  11 to 15: moderate need  /  15-20: high need  /  Over 20: critical need.

**Rate the following statements on a scale of 1 - 5, where 1 = Strongly Disagree;  5 = Strongly Agree.**

1. _____   We effectively use mechanisms to identify and track all of the significant change efforts in our organization.

2. _____   We effectively use a process to ensure that we have the right change efforts to deliver our business strategy.

3. _____   All changes currently underway are necessary to executing our business' strategic direction.

4. _____   Our change initiatives are sponsored and resourced according to their priority.

5. _____   We effectively use a mechanism to identify and assess our organization's capacity to succeed with all our changes while continuing to operate effectively.

6. _____   We have the capacity to undertake—and succeed in—the key changes currently underway without major negative impacts on people and operations.

7. _____   Our operational plans reflect the requirements and demands these changes have for the organization.

8. _____   We have and effectively use a formal protocol for adding/dropping/modifying/reprioritizing initiatives on our agenda as priorities shift.

9. _____   We have an effective process to ensure that high priority changes get resourced ahead of low priority ones.

10. _____   We are effective at managing resource expenditures to ensure best and highest use across the organization.

11. _____   We are effective at managing our in-house change-support expertise and services to ensure best and highest use across the organization.

12. _____   We know how many external consultants are on contract to work on our various change efforts and in what capacities.

13. _____   Our current leadership style and change leadership capability is what it needs to be to produce the desired results from these changes.

14. _____   We have and effectively use a mechanism to review the fit of our culture to produce needed results from change and to identify how we need to alter our culture to do so.

15. _____   We use an effective mechanism for raising issues like pacing, resources, competition, cultural impacts, people issues, technology, and any other topic that may inhibit our organization's change results.

_____   Total Score

**Scoring the Worksheet:**

Potential benefit of formally creating and monitoring your enterprise change agenda:

5 to 3:     Extreme benefit potential, especially if you have over 10 major initiatives occurring. Formalize your enterprise agenda right away.

31 to 45:     Medium benefit potential; creating your agenda is critical if you have over 15 initiatives occurring.

46 to 60:     You may be able to expand what you are already doing to better handle your needs.

61 to 75:     You already have much of what you need.

> *The use of many different change models and terminology causes competition and confusion for people who work on multiple efforts. It becomes very difficult to coordinate across initiatives and measure progress in common terms.*

# 2. Common Change Process Methodology

We are not surprised when we perform change audits for clients and discover that they have multiple change methodologies being used throughout their organization. Often, when new leaders come into an organization, they bring their familiar approaches with them. Some models address start-up, some people issues, some just implementation, some engagement, some communications. All are pieces of the overall picture that a comprehensive change process methodology needs to provide. Intentional or not, these various change models, concepts, and terms end up competing and conflicting, confusing both employees and change leaders who work on multiple efforts. It becomes very difficult to coordinate across initiatives and measure progress in common terms.

We must also note the organizations that have no distinct approach to change at all. With each change effort, they reinvent their process, waste enormous effort, often create greater confusion, and lose all opportunity to learn from and expedite their changes. The absence of a shared process model is costly.

A common change process methodology overcomes these challenges and produces many positive outcomes that you cannot achieve with multiple approaches to change, such as:

➤ Increasing change capability through a common language, skill set, process roadmap, and tool kit

➤ Sharing best practices across initiatives because of shared approaches

➤ Sharing work products across change teams to increase speed; for example, multiple initiatives borrowing from a standard template for writing their cases for change, designing their change solu-

tions, or creating their implementation master plans

➤ Moving people to different change teams with rapid start-up and little disruption

➤ Collaborating effectively across functional areas on enterprise-wide initiatives

➤ Managing capacity

➤ Integrating initiatives to minimize overlaps and gaps and reducing impact on the organization

