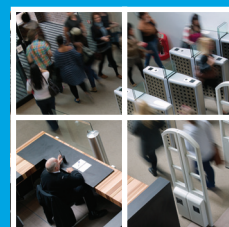# *Guide to the Realisation of Strategic Change and Benefits:*

A challenge to current thinking and practice

Guide to the Realisation of Strategic Change and Benefits: A challenge to current thinking and practice

Commissioned by the Higher Education Funding Council for England under the Leadership, Governance and Management Fund for the benefit of the university sector

<table>
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Foreword

Bringing about successful change in complex organisations is a significant challenge. Individual tasks are often straightforward enough, but getting the whole thing right and doing this consistently is notoriously difficult.

The timing of this guide is opportune. With a rapidly evolving higher education landscape many universities are reviewing what they do and how they do it. I would like to thank Vice Chancellor Professor Geoff Layer, and all those at the University of Wolverhampton and beyond for providing a valuable guide to this difficult and important area.

I commend the fresh approach and the reminder to us all of the importance of open-mindedness as projects are conceived, of clarity of vision, and the tenacious pursuit of expected benefits. Getting these factors right every time is a worthy goal to ensure the continuing success of our universities. The potential rewards are diverse: from improved student experience to more productive research into global challenges such as climate change.

This guide gives the opportunity to make better use of resources by implementing solutions that are smarter, work better for people and are more environmentally sensitive. The enduring success of our universities is evidence of an ability to adapt and change, but we cannot afford to be complacent.

Sir Alan Langlands
Chief Executive, HEFCE

Executive Summary

The aim of this guide is to set out a simple framework of key principles to ensure:

- The need for change is robustly defined

- The expected benefits are articulated and achieved

- Culture, people and processes are fully considered

- The justification for change is continually challenged

The proposed fresh approach, focusing on the delivery of benefits from investments, has the potential to provide greater certainty and a position of strategic strength for the higher education sector. This guide advocates a new approach which refocuses existing knowledge and good practice in the areas of Change Management, Benefits Realisation and Project Management.

Concepts are proposed which challenge current thinking in the management of projects seeking to bring about change. These concepts emphasise that managers should seek to thoroughly refine the real need, properly consider options where the investment is zero and be open to critical challenge and debate by independent peers. This new approach would ensure a focus upon outcomes and benefits rather than outputs and also provide a structure to the search for best value in investment decisions.

This guide overlays these concepts onto best practice change delivery principles and provides a framework for achieving real, lasting and measurable benefits. It is emphasised that current practice focuses on outputs rather than outcomes and that needs are often defined in terms of solutions at a premature stage. Effective decision making and value have a greater certainty of being secured if organisations are persistent in challenging themselves at all stages of any investment proposal.

It should be noted that this guide does not engage with the semantics of the terms 'portfolio', 'programmes' or 'projects'. The use of project to describe the delivery vehicle for a change initiative or investment is still the dominant language within the HE sector. Whatever term is used to describe the management framework to deliver change, it must be outcome led and the benefits fully embedded.

This guide is not prescriptive and is suitable for senior managers seeking speedy clarification of key issues for a change initiative. Further detailed and useful information is held on a web based portal by the author: *(www.provelio.com)*. Users are encouraged to contribute best practice input to assist future improvements to this guide for the benefit of the HE sector.

Setting the Scene

Having recently visited the corporate headquarters of a large plc, the Deputy Vice Chancellor was impressed with the plasma screens continually presenting latest information about the company. The DVC had the idea that this concept could be rolled out across the HE campus providing details of courses, staff, changes to lecture venues, bus times and student union events. In fact, the more the DVC thought about it, the list of communication opportunities was endless.

It was fortuitous that the very next day there was a Senior Management Team meeting and the DVC presented the outline of the concept. The head of IT and Director of Estates said it was easily achievable. Initial budgets were developed, procurement issues discussed and options for locations debated. In six short months the concept had been realised and all faculty receptions throughout the campus had plasma screens installed and initial PowerPoint content produced by some of the faculties had been uploaded.

After a few weeks, problems began to emerge. Screens were switched off, some had been damaged due to location, other screens had burn marks from static university logo images. None of them were offering any communication beyond the initial pilot PowerPoint prepared at installation.

And then some of the reasons for the initiative failing began to come to light. The students were using Facebook to communicate regardless of their location, the faculty administrators did not know the updating of information needed to be addressed by them, IT had no budget for ongoing maintenance and there was no-one responsible for overall content management.

The initiative lost its momentum, no-one other than the DVC felt any ownership and there were numerous operational issues for the faculties to resolve. Nearly £1m in capital resources had been spent.

Why hadn't the organisation coped? Initially the DVC was angry and wanted someone to blame, but on reflection sat back and considered what had gone wrong. It was a good idea, the project delivery was successful and met objectives of time, cost and quality and it was a simple change in the greater scheme of complex change initiatives.

Reflecting further when the dust had settled, the DVC began to wonder if things might have gone differently. The DVC posed some interesting questions to the SMT:

- Was this seen as my pet project and were you all afraid to challenge me?

- What if I had consulted with the students and staff and run a pilot project to get feedback?

- Could we have solved the communication issue another way for little or no investment (e.g. Facebook)?

- Why did our project processes not stop this project – I thought they challenged business cases?

- Why did no one advise me of the changes and costs to adapt our current way of doing things to embed this change?

It became clear to the DVC how much time, money and resources can be wasted on even the simplest of change initiatives. With a current capital plan of over £150m and some significant and complex change initiatives the DVC began to worry how the organisation would cope and whether the right decisions would be made...

1.0 Introduction

The HE sector is currently experiencing the most significant changes to university funding and governance for a generation. The need for effective decision making to ensure that changes made actually deliver the anticipated benefits, whilst achieving best value, has never been more important.

1.1 The Challenge

> A global survey in 2008 by McKinsey and Co. offered the insight that approximately 2/3 of all change initiatives fail.
> *McKinsey and Co*

> Despite recommending greater attention to benefits realisation in our reports on Rounds 1 and 2, we were disappointed to find less than 30 per cent of the projects reviewed in Round 3 had any form of benefits realisation planning.
> *Report to HEFCE by David Mason Consultancy – Evaluation of Project Round 3, 2004-2006 (p3)*

It is well documented that the majority of strategies implemented fail to provide the benefits to the business that the investment anticipated.

Research carried out by the Open University has identified that the maturity of the management delivery systems in the HE sector vary significantly and the realisation of benefits is not at the heart of the process. As a result the anticipated benefits of the significant investment in Higher Education over recent years have not always been realised. HEFCE has acknowledged the need for capacity building in this area in two successive post SRIF analyses.

HE can deliver things right, but there is a proven need to ensure that the right things are being delivered.

1.2 Background

The background research for this guide identified from over 20 universities a number of common features present in change initiatives in the HE sector (see Table 1.1).