➤ Communicating effectively to stakeholders about all key change efforts

➤ Monitoring progress of different initiatives

➤ Using a phase gate approach to decision-making and resourcing

Using a common change methodology across your organization is critical to building change capability. Figure 2 shows Being First's nine-phase *The Change Leader's Roadmap*. *The Change Leader's Roadmap* methodology is the subject of our book by the same title. You can also find more information at The Change Leader's Roadmap. The Roadmap model provides guidance on the entire process of change, enabling all of the benefits listed above.
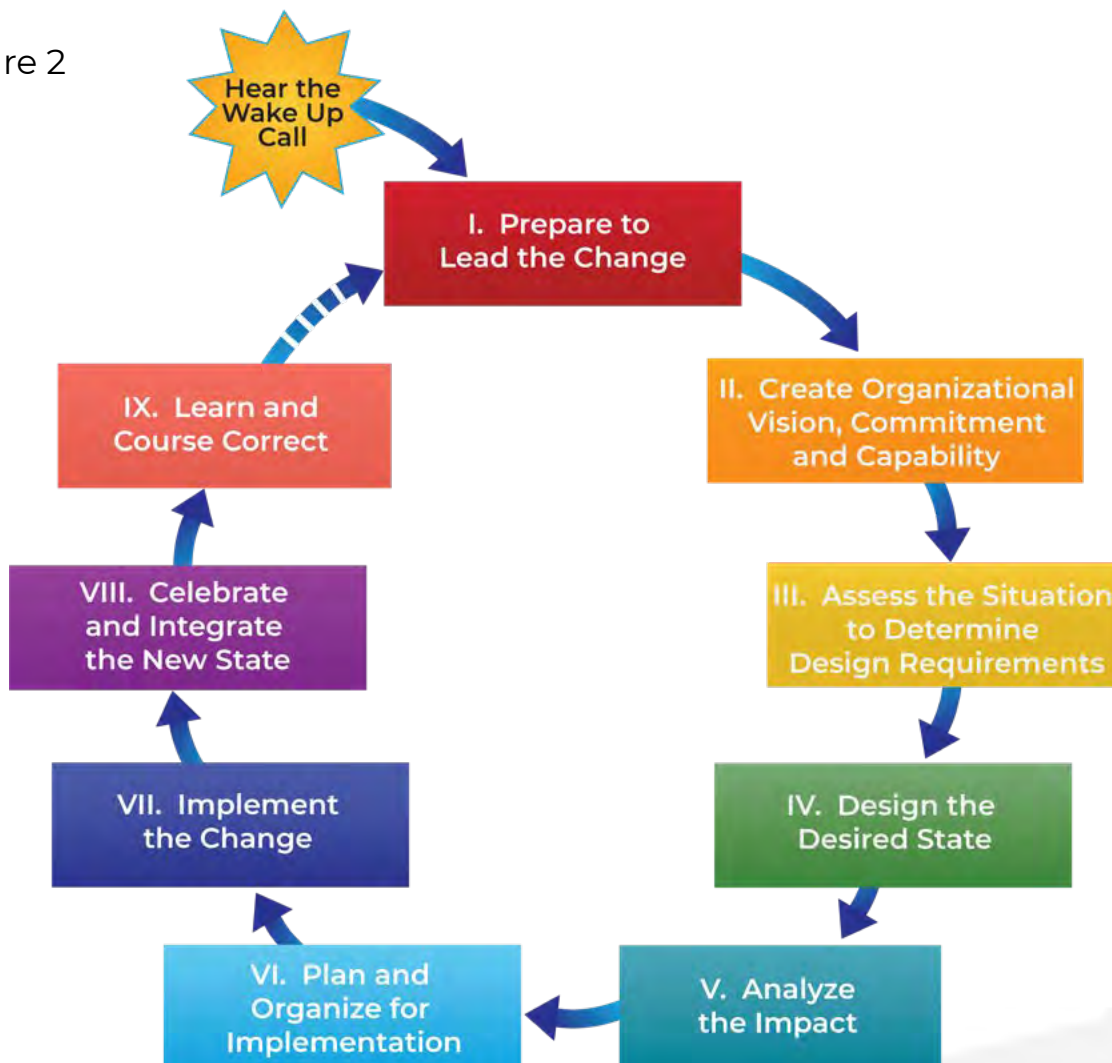
Figure 2



*Figure 2: Being First's The Change Leader's Roadmap*

# 3. Change Infrastructure

Change infrastructures are standard structures and practices for designing, implementing, and monitoring your organization's change efforts. They underlie the work, making it clear, consistent, and manageable. All strategic functions in your organization have such infrastructures.

Think about your information technology, finance, marketing, or human resource functions. They all have standard practices, methods, templates, and ways of ensuring high-level performance and outcomes. Those methods and practices are structured, overt, accessible, understood, and used. Each of the professionals in those functions are trained and held accountable for applying those disciplines to their areas of responsibility. Over time, those infrastructures are refined and developed to produce best practices to ensure the highest results. This is all possible because the methods and practices are common to everyone engaged in that function.

The purpose of developing change infrastructures is identical to these other strategic disciplines: to support your organization to deliver results from change by establishing and using common structures and practices that optimize change execution, accelerate time-to-results, and build capacity. Once established, these infrastructures become the baseline for people to increase their change leadership effectiveness. They provide a foundation for building your organization's change capability.

Change infrastructures include standard roles, templates, and methods for governing your change initiatives, as well as common practices for setting up, orchestrating, and overseeing their effectiveness. When you establish a common change process methodology, it will become your most significant change infrastructure. For example, in our change methodology *The Change Leader's Roadmap* each task becomes a change in-

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*The purpose of change infrastructures is identical to other strategic disciplines—to support your organization to deliver results from change by establish- ing common structures and practices that optimize change execution, accelerate time-to-results, and build capacity.*

frastructure because it provides guidance on best practices for executing that work. Our clients select their highest priority tasks and use them to standardize and optimize how their change leaders and consultants accomplish this work. Over time, these become best change practices for their entire organization. Standard change tasks are included in the sample list of change infrastructures below.

## Sample Change Infrastructure Elements

➤ Standard practices for creating your case for change

➤ Standard templates for building change strategy

➤ Standard change governance, including roles, team charters, and decision-making

➤ Standard conditions for success and ways of measuring success

➤ Standards for change communication plans and stakeholder engagement strategies

➤ Expectations and methods for rapid course correction

➤ Expectations and requirements for multiple project integration ("air traffic control")

➤ Change leadership competencies: skills, knowledge, behaviors, and mindsets

➤ Roster of best practices and change tools

for all key tasks in your common change process methodology

➤ Universal support mechanisms for communications, feedback, and information management, such as intranet sites, project software, and communication protocols

Make key change infrastructures known and available to anyone involved in leading change in your organization. However, beware of the fear of mandated standards, especially if there have been other change models in use in your organization. Leaders and change consultants can easily balk at the idea of new standard approaches unless you demonstrate the wisdom in using them. Make the enterprise benefits overt, and engage users in helping develop and refine your infrastructures. Ultimately, your change leaders and consultants should "own" these infrastructures and be held accountable for making them "best-in-class."

## 4. Strategic Change Center of Excellence

Many organizations have internal change consultants. These professionals are found in different departments in different organizations, including organization development, organization effectiveness, change management, quality, process improvement, LEAN, Six Sigma, IT, HR, executive coaches, and project management. Each adds its own value in its own way, depending on the discipline.

The most common scenario we see in organizations is that leaders call on these services when they happen to see a need, often too late in the process to ensure clear foresight or prevent predictable people or process problems. Many leaders, operating on autopilot, simply do not see the need very often, and when they do, miss significant opportunities for how best to apply these talents. Most of the existing services offer a piece of what is needed, but challenges arise because no one is looking after all of what is needed. To make matters worse, these resources often compete among themselves to be engaged on major change efforts. The end result is that the organization does not get its full value from these resources.

zation has all of this consulting expertise in place, at its headquarters and in its business lines. The Center is a way of organizing, networking, and training them for the best and highest use. It need not house all of these resources; rather, it supports them, accesses them, and develops them. Its charge is to create a new breed of change consultant, devoted to the overall success of the business, no matter what their expertise or where they live in the businesses.