Table 1.1 - Common Features Present in Change Initiatives in the HE Sector

Static business cases	• Once a business case has been established there is little evidence of continual review or feedback.
Insufficient Peer Review	• Academia uses active and searching critique by peers to assure the quality of research. Peer review has been seen to be used in capital projects, but only to review the deliverables and outputs rather than to challenge the project at a fundamental business case level.
Little evidence of active management of benefits delivery	• Most project delivery teams see the task of evaluating the programme benefits as being outside the scope of their role, which is mainly to produce the physical output from the project, i.e. new facilities, a software system or a piece of new equipment. The business case requires the timely delivery of benefits and yet the accountability and ownership of this task is vague.
Post rationalisation of decisions already taken	• Once projects have been initiated there is little appetite to review or stop them. The decision making culture tends to support the original proposal and seeks to advocate remaining on present course.
'Do Nothing' equals disaster	• It is common for a lot of effort to be put into presenting the 'do nothing' option for this merely to be presented as a disastrous choice. This has also led to cases where 'political' bias is created to support a project.
Existence of 'Pet Projects'	• Initiatives proposed and/or supported by someone with enough power or persuasive influence to bypass or marginalise governance restrictions. Often accompanied by ambitious benefit statements, under-estimation of risks and with no alignment to the strategic objectives of the organisation.
We are here to deliver what we are told to	• Project teams often cited that their role is to deliver what is demanded by the academics or senior team. It is therefore not in their interest to challenge the stated solution.
A lack of clear leadership and ownership	• The large committee structures inherent in HEIs do not facilitate clear leadership, accountability and ownership.

All the projects possessing these common features typically demonstrated good practice found within well run projects e.g. an approved business case, formal project controls, a

project sponsor etc., and they were all delivered within acceptable project tolerances of time, cost and quality. However if they did not produce real business benefit, the organisation has wasted precious resources and created unnecessary organisational risk.

This is the typical problem of classifying success using project based metrics. Projects deliver specific outputs; change programmes deliver outcomes and new capabilities. At any time and especially in a difficult economic climate, this approach is unsustainable. If lessons from these examples are not acknowledged, opportunities will be missed to deliver business change in the most economic and beneficial manner.

Some of the common features currently found within the sector have been contrasted against a desired set of characteristics in Table 1.2.

Table 1.2 Desired Characteristics of Outcome Driven Change Initiatives

Current	Proposed
To use time and budget as principle measures of success of a project	• To use benefits monitoring and measurement as the primary measure of success
Projects are generally 'solution led'	• Changes are 'benefits led'
Do nothing options are used to support option analysis and investment decisions	• Option studies focus upon benefits and not solutions
Needs described with no constraint as to value for money	• Needs ranked from those which are absolute necessity to those that are desirable if affordable
Projects are rarely stopped or redefined	• At key stages, an independent peer review of the business case is undertaken to ensure that it is robust and valid; with the mandate to stop the project if necessary

This guide sets out a framework that will help HEIs move from a tendency to deliver based upon predetermined solutions to a process of benefits led change.

1.3   Change Management – A Fresh Emphasis

The research has shown that there is a need to modify the emphasis of management effort in change initiatives. Managers are successfully steering programmes and projects with good practice systems and controls, but it is questionable whether the final solution(s) deliver the anticipated benefits to the strategic goals of the organisation.

This guide does not seek to be a prescriptive formula for success, nor does it aim to be a new method for change management. Instead it provides a set of guiding principles that, if adopted with thoughtful application, can ensure that only the right initiatives are progressed through to benefits realisation.

It has been found that most organisations can deliver change in a relatively consistent manner. However, the ultimate aim is to ensure that the process delivers the benefits needed to realise the shared vision.

Three underlying themes are presented to encourage a change of emphasis of the management effort in change projects:

- Refining the real need
- Zero investment options analysis
- Rigorous positive challenge

Supporting this are three areas of focus which underlie successful change management:

- Culture
- People
- Process

Evidence has shown that it is all too easy for need to be generated out of a solution that has already been developed. The needs are often expressed in a physical shape (a building, IT system or equipment) rather than setting out a range of new desired outcomes. Time must be taken to refine the description of need down to very clear statements that do not attempt to define any solution. Objectives and benefits mapping facilitate this, see Figures 1.1 and 1.2.

Figure 1.1 - Example of an Objectives Map
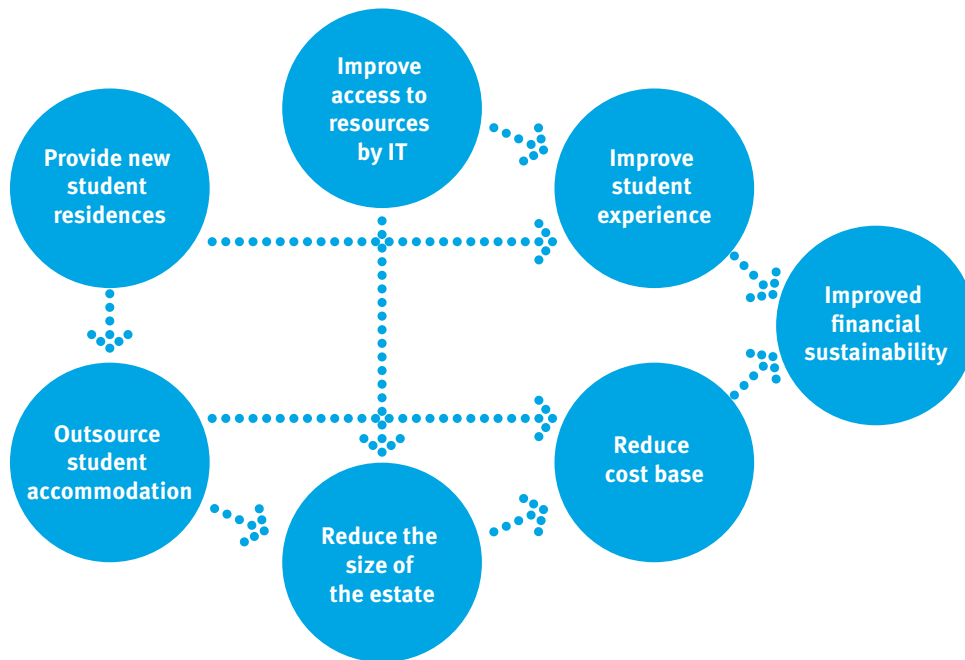
Figure 1.2 - Example of a Benefits Map
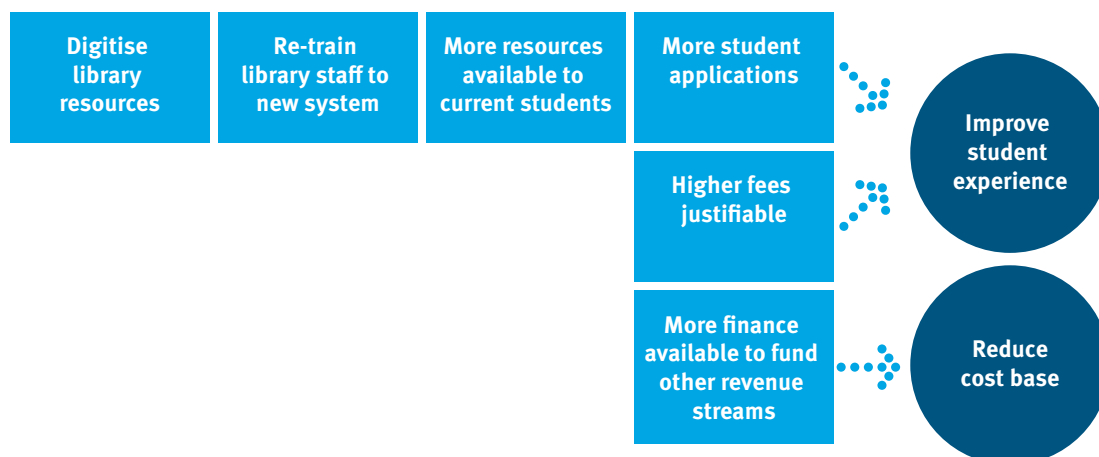
It would have been easy to conclude that the solution in Figures 1.1 and 1.2 would be a new building. It may still be concluded that a new building is required, but it could be smaller, offer different services or re-use existing space in a different and sustainable way.