The Center can play several value-added roles. It can:

➤ Provide the central pool of the most highly skilled consulting resources for use on major change efforts

> *Who keeps conscious, proactive attention on ensuring that the organization sets up its mission-critical change efforts for success from the very beginning? Who over- sees that the level of expertise needed is being developed and used in the best way?*

Consider: Who has their eye on the organization's strategic change needs? Who keeps conscious, proactive attention to ensuring that the organization sets up its mission-critical change efforts for success from the very beginning? Who oversees that the level of expertise needed is being developed and used in the best way? Who ensures that there is effective collaboration among these various change resources for the good of major change efforts and the entire enterprise? Someone must, or breakthrough results can never occur.

These issues, and the complexity, cost, and potential benefit of enterprise transformation has generated a need for a **Strategic Change Center of Excellence**. This Center of Excellence is comprised of the organization's major change support resources, many of which are listed above. Likely, your organi-

➤ Determine complementarities and ensure consistency among all of the change resources and their approaches, thereby providing the best and most aligned guidance on change

➤ Provide temporary or "loaned" resources where the organization most needs them

➤ Be a vehicle for developing the highest level of change leadership and consulting that the organization needs to succeed

➤ Identify, build, teach, and use the organization's change process methodology and change infrastructures on major change efforts

➤ Identify, build and distribute best change practices

*Building strategic change consulting expertise within such a Strategic Change Center of Excellence is the next edge of organization development and change management.*

➤ Pilot new change practices before roll-out

➤ Provide "case management" learning clinics and showcases for others (consultants and leaders) during any phase of change

➤ Help address cross-boundary/cross- business integration needs relevant to producing the highest results from change

➤ Help match resources to demand and be a voice for change capacity reality checks

➤ Surface critical risk factors, issues, and needs for course correction from all levels of the organization engaged in major changes

➤ Advocate for realistic conditions for success on how changes are set up and led

➤ Input to and look after changes in culture and leadership style affecting key change efforts' success, including coaching executives as they lead their change efforts

The Center's consultants advise and support the executive(s) in charge of the enterprise change agenda, and can be a central resource within the strategic change office (SCO, described below), strategic planning, or Human Resources. Their function is to provide the best resources and services on major change efforts—for start-up, change strategy development, planning, design, implementation, and consultation on the multiple project integration requirements among all priority initiatives. They ensure effective stakeholder engagement and change communications. They also input to and facilitate essential course corrections to the change agenda and its priorities, and work toward creating full organizational alignment in the design and execution of all change efforts in support of the business strategy.

These consultants also provide high-level change education and coaching for executives, change sponsors and leaders. A critical role they can play is to help identify the organization's past practices and patterns that inhibit its ability to succeed in change. They can use change history audits to surface this data, and then work with key executives to determine how to prevent these negative practices and embed better ways to oversee change. And of course, they can help identify

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the organization's current strengths in leading change, making sure that all changes benefit from these practices.

The Center can be structured and run in a number of ways. It is a convener, organizer, developer, and orchestrator. It can host periodic face-to-face meetings and trainings, work virtually, provide web-based education and support, and use an interactive intranet site for meeting, learning, project or issue tracking, logistics and communications. When working on key change initiatives, its consultants will partner with business line or headquarter change sponsors to provide the best change consulting from the very beginning of the effort, which is central to strategic change consulting.

The Center's role, in whole or in part, is a necessary investment in ensuring that your organization can actually achieve results and create the value it needs from its most important change efforts over the long term. Building strategic change consulting expertise within such a Strategic Change Center of Excellence is the next edge of organization development and change management. It expands the role and positioning of these services to focus on the organization's most important changes, using and teaching the strategic disciplines for change the organization chooses to create. The Center is one of the first steps that you should consider in creating change as a strategic discipline, as it builds on your current expertise and successes in leading change and takes them to new levels—levels required for breakthrough results. Since the Center works as a network and does not require changes in organization structure, it might be the best place to begin.