A benefits baseline may also be used to show what can be expected to happen to benefits if no change is implemented over the period in question. If no baseline exists it may be necessary to carry out some research to establish suitable measures. Asking the organisation to state what will 'really' happen without change is a healthy exercise.

The programme for change should not proceed until the framework of anticipated outcomes has been established, which has the potential to meet the shared vision.

1.3.2 'Zero Investment' Option Analysis

Option analysis can sometimes be used as a vehicle to simply select the pre-conceived solution. This theme therefore asks managers to consider how to solve the problem if there were no funds available at all. Can the activities change, are the activities required, can the problem be solved another way or can the problem be ignored?

> The general economic climate and new funding methods for HE will only increase importance of exploiting existing assets and getting value from new investments.
> *Director of Estates*

Early in the process of developing a business case, a rigorous challenge should be undertaken in the form of a zero investment option analysis. The principle behind this requires that having identified the need, it is worthwhile to assess what could be achieved if no funding was available (i.e. zero investment). The analysis is then developed whereby further funding is incrementally introduced and the additional benefits identified. This continues until a level of funding is identified where maximum benefits can be achieved. Where there is a pre-conceived solution(s) and outline business case, the same analysis can be applied in reverse. Analysis can then be extended in increments, up to a preliminary assessment of the cost of the business case. This encourages those within change programmes and projects to spend more time considering the changes that are needed to achieve the required outcomes; some of which will be achievable independently of financial investment.

The output from this process will be a much wider understanding of the nature of individual projects within an overall programme. As a result, the bodies tasked with approving projects are then better placed to achieve maximum added value for the institution's total investment programme rather than being limited to simple cost and output measures.

Figure 1.3 - Investment and Risk Versus Benefits Realised
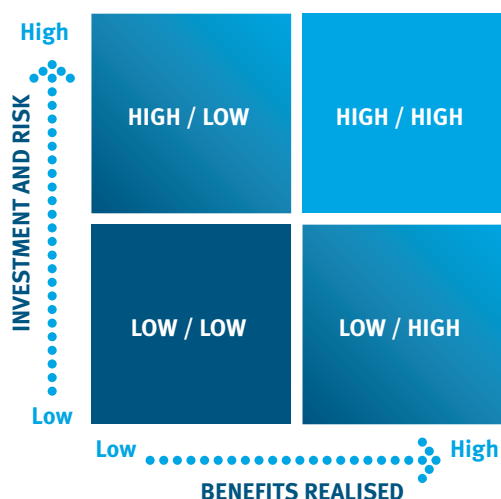
Figure 1.3 is a matrix to help managers recognise the relationship between investment and risk versus achieved benefits. Programmes or projects that are low investment and risk and high on benefits are the ideal goal for an organisation. Programmes and projects that require greater investment should undergo thorough zero investment options analysis.

With a zero investment option, change will be instigated mainly through management actions. As the level of investment increases, so does the risk (and the scope of the change programme). The aim is to determine a level of investment that achieves the benefits that are truly critical to influencing the future of an organisation's performance.

1.3.3 Rigorous Positive Challenge

The success of academic research is determined by a process of anonymous and independent peer review. This critical review is accepted as a positive process and aims to ensure that the arguments or analysis proposed are rigorous and robust .

The research found evidence of formal gateway reviews in programmes and projects but it tended towards review of technical issues or tangible outputs (e.g. cost or programme). Little evidence could be found of business case review after the initial approval. Even less information could be clearly presented relating to benefits identification and subsequent realisation (often only occurring years after the completed projects).

Given the volatile nature of external pressures, e.g. funding, economic climate, government changes of policy, etc. very few programmes or projects would be immune to threats to benefits realisation.

It is in the interest of all parties to welcome 'challenges' in a rigorous and positive manner. Person(s) independent of the change initiative can offer fresh insight, wider experiences and are not constrained by the current issues or demands.

It is better to stop an invalid change initiative having spent 10% of the budget than it is to continue through to completion and create no value, using scarce and valuable resources.

1.3.4   Summary of Themes

These underlying themes should be used to test the change initiative at all stages. This will ensure that when the business case is finalised and approved for commencement, the organisation can be confident that benefits will accrue during delivery and the degree of certainty that will be achieved.

1.4   Aim Of This Guide

The aim of this guide is to set out a simple framework of key principles that can be used at the commencement of a change initiative and as an audit tool for initiatives already running to ensure that:

- The need for a change is robustly defined.

- The expected benefits are achieved by moving from output led to outcome led change.

- Change can be successfully delivered by consideration of the three key elements: Culture, People and Processes.

- The justification for change and the proposed solution(s) are regularly evaluated and challenged throughout their lifetime.

1.5   How To Use This Guide

This guide consists of two main parts:

- The guide book

- An associated web based repository of useful documents, hyperlinks and templates

This guide book is sized to allow senior managers to seek speedy clarification of key issues or aspects of managing a change initiative.

The website is a portal hosted by the author allowing managers to find useful documents that will save time and effort and avoid "re-inventing the wheel". The intention is that this portal, over time, be continually updated with new information and/or shared information between different organisations: *(www.provelio.com)*

To assist with quick reference the following logos have been used throughout the documents to help readers locate relevant guidance:

| *Culture* | *People* | *Processes* | *Checkpoint* | *www.provelio.com* |

2.0 Key Principles for the Delivery of Strategic Change and Benefits

Figure 2.1 – Map for Delivering Strategic Change & Benefits

1

Establish the Organisation's Need and Vision

2

Set out a 'Blueprint' for the Future State

CULTURE:
Test political (internal and external) Appetite, Dynamics and Commitment

CULTURE:
Gain Understanding and Knowledge of the Organisation
....
Identify the Culture within the Organisation and Preferred Approach(es) for Change
....
Verification of Communication Channels and Approval Processes

PEOPLE:
Senior Management Team (SMT) to Engage with Key Stakeholders

PEOPLE:
Engage with Doubters and Opponents
....
Engage Change Agents
....
Create Ownership
....
Establish Quality Communication

PROCESSES:
Establish the Need
....
Create a Compelling Shared Vision
....
Establish the Change Sponsor
....
Identification of the Expected Outcomes
....
Assess the Strategic Solutions and Constraints
....
Risk Management
....
Make Assumptions Clear

PROCESSES:
Establish the Change Management Structure, Skills and Governance
....
Developing the 'Blueprint' of the Future State
....
Benefits Realisation
....
Developing Ownership of the Benefits Embedded within the 'Blueprint'
....
Stakeholder Engagement and Communication

3
Business Change

4
Create the New Capability and Deliver Performance and Benefits

---

CULTURE:
Propagate Change Through the Organisation

CULTURE:
Create Shared Ownership

PEOPLE:
Monitor Project Buy-In, Consolidation and Ownership
....
Foster Support and Co-operation
....
Monitor Team Health and Effectiveness of Communications

PEOPLE:
Communicate Outcomes to all Parties Involved and Recognise Contributions

---

PROCESSES:
Validate and Monitor the Alignment of the 'Blueprint', Business Case and Strategic Objectives
....
Structured Change Management
....
Monitor Project Resources and Skills
....
Monitor for Change Fatigue

PROCESSES:
Deliver and Reap Planned Benefits
....
Long Term Ownership
....
Achieve Additional Benefits
....
Winding Up the Formal Change Organisation

The principles are structured around four key stages. These stages have been represented graphically in Figure 2.1. Within each stage the principles are identified by whether they are culture, people or process related. The stages are:

Stage 1 - Establish the organisation's need and vision

This section covers the response to external and internal forces, identifies the need, shapes the vision, tests the political fit, engages leadership and sets out the expected outcomes to be achieved from the change.