# 5. The Strategic Change Office (SCO)

Approaching change as a strategic discipline to build superior change capability all comes together in establishing a strategic change office. This is a pioneering concept that we have yet to see in full application. A few of our clients are experimenting with aspects of this function. Others are becoming more and more interested in it and seeing its potential value. We believe establishing an SCO represents the current cutting edge of change disciplines—a wave of the future that will become more commonplace over the next decade. We introduce it here because it is a key strategic discipline for ensuring results from change, managing your enterprise

bility in the organization. The SCO is the primary vehicle for making change a strategic discipline in your organization. It is responsible for building and monitoring your organization's enterprise change agenda, raising the priority level of the oversight and support of change from somewhere down in the organization—usually in a Program Management Office—up to the C-Suite. It also promotes consistent and rightful use of your change process methodology and change infrastructures, housing your Strategic Change Center of Excellence which enables it to access the best resources, services, and methods for every phase of change.

> *The strategic change office is not in charge of the content decisions for any project, but can influence the change process that will generate the best content solution and proactively handle the people and cultural dynamics to deliver on it.*

change agenda, building superior change capability, and sponsoring your Strategic Change Center of Excellence. As you read about this function, imagine having a strategic change office in your organization and its impact on change results, change leadership and change capability.

The strategic change office is a senior executive function that oversees the success of change across the entire enterprise. It is led by the Chief Change Officer (CCO), who sits on the executive team. This enables the SCO to be positioned to ensure that major change initiatives are the right ones to drive the business strategy, advocating for what is needed to maximize results on these mission-critical initiatives, and ensuring strong change capa-

The SCO does not "own" all of the priority change initiatives; it creates the conditions for them to be optimally successful. The SCO leader and consultants partner with the executive sponsors of key initiatives to support those leaders to accurately scope and launch their change efforts successfully. The executives still own the decisions about what needs to change to implement their business priorities and the strategic decisions about how they are run. But instead of simply naming change projects and handing them off to their line organizations, the executives first engage with the SCO. SCO consultants work closely with each executive sponsor to create a change strategy that clarifies change governance, potential integration with other initiatives, scope, pace, and a true picture of the

resources and time required for the change effort to deliver on its promise. The SCO also helps assess the impact of the change on current operations and people, so other executives can know early on what impacts they will have to deal with and when. The SCO then secures professional change support from the Strategic Change Center of Excellence, the organization's content experts, and/or external resources to define and mobilize the effort according to its priority, desired outcomes, resourcing, and requirements.

The SCO enables change leaders and project team members to have far greater access to the executive suite when critical issues emerge. Being knowledgeable about all the large change efforts in the organization, the SCO can more easily get the right senior leaders to engage in key strategic change

Successful change leadership requires competent attention to the three key areas of **content** (the focus of the change), **people** (the human dynamics and issues of engagement, commitment, and reaction), and **process** (action and decisions required to launch and fulfill your change effort's outcomes). Typically, executives focus on content and delegate the people and process issues to others. The SCO ensures that change leadership teams of the major initiatives build change strategies that can deliver the best *content* solutions, and simultaneously engage *people* in the change process in such a way that they develop commitment, ownership, and skill in implementing the desired state effectively. The SCO is not in charge of any content decisions, but can influence the *change process* that will generate the best content solution and proactively handle the people and cul-

> *Far too often, the executive team initiates major change efforts without assessing whether the organization has the workload capacity to succeed at the changes without negatively impacting people or operations.*

issues. This includes identifying the impacts of taking on any new change and how it will or will not tax capacity and resources. They can determine priority and level of urgency, and which organizational activities can be stopped or modified to address capacity constraints. And, they can identify issues with external consultants and what will be required of the executives collectively to ensure results. The SCO has the authority to get the executives' attention when any of the changes—or the organization's capacity to deliver on them—is at risk. With this intelligence, the executives have far more capability to ensure the effective implementation of their own individual initiatives, enterprise-wide efforts, and more importantly, the organization's collective business strategy.

tural dynamics to deliver on it. It contains the organization's highest change process expertise, including how to deal with all of the people requirements from the beginning of the effort. This is key to the SCO providing its strategic value as a standard-setter and an advisor to executive change sponsors. The SCO advocates for the importance of the people and process conversations, and places both on par with content. And that is what makes establishing an SCO so critical to your organization's success with change.

The SCO is also in charge of ensuring that the organization has the change capability that it needs to succeed at change longterm. It partners with your training functions—in particular with your corporate university, executive and management development

groups—to ensure the right change training and development occurs at all levels of your organization, for all of the groups who have a role in making change successful.



## Functions and Benefits of the SCO

1. ***Ensures major change efforts are directly linked to business strategy and the Enterprise Change Agenda is appropriate, realistic, and vital.*** Ultimately, all major change is strategy execution; the primary reason you do change is to enable implementation of your organization's strategy and goals. With the SCO leader at the executive table co-creating the business strategy and overseeing your enterprise change agenda, this link is ensured. Each of the other executives, including the other "chief officers," relies on the oversight of the SCO and the competency of the Strategic Change Center of Excellence to sup- port them to successfully launch and implement their major changes. The SCO helps ensure the success of their changes to achieve the organization's collective business strategies and goals.

2. ***Increases speed and lowers the cost of change.*** Every executive wants change to happen faster, with less financial and human cost. Establishing the SCO supports those results. It reduces duplication of effort; ensures that the outputs from one project flow seamlessly as timely inputs to others; ensures effective integration and pacing across projects; and stops competition and clashes among them. It increases people's understanding of the big picture of change and how all change efforts work collectively to implement the organization's business strategy, thus lowering resistance and building commitment in stakeholders. This alignment speeds up change by removing so many classic barriers to implementation.

3. ***Ensures executive accountability for proactively leading change efforts until full ROI is achieved.*** A major source of failed change is change sponsors not seeing changes through. They delegate responsibility and go on to new things before the changes have been fully absorbed into operations and are delivering their full ROI. Sometimes leaders reduce resources too early; other times they quit championing, monitoring, and holding people accountable for an effort's full success. The SCO, as part of the executive team, minimizes these shortcomings. The SCO does not run the change efforts; it oversees their effectiveness and integration, ensuring their optimal results.

4. ***Ensures your organization has the capacity to succeed in its change agenda's initiatives.*** Far too often, the executive team initiates major change efforts without assessing whether the organization has the workload capacity to succeed at the changes with-

out negatively impacting people or operations. This is especially true if you do not have an enterprise change agenda. Always remember this: all internal resources for change are borrowed from operations, so there is always some level of impact on operations. How much impact can you tolerate? How much impact will your changes have? With the SCO, the "get real" conversations about capacity can happen among the executives before they initiate major changes, not later when those efforts are spiraling out of control, operational goals are not being met, or your best talent is burning out.

5.  ***Ensures that top change efforts get priority selection of staff and resources.*** With executives fully informed about the purpose and role of all major change efforts in executing strategy and achieving key goals, the resource allocation conversation becomes much more pragmatic and hard-hitting. With the SCO facilitating, they can talk through the trade-offs around staffing and resourcing to ensure each effort gets its proper due. They can take a stand against "pet projects" that bleed off resources and capacity needed for higher priorities.

    Often, executives commit to a significant enterprise transformation, as in cultural transformation or ERP implementations, but months later when they must provide necessary resources from their organizations to the change, they balk. They say, "I never agreed to that," or, "I didn't know you would want those people." The SCO can ensure from the beginning that all executives understand the downstream resource implications

on their operations of any enterprise change, and then hold them accountable at those later dates to earlier commitments made to support the change. This causes the executives to listen more completely when enter prise efforts are being discussed, and produces deeper commitments that will sustain when challenges arise.

6.  ***Ensures effective and timely course corrections.*** Transformation always requires numerous course corrections. With the SCO at the executive table holding a place on the executive agenda, course corrections are more easily made. The required executive discussions regarding the trade-offs, costs and benefits of different scenarios in response to emerging dynamics can occur more thoroughly and in a timely manner to generate alignment and a sustainable course of action.

7.  ***The SCO owns your change process methodology, change infrastructures, and best change practices,*** and ensures effective dissemination of these throughout your organization. With focused commitment to a common methodology and change leadership standards, executives and line change leaders can more readily build superior change capability.