Stage 2 - Set out a 'Blueprint' for the future state

An evaluation of the options to provide a solution that will give an acceptable balance of improved performance and benefits against the cost, the risks and the ability of the organisation to successfully deliver the change formalised within the vision and strategic objectives.

Stage 3 - Business change

The implementation of the planned activities that will deliver the new capability and how best to foster support and broker co-operation.

Stage 4 - Create the new capability and deliver performance and benefits

Embeds the change to create long term ownership, maximises the benefits available as a result of the change and ensures the knowledge gained is passed on to future change initiatives.

The stages set out a logical sequence of events but within each stage there will be overlaps and iteration. It is important at the start of each stage to consider the cultural and people aspects and to ensure that the processes are aligned.

It is recommended that reviews be held at key points in the change process so that the business case can be stress tested to ensure that validity still exists and true value for money is being obtained.

To show how the four stages work together to deliver business change and deliver the organisation's needs, Figure 2.2 demonstrates the connections between them.

Figure 2.2 – Process of Delivering Strategic Change & Benefits
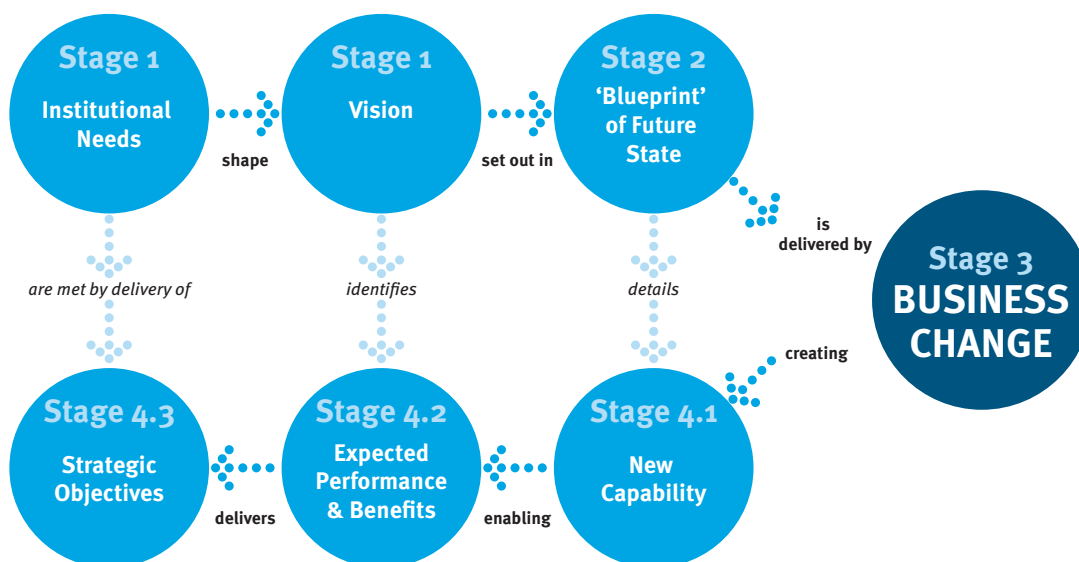
2.2 Organisation

Whereas exact terminology might vary over the HE sector as a whole, the following organisational titles should be understandable within any HEI. The responsibilities of each constituent part of an HEI are assumed to be broadly comparable across the sector alongside the general concept of change management and sponsorship. The change of emphasis and focus of the organisation, introduced in Section 1.3 and the key principles to be adopted within each level is described in this section.

A typical organisational structure for a change initiative is set out in Figure 2.3 and shows how the different organisational layers of the change are linked. It also indicates the reporting structure for managing multiple projects and implementing policy changes. It is important to ensure that the structure and specific roles described above are fully understood within an organisation before embarking on a significant change programme.

Figure 2.3 – Typical Organisational Structure for a Change Initiative
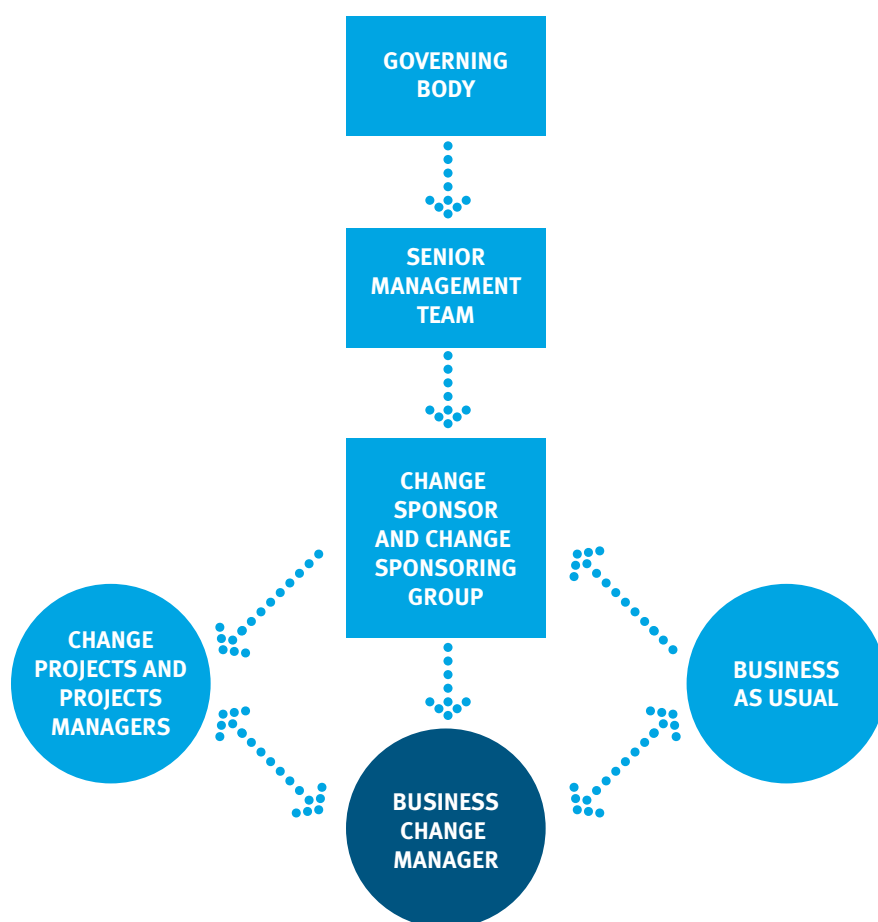
It is particularly important to achieve this before attempting to define a need for change. Many organisations fall into the trap of establishing a need at too early a stage which leads to preconceived solutions (outputs) and so it becomes defined in output (solution) terms. Time spent on organisation and roles will always be beneficial in both the short and long run.