8.  ***The SCO houses your Strategic Change Center of Excellence, and ensures efficient access and best use of your organization's change expertise and resources.*** The SCO does not necessarily house all of the resources that may be required for a change to succeed; it may simply know where they are and

## People and Process Expertise

➤ Build the Case for Change

➤ Establish Shared Vision

➤ Scope change accurately

➤ Develop change strategy

➤ Design change governance

➤ Address leadership mindset and style requirements; develop and lead leadership breakthrough processes

➤ Develop stakeholder engagement and change communication strategies

➤ Create change initiative integration strategies

➤ Coordinate the logistics of projects

➤ Conduct organizational assessments for content designs, readiness, and capacity to change

➤ Conduct Impact Analysis

➤ Create culture change strategies

➤ Provide organization development; team building; new team start-up

➤ Deliver change leadership development and executive coaching

➤ Audit and measure individual change efforts

➤ Develop rapid course correction systems

➤ Provide plans for and/or facilitate key meetings

how to access them as needed. It has a dotted-line relationship to the myriad types of expertise and resources in the organization, and has the authority to mobilize the right resources and skills for any given change that it supports. The consultants who live inside the SCO include master-level change consultants. They should be trained as highly skilled consultants to your line executives, being the super-users of your common change process methodology and champions of your best change practices and infrastructures.

Consequently, the SCO must be staffed by people who understand how to scope and prepare for all types of change, and how to bring the right people together so change is set up for success from the beginning. The SCO can request the need to hire more of these resources to ensure adequate capacity and capability. People and process resources are usually tougher to secure and are far less developed in most organizations than their content counterparts. The following boxed copy shows a list of people and process expertise that may be needed for any type and size of change.

*If you establish a strategic change office or Chief Change Officer, please let us know about your experience and outcomes. We would appreciate adding your insights to our research.*

9. **The SCO oversees the best use of external consultants.** Managing change-related vendors is a very high-leveraged use of the SCO. The SCO can create preferred vendor relationships with the various types of external experts your organization needs. It can be particularly helpful in selecting contractors for the full range of services that support your change agenda. It can align the external consultants with your internal resources, coordinate efforts across multiple consulting firms, and renegotiate agreements and deliverables to better serve your needs as they change over time. This oversight can greatly reduce fees, confusion and redundancies, and ensure that external firms deliver their services in ways that align with your organization's cultural requirements, common change process methodology, and change infrastructures.

10. **The SCO oversees enterprise culture change and leadership style strategies**. Given that so many strategic initiatives require the organization's culture and leadership style to change, enterprise oversight of this complex and sensitive imperative can be effectively provided by the SCO. Cultural transformation requires a multipronged approach, touching most areas of the organization. Success requires master-level skill and attention. For all the reasons stated, the SCO can be the best facilitator of cultural transformation—not the owner, but the facilitator! The executive team must own culture change, just like they own content decisions.

The Human Resources department has a huge role, but in many organizations they are not positioned to own culture change either. An SCO/HR partnership is critical. The sharing of responsibilities between them must be diligently negotiated. With both the EVP of HR and the SCO leader at the executive table, they can have the appropriate influence on the executives to be models of the new cultural mindsets, behaviors and norms required for success.

## Leading the SCO: The Role of the Chief Change Officer

The head of the strategic change office is the Chief Change Officer (CCO) who is a member of the executive team. This puts the strategic change office in its proper place in your organization, on par with your chief strategy, chief financial, chief information, and chief technology offices. Placing change leadership in the executive suite—where it belongs—secures all of the benefits listed in the functions and benefits of the SCO above. The role of the CCO follows these functions, and is ultimately in charge of creating change as a strategic discipline for the organization.