2.2.1 The Governing Body and the Vice Chancellor or Chief Executive

The Governing Body and the Vice Chancellor or Chief Executive should ensure that a perceived "need" has been refined to its absolute root and that this is bona-fide in terms of the strategy of the HEI. Challenge to the proposition for change should be welcomed and encouraged throughout the lifespan of the change to ensure that the need is continually scrutinised and refined.

Pre-requisites for proceeding are:

- A bona-fide need for change

- A clear articulation of what the vision will look like

- The time horizon for the change

- Clear leadership structure for the change

- Confirmation that the change can produce the expected performance/benefits

2.2.2 The Senior Management Team (SMT)

The Pro-Vice-Chancellor/Deputy Vice-Chancellor, Registrar, Finance Director, Director of Estates, IT Director et al should focus on scoping the total resource needs with the aim of supporting change and benefits delivery across the total programme of the HEI. The SMT will continually challenge the level of support needed so as to ensure that true value is attained; it will do this in part by insisting that zero investment options have been properly evaluated.

When operating in this mode SMTs will exhibit the following characteristics:

- An established mechanism for managing a long term dynamic capital programme will exist

- Limits of affordability for known initiatives coming from the university's strategic plan will be known in advance so that sponsors are aware of the constraints within which they will operate

- There will be an established and formal approval forum at which the total programme of investment is analysed so that programmes and projects are approved within an overall strategic context

- There will be a rigorous challenge of business cases, testing the need, zero investment option analysis and a credible plan for benefits delivery. This will be on record.

2.2.3 The Change Sponsor (CS)

This is the person who has overall responsibility and mandate for the successful delivery of the change and the benefits to the institution and will be accountable for the success of the change for delivering new levels of performance delivery. However, the person in this role should remain open to alternative ideas for delivery of defined benefits so that opportunities for supporting other initiatives are not missed. Equally, the CS should be willing to stop if the delivery of benefits is shown to be potentially compromised.

The CS will therefore:

- Provide clear leadership and direction

- Own the agreed business case

- Maintain alignment of the change to the organisation's strategic direction

- Manage key senior stakeholders keeping them engaged and informed

- Ensure that the options for delivery are fully evaluated

- Identify when specialist knowledge and advice is required

2.2.4   The Change Sponsoring Group (CSG)

The CSG supports the Change Sponsor and its key role is the steering and governance of the change which will be now be defined in terms of a specific programme or project.

In particular the CSG should:

- Manage the funding for the change

- Resolve strategic and directional issues within the resource committed

- Co-ordinate activities across the whole change programme or project

- Lead by example by embodying the values implied by the change

- Confirm successful delivery and sign off the closure of the change programme or project

2.2.5   The Business Change Manager (BCM)

The BCM represents a part of the organisation affected by the change and sits on the Change Steering Group. They provide the bridge between the change and the part of the institution they represent. The essential role of the BCM is to realise the benefits by embedding the change into the business operations. Where necessary they will guide the design of new business structures and processes and will implement the changes and ensure benefits are materialised without affecting business continuity.

Importantly, the BCM will:

- Maintain the focus on realising beneficial change

- Monitor business stability and on-going capability to cope with the level of change

- Ensure the changes being made will lead to operational benefits

- Be prepared to delay, redefine or even stop the project if analysis suggests that better value for money can be achieved

2.3   Summary

It is critical for the long term success of the change initiative to properly resource and organise the management team. Roles and responsibilities should be fully understood and accepted before formally commencing the change process.

Find further useful information at: ***www.provelio.com***

3.0 Stage 1 – Establish the Organisation's Need & Vision

Clearly articulating the future state allows the whole organisation to understand where it is heading.

Stage 1 sets out:

- Why the organisation needs to change

- What it wants to look like in the future

- What the vision will deliver

- Who will lead this journey

- What key obstacles could affect the journey

- The early engagement needed to secure support for it

Time spent in this phase to record the needs of the organisation in the right form is vital; the tendency to favour pre-conceived solutions or pet projects should be avoided. The recurring message throughout this guide will be to keep stakeholders focused on the need. An organisation cannot successfully adopt change unless its people understand and support the reasons for creating the change.

3.1 Culture

A firm grip of the cultural issues is critical to set the scene for the whole change initiative.

3.1.1 Test Political (internal and external) Appetite, Dynamics & Commitment

> **The timing and the politics have to be right, or it is not going to fly.**
> *Director of Change Projects*

There will be a need for internal/external discussions to test for initial support and appetite from key stakeholders, or to identify major areas of constraint that will affect the change initiative going forward. The research found that this was often referred to as Stage '0' in many organisations.

3.2 People

Change is inherently unsettling for people and proper recognition of this risk will improve the chance of success for the change initiative.

3.2.1 Senior Management Team (SMT) to Engage with Key Stakeholders

> **It takes time to build consensus. No matter how good your strategy is, if you flag it up on the day and haven't done the work explaining it to individual directors, it won't go through.**
> *Chairman of Global Architecture Practice*

In times of uncertainty during the process of change, people will look to their leaders for strength, support and direction. The SMT will need to test the depth of commitment to the change to assess the validity of the proposition of change. The leaders must speak with one voice and demonstrate the desired behaviours and values.

Identify key stakeholders (internal and external) and canvas them on their possible position on the initiative. Sound out their views, test sensitivities and, if possible, secure support and an understanding of the level of commitment needed

3.3 Processes

Simple processes will ensure that the change initiative progresses in an effective manner.

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3.3.1 Establish the Need

Examine the root definition of the need and articulate it in terms that are independent of the solution. This will allow the full spectrum from zero investment to maximum investment to be evaluated with equal merit. Having critically assessed the reality of the need, the rest of the organisation will understand that the change is essential.

Asking 'what are we trying to do and why is this necessary?' will unfreeze current thinking and practices. Changes frequently fail because the responses to these questions are rushed and pushed too quickly ahead without considering or engaging with operational issues, such as 'how do we do it?'

Creating a compelling case for change is about communicating why the change needs to happen and making it real for individuals. Consider what would happen if the change did not take place?

Use pilot or discovery projects to test any proposed ideas or perceived needs.

3.3.2 Create a Compelling Shared Vision

Example of a Simple Vision Statement: When this change is completed we will be able to offer our students a greater range of higher education courses than our competitors, enhancing our reputation. A student will be able to choose from traditional courses, as well as IT distance learning from anywhere on the globe, all leading to internationally recognised qualifications.
Extract taken from OGC Managing Successful Programmes p157

In addition to setting out the need, setting out the vision of the future state is equally important. It sets the strategic direction for the institution, where it will need to be in the future and what it will look like. This has a powerful influence on the way customers, partners, stakeholders, peer groups and staff will view the institution.

One of the most common reasons for projects failing is that those involved don't share the same vision or that the concept is too complex for people to understand. There is a need to align the stakeholders together behind one simple and powerful story that describes what needs to be achieved and why. It unifies the organisation behind a definite common goal and focuses attention on the future state.

The vision has to be compelling, relevant and continually communicated. To do this it must be articulated so that everyone can see and understand it; not just the senior management. It should take into consideration the change needed at every organisational level, so that change to the day to day work experience is described along with the high level change goals.

The vision should seek to contribute to the overall strategy of the organisation.

Going for full university status and research degree awarding powers was an easy vision for everyone to buy into.
Dean of School

Distil the vision into its simplest form: a diagram, a one pager, a strap line, or paint a picture. Use this to encourage people to take the story and make it their own, by adding personal benefits to it. Be aware that multiple change initiatives may have overlapping vision statements and it will be necessary to ensure that they align with each other.

3.3.3 Establish the Change Sponsor

You need a change champion for each change initiative to take ownership and give high level direction.
Deputy Vice Chancellor

It is important at this stage that a Change Sponsor (CS) is formally appointed to take charge and ownership and to demonstrate commitment to the change on behalf of the Senior Management Team (SMT). The CS will become the focal point for communications between the change team and senior management.

The CS must ensure the change stays aligned with strategic objectives and should initiate a review of the initiative if or when strategic direction changes, to ensure business benefits are still applicable and deliverable.

3.3.4   Identification of the Expected Outcomes

The vision document is effectively an external document to let others know where the institution is headed and what this should mean to them. Supporting this should be the expected outcomes from completing the change process. Outcomes can be in the form of tangible measurements, such as additional performance, savings, reductions, etc., or non-tangible achievements such as improved student satisfaction, reputation, etc. These are referred to as benefits.

3.3.5   Assess the Strategic Solutions and Constraints

The outcomes should be identified and then rigorously evaluated.

Change initiatives are competing for a limited amount of resources, such as financial, staff, skills, space, technology, etc. It is therefore imperative that initiatives are selected on the basis of those that deliver the most appropriate benefits to improve the current position, by delivering the strategic need and the vision.

There are four aspects to ensuring the right option is selected and that the benefits will be delivered:

1. Set Vision and Objectives - Analyse the strategic objectives.

2. Identify Benefits and Changes - Use a Benefits Map to identify the benefits required to satisfy the strategic objectives. This in turn identifies the new capabilities required to deliver those benefits and therefore the business change. The mapping process helps identify which options provide the most benefits and give the best strategic fit.

3. Benefits Realisation Management - Sets out a framework for ensuring the benefits highlighted in the business case can be delivered through the transformation phase and implemented by the organisation to become business as normal.

4. Measuring the results - Establish a methodology for measuring the benefits expected.

It is important that the whole process of establishing the prioritised benefits and how they are evaluated is established very early on. It is equally important that measurement criteria and the ability and resources to do this are already available which can be adapted to suit the new capability.

By following this process, it should be possible to confirm the following:

• The strategic objectives for the change

• Optimum strategies for delivery

• Improvements and benefits expected as a result

• How the change will fit with any other initiatives

This will inform the Strategic Business Case, which is the formal basis for assessing whether the change is viable and achievable. It will identify the specific objectives, required benefits, potential risks, outline costs and timescales and all potential options for delivery. This early assessment avoids unnecessary time consuming work on detailed cost analysis, investment appraisals etc. and premature focus on the financial justification for a project.

Proposals will typically compete for scarce resources and funds in a structured manner. Portfolio Management will be required to identify, analyse, authorise and control all change programmes.

3.3.6   Risk Management

Before proceeding to the next stage a first risk assessment should be carried out as this will be an essential part of the decision making process for approval to proceed. It is worth scanning the environment both internally and externally to identify any areas that may potentially have such an effect that they would prevent the initiative proceeding now or in the future. Appropriate mitigation measures should be defined along with a clear statement of ownership.

The risk process should continue throughout the entire change programme.

3.3.7   Make Assumptions Clear

It is inevitable that assumptions will need to be made to move forward. This must be clearly stated so that a check can be made to determine if any are not valid.

3.4   Summary Of Key Challenges

Before moving on to the development of possible solutions the organisation should challenge itself in the following way:

- What is the evidence that the need has been challenged and refined to its absolute root? Is this evidence convincing?

- Are the benefits described in terms of measurable outcomes? Do they need more analysis to ensure that the vision is clear to all?

- Have any solutions crept into thinking already such that there is a built in bias towards one solution?

- Is the organisation for the next stage clear and are responsibilities fully described?

- Will the implementation of the solution result in an acceptable level of risk in relation to the benefits expected?

> **In times of financial constraints it is vital that the decisions made add most value and are not simply a justification of a pre-conceived solution.**
> *Bursar*

Formal sign off and review is advocated for all stages. A regime that positively prevents programmes and projects proceeding without authorisation must be established which can be difficult in large diverse organisations.

Find further useful information at: ***www.provelio.com***

4.0   Stage 2 – Set out a 'Blueprint' for the Future State

Having established that a strategic business case exists and there is political support for the change, Stage 2 widens the proposal to identify the most appropriate way to engage the organisation into the change, create a level of ownership and commence the engagement process. This sits alongside the development of the vision and high level business case into a viable 'Blueprint' of what the new environment will look like and how the organisation will operate in it. The outcome of this stage will be a detailed operational business case along with plans for engaging and communicating the change to stakeholders during the transformation Stage 3.

> **Changes fail mainly due to the failure to take account how change affects an organisation's people. Organisations don't adapt to change; their people do.**
> *Mckinsey & Co*

The 'Blueprint' delineates the structure and composition of the changed organisation that, after delivery, should demonstrate the capabilities expressed in the vision statement. The 'Blueprint' is a detailed description of what the organisation looks like in terms of its business processes, people, information systems and facilities and its data. It is used to maintain the focus of the change on the delivery of the new capabilities. The key drivers behind the 'Blueprint' are the benefits (including dis-benefits) and outcomes. The 'Blueprint' compares the future organisation to the existing state, to identify where the gaps are. Having an understanding of this is essential to being able to effectively explore the alternative approaches to delivering the new capability.

4.1   Culture

Thorough cultural diagnosis can assess readiness to change, bring major issues to the surface and identify cultural factors that will support or inhibit change.

4.1.1   Gain Understanding and Knowledge of the Organisation

There are four key considerations to be investigated to apply this principle successfully:

1. Understanding the organisation as it stands (people, skills, culture, existing processes)

2. Learning lessons from how change has been delivered in the past

3. Understanding how similar change has been delivered in other organisations

4. Examining the change and early identification of the impact and risks of implementing it within the organisation, school, department, etc.

Furthermore, it is important to understand the terrain which is about to be travelled, which can be ascertained by:

• Researching the knowledge and skills within the organisation that may be relevant to this change. Similarly encouraging stakeholders to review communities of practice within their own specialist areas for solutions.

• Understanding how different communities and individuals may see the change; being ready for change and the implications and impact it may have on them. This can be achieved by surveying staff to identify how they will view the change, what their level of acceptance is and what the possible barriers are to acceptance. This will inform the communication strategy, levels of training, programme and key risks.

• Examining how the change impacts on the people, the systems and the culture.

Understand the nature of change planned by a quick analysis of the likely impact and risk on the institution. This gives an indication of the amount of disruption and negativity the change may have on the institution, allowing an assessment to be made and corrective or mitigating measures to be considered at this stage.

4.1.2　Identify the Culture within the Organisation and Preferred Approach(es) for Change

> **By using the vision, openness in communicating the situation (why there was a need for change) and demonstrating success we have been able to change the culture.**
> *Deputy Vice Chancellor*

Change picks up speed and intensity as it cascades down. Therefore, it is critically important to understand and account for culture and behaviours at each level of the organisation, otherwise change will only be superficial.