Creating a CCO role will require an adjustment in your organization's executive ranks. Since this role does not typically have line authority, the person in it must have strong influence skills and full legitimacy. The role, and the SCO, must be seen as advocates for corporate success, not as the "change po-

lice." Our first Chief Change Officer met with confusion about his role, since his peers only understood line authority, not this type of "people, process, and standards" authority. They had not made the mindset shift necessary for this to work. The senior team must develop the foundational understanding of the value of the SCO, and of conscious change leadership, for this approach to take hold. This understanding can be aided by generating accurate data about the real risk factors the organization has in leading—or failing to lead—its strategic changes. Performing a change audit can generate this data. Hopefully, you can proceed in this direction before your organization faces a major crisis in change and that this can be done in a conscious, proactive way, not as a reaction to failure.

Creating a strategic change office is a bold move. Some of our clients have established their enterprise change agenda, and then ensured that change project leaders have access to the executives when issues of pacing and capacity surface. Others have established a change oversight function or Center of Excellence that supports strategic initiatives in their use of *The Change Leader's Roadmap* methodology. Others have established key change infrastructures and published best change practices.

Our most successful example, in a hospital system, has established a person (not a senior executive, but one level down) who oversees many of the functions of the SCO without naming them. She just does the work. Over the course of three years, she has demonstrated to the executives the strategic advantage of being smarter about how they define and lead their change agenda, and their key change efforts. She does not have adequate consulting staff, but does have influence over the use of the organization's change-related resources and their use of *The Change Leader's Roadmap* methodology. She guides the change initiative leads and the senior Change Leadership Team's work, and surfaces key issues of pacing, change strategy, capacity, and timing. So without a title or a department, she accomplishes many of the important functions of the SCO. Her level of influence with the senior team is unique, and grows with every critical course correction she names and helps facilitate. Over the next decade, we expect that a major aspect of our consulting will be helping visionary companies develop an SCO and a Strategic Change Center of Excellence, and that the Chief Change Officer role will become more commonplace.

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# Summary

Developing change capability requires a significant investment in training and developing people, but it also requires building the organizational infrastructures, systems, and processes that support change execution. This means treating change as a strategic function within your organization and giving it the same type of study, discipline, and application you give to other strategic functions like finance and HR. In this article, we addressed five key strategies for establishing change as a strategic discipline.

We introduced the enterprise change agenda as a vehicle for executives to create a strategic—and realistic—view of the change priorities they require for business success. We discussed the benefits of using a common change process methodology across your organization, such as Being First's *The Change Leader's Roadmap* methodology. We described the various elements of a change infrastructure that can drive best practices and consistency in the leadership of all of your change efforts. We discussed the value of a Strategic Change Center of Excellence, the services it would provide, and why it is the next evolution for how OD, OE and change management consultants can contribute to their organizations. Lastly, we introduced the Strategic Change Office and the role of the Chief Change Officer as a senior-level function chartered to ensure that the organization has the capability, conditions, and vehicles to succeed in its mission-critical change efforts.

Leading change as a strategic discipline, and building the protocols and infrastructure to do so, will dramatically increase your organization's change capability. It will develop a culture of change readiness and competence, and ensure that your critical change efforts deliver the ROI you need to succeed in today's—and tomorrow's—competitive marketplace.

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## About Being First

Being First is a Breakthrough company. Founded in the 1980's by Drs. Dean Anderson and Linda Ackerman Anderson, we provide advanced expertise in personal and organizational transformation.

We open leader's minds, develop their self-mastery and equip them with the advanced Conscious Change Leadership skills to transform themselves, their organizations, communities and cultures.

For forty years, we've been pioneering a new field of study – Conscious Change Leadership – that develops "transformational superpowers:"

➤ **Conscious** – "Vertical" leadership development that produces greater mindfulness,  and self-mastery

➤ **Change** – Strategies and methodologies for designing and leading organization and culture transformation

➤ **Leadership** – Co-creative leadership styles that unleash human and organizational performance

We are Strategic Advisors to the C-Suite, and provide an integrated System of Transformation to your executives, change leaders and internal consultants that includes strategic advising and consulting, training and development, coaching, methodology, tools and assessments.

We partner with our clients, and customize everything to their exact needs to fit the scope and scale of their required transformation to Achieve Breakthrough.

For more information, BeingFirst.com or call us at +1 970.385.5100.

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