Culture can be core beliefs, values, behaviours and perceptions. There will also be sub-cultures within subject areas, departments, etc. Sub-cultures may require different strategies or tactics to be applied, requiring different forms of negotiation and communication.

Within the 'Blueprint', culture should be addressed as thoroughly as any other area in the change initiative. Leaders should be explicit about the culture and underlying behaviours that will best support the new way of doing business and find opportunities to model and reward those behaviours. This requires a definition of the current culture, the explicit end-state or desired culture and then the devising of detailed plans to make the transition.

4.1.3　Verification of Communication Channels and Approval Processes

The culture of the organisation will have a strong influence on how approval is achieved and what forms of communication will prove effective. It is worth checking existing processes and identifying not just the formalised approaches but also the informal approaches which exist.

As the change develops, it is advisable to test the appetite for the proceeding steps with other levels of stakeholders. An environment with "no surprises" must be created, keeping stakeholders informed, testing ideas with them and responding to any feedback.

4.2　People

It is vitally important that everyone involved knows what they have to do and how they fit into the whole programme/initiative. The best laid plans are only as good as the institution's ability to understand, adopt and act on them. Leaders often assume that others understand the issues, feel the need to change and see the new direction as clearly as they do. Core messages should be frequently reinforced through regular, timely and version controlled communication.

4.2.1　Engage with Doubters and Opponents

During a change initiative people tend to fall into one of four categories:

1.　Supporters – welcome change and can help others

2.　Agnostics – do not necessarily think change is necessary but will readily accept it. They will tend to remain silent

3.　Sceptics – do not really see the need for change but will go along with it reluctantly. They will be a negative voice

4.　Opposers – disagree with the proposed change and will not hesitate to tell anyone and everyone

> **Keep your friends close, and your enemies closer.**
> *Sun Tzu*

The key point is to engage with the last two categories, to turn negative behaviours into critical, constructive and positive behaviour. This ensures that the change will be better understood, subjected to healthy critique and the correct message communicated.

 Left to fester, negative behaviour will slow down the process or even stall it.

By engaging both supporting and opposing groups, leverage will be created within the organisation and within peer to peer interactions. People need to be encouraged and

motivated by those around them to change their behaviour as much as they need clear leadership.

It is the nature of academia to debate, discuss and critique. Engaging in debate is essential if there is to be buy-in from the academic community; criticism should be seen as a healthy activity which will improve the end result.

4.2.2   Engage Change Agents

Ownership of the change must be taken at every level of the organisation affected (SMT, Faculty Heads, Department Heads, and Team Leaders). These owners become the communicators and promoters for the change at that level and widen influence and communication in a way that suits that particular level or group.

The Change Sponsor should identify the key change agents and empower them to design and implement the change down through the organisation. It is necessary to set out the organisation, both in the existing and new state, to identify where these change agents should come from. This should describe how they need to work, what their coverage will be and identify and resolve potential gaps.

4.2.3   Create Ownership

Ownership is best created by involving people in the identification of issues and crafting of solutions. It is reinforced by tangible and psychological (e.g. camaraderie, sense of shared destiny) incentives and rewards.

This ownership is reinforced when people understand the need, the concept and the benefits of the plan. In this way something more than just buy-in is achieved.

4.2.4   Establish Quality Communication

Core messages should be frequently reinforced through regular timely communication that is both inspirational and can be acted on. It should be targeted to provide employees the right information at the right time, to solicit their input and feedback and to check on their emotional response to what they have heard. It should be timely, co-ordinated, consistent and personal.

Over communication is not harmful so long as it is well managed and might even be a specific strategy in certain circumstances. Feedback from communication must also be considered and owned at the Change Sponsor level.

4.3   Processes

Delivering change requires a separate organisation to be established, with its own reporting structure and governance procedures. Adopt a change organisation that suits the culture, type of institution and the scale and complexity of the change.

The future state needs to be designed so that it is capable of delivering the new capability and therefore the benefits. The Office of Government Commerce (OGC) calls this new organisation the 'Blueprint' which needs to be developed through this stage.

4.3.1   Establish the Change Management Structure, Skills and Governance

> **Even though we considered that our project approval procedures were very mature and business like it became clear to us that we were only approving a financial business case. This meant that when some physical projects were complete it took several academic years to realise that the financial metrics depended upon internal change management which hadn't been planned very well, hence the benefits were realised very slowly, or not at all!**
> *Former Bursar of a Russell Group University*

The change governance arrangements should consider how to deal with the inevitable complexity and interdependencies and attempt to bring these different aspects together. The governance framework should be designed to integrate with the institution's governance system.

A typical organisational structure for a change initiative is set out in Figure 2.1 in Section 2. This shows how the different layers of the change are linked by key roles and the reporting structure for managing multiple projects and implementing policy changes.

Review resources to identify what skills are needed to deliver the change. The use of a work breakdown structure (WBS) and organisation breakdown structure (OBS) will identify the resources and skills required within the elements of work.

Change cannot happen within the business as usual framework. Consideration must be given to the best allocation of resource so that there is focus on the change, lessening any potential conflicts of interest.

4.3.2   Developing the 'Blueprint' of the Future State

The vision is only an articulation at a summary level and needs to be expanded and developed.

Composition of the 'Blueprint':

• Business models of functions, processes, operations including changes to operational costs and performance levels for the transformed organisation.

• Organisational structure, staffing levels, roles, skills requirements and changes to organisational culture, style and personnel.

• Technology, IT systems and tools, equipment, buildings, machinery, accommodation requirements.

• Information and data requirement changes from existing to future state

Figure 4.1 – demonstrates how the vision is developed into a 'Blueprint' and how the 'Blueprint' balances benefits against dis-benefits, time, cost, risk, resources and culture to identify a change plan for presentation as an operational business case. Business analysis and design techniques may be used to explore fully the opportunities and options, such as cost/benefit analysis, risk assessment, benefits profiling, etc.

Figure 4.1 – Using the 'Blueprint' to Identify the Optimum Business Case

(Figure adapted from OGC Managing Successful Projects (2007) Figure 15.2)

4.3.3   Benefits Realisation

Benefits realisation management is a key process that is derived from the high level benefits set out in the Vision statement and developed into realistic proposals that can be delivered and measured. It is a seven stage process, see Figure 4.2 below.

Benefits expectations are often optimistic. A useful question to ask is if the benefits were halved, would the change programme still be valid?

> There were lessons learnt about the clarity of what the objectives were at the start and how you measure the benefits. *Director of Strategic Planning*

Prepare a Benefits Baseline which shows what can be expected to happen to benefits measures if no change is implemented over the period in question (e.g. perhaps it is expected that maintenance costs of a facility will rise over the next few years and a new building will avoid these costs).

Figure 4.2 – Benefits Realisation Process

1 Identify the need and the vision

2 Develop agreed views of benefits and enablers. Complete high level benefit profile

3 Set out benefit profiles to define anticipated benefits, evaluation criteria and realisation timeframes

4 Capture all expected benefits in a single change wide register

5 Measure and track the benefits until they are realised

6 Drive the focus on benefits across the institution; ensure ownership

7 Monitor delivery of benefits against the agreed criteria; identify new benefits and exploit

(Diagram kindly reproduced and amended with permission from Moorhouse Consulting. Taken from 'Are your programmes failing to deliver tangible benefits?' by Elvidge,T.)

4.3.4 Developing Ownership of the Benefits Embedded Within the 'Blueprint'

> **In today's climate of cost-reduction and fiscal economising, driving the maximum tangible benefits from change initiatives is as salient as ever, yet the vast majority of businesses still fail to deliver even close to the expected benefits.**
> *MD Pharmaceutical Company*

Clear ownership of benefits, collectively and individually, is a key requirement for successful change. Each benefit should be owned by an appropriate individual, who must be accountable for its successful delivery. Managing dis-benefits should also be clearly allocated to appropriate owners.

The Business Change Manager should own the benefit profiles within the change initiative, and in turn attribute specific responsibilities to managers across the broader organisational management structure (usually to those who will operate in the new environment). This will be identified in the particular benefit(s) profile.

The benefit owners must be supporters of the change and will have been involved in developing the solution devised to deliver the benefits. They should be of sufficient authority and influence to ensure that the change is embedded.

4.3.5 Stakeholder Engagement and Communication

Successful change relies on co-operation and support from all involved. A continuing and two-way approach to communication is essential between the change team and stakeholders in order to secure commitment and maintain momentum.

When moving to the next stage the point has been passed where it is decided that some change will happen that is likely to require resource and investment support. It is critical therefore to review and challenge the emerging business case to ensure that the absolute optimum option has been identified.

Evidence that this has been achieved will be supported by:

- A review of the zero investment options analysis and the opportunities identified to achieve change at little or no cost

- Evidence that staff have been able to contribute their ideas whilst generating options for the proposed change

- A clear benefits realisation plan with descriptors of how these will be measured. This plan will extend beyond the end of the change project itself and will be clear as to who is responsible for extracting the benefits and reporting back when and if realisation is compromised

Find further useful information at: *www.provelio.com*

5.0   Stage 3 – Business Change

This stage entails the implementation of the 'Blueprint' through the selected projects that when combined will produce the new capability. This is the most disruptive stage as the new ways of working are introduced and old processes withdrawn. Keeping everyone involved with the change requires having an ear to the ground, seeing how people are coping, being flexible and ensuring that the focus stays on delivering the benefits and vision. The result of this stage will be the successful implementation and initial adoption of the change by those involved.

Change relies upon the cultural and human aspects of adopting the future state and it is essential that this is backed by a structured and coherent programme of delivery.

A structured approach sets out a management and governance structure, along with planning, control and reporting mechanisms that can be cherry picked to suit the scale and type of change being implemented

5.1   Culture

Leadership should now be seeking to disseminate the necessary changes to the culture of the organisation.

5.1.1   Propagate Change Through the Organisation

Leadership should be explicit about the culture and underlying behaviours that will support the new ways of working and find opportunities to demonstrate those behaviours and values. Failure to do this can give the impression that change is unimportant and that it is imposed change rather than being for and with the staff.

It is important to develop champions who will become disseminators of these new values and behaviours. They will be part of a small number who can pilot the change and make the results visible to the majority.

Seeking commitment from change agents at department level and then moving on to seeking commitment from the main group of staff will ensure the majority are on board.

Providing the infrastructure to enhance the new ways of working and starting to remove the old systems will avoid people resorting to the old values and behaviours.

Reinforcing mechanisms such as metrics, incentives, recognition and rewards should be in place.

5.2   People

The transformation phase now engages with the staff as a whole and although by now they should be familiar with the change from the work completed in Stage 2, individuals need to be engaged to support the change at their level.

5.2.1   Monitor Project Buy-In, Consolidation and Ownership

> **We learnt to protect the new ground once we had established it so as not to let us fall back into bad practices.**
> *Vice Chancellor*

Ensure that the new ways are being accepted and then consolidate the change through development of the new processes or roles so that individuals take ownership.

Use small but meaningful quick wins or low hanging fruit early in the change to help build early credibility and use these to consolidate the change and give ownership. Enthusiasm cannot be expected for a three year change plan; therefore have bite-sized targets and significant milestones.

Consolidate the targets and start moving them forward to become business as usual. Ensure the old processes are dismantled whilst allowing the best bits to come forward. Doing this and empowering staff to develop the new processes will allow people to take ownership

5.2.2   Foster Support and Co-operation

Foster staff support by:

- Explaining the basic purpose behind the outcome being sought and help them to understand the logic

- Painting a picture of how the outcome will look and feel; this should be relevant to the individual. Make it compelling and let people know what is expected of them during and after the change initiative. Inform staff as to how their contribution to the success of the change will be measured

- Laying out a step by step plan for phasing in the change so they have a clear idea of how they can get where they need to be

- Giving each person a part to play in both the plan and the outcome itself as people need a tangible way to contribute and participate. Whilst ends are non-negotiable, the means of achieving them may be more flexible and open to creative solutions from within their group

- Identifying the associated personal benefits

> **The key to success is understanding the nature of the change and anticipating people's reactions and that's far more important than the technical elements of the change.**
> *Effecting change in HE; Learning from a 'triple whammy' of change*

It is equally important to create a sense of urgency and a recognition that the change has started and is being implemented; make it real and tangible. This can be done by:

- Increasing the level of communication to ensure all concerned are kept fully informed

- Identifying pilot projects, having quick wins and promoting the successes

- Directing attention to the positives

- Rewarding those that demonstrate the behaviours required; this provides dramatic reinforcement for embracing change

- Being flexible and not too critical

- Delivering against the promises. Ensure resources are made available and training requirements are provided

- Creating an environment of trust and confidence

5.2.3   Monitor Team Health and Effectiveness of Communications

The transition period between implementing the new processes and removing the old creates a hiatus. It is often the transition that people resist, not the change itself. The act of giving up existing roles and ways of working, the uncertainty of the neutral zone (the in-between state) and the risks of doing something new are often the real focus of resistance.

> **Adapt as you go along, don't cast it in stone and really work with your audience to make sure you deliver a campaign that they then buy into.**
> *Energy Manager*

People go through transition at different speeds and in different ways. Leaders' and managers' roles must be to help people through these phases whilst maintaining the same level of activity and service.

Monitoring of team health and ensuring that individuals are coping with the change is vital to ensuring all participants will safely make the journey from giving up the old to adopting the new.

Measures for ensuring that the process can be implemented as smoothly as possible for those affected:

- Be flexible in timings for moving from one phase to another, individuals can be easily left behind if not well managed

- Prepare for the unpredictable; continued adjustment and adaptation is necessary. Have a defined fall-back if later conditions force the change process to be modified

- Ensure participants are prepared. Tackle training and development prior to initiating the change in order to give confidence to deal with new or bigger problems

- Raising the level of communication during these phases is essential. Make sure leaders and managers are both available and prepared to listen and deal with concerns

- Check with individuals and groups regularly to understand how they view the change. Seek their views on the strengths and weaknesses of the project and look for solutions from them

5.3   *Processes*

Managing the transition in stages allows progress to be monitored and feedback from completed or on-going stages to inform the plans (change and benefits realisation) and the 'Blueprint'.

5.3.1   *Validate and Monitor the Alignment of the 'Blueprint', Business Case and Strategic Objectives*

Progress should be monitored at agreed stages.

Adjustments may be identified from a range of events or circumstances, such as:

- Business operations may become unstable

- Forward plans may no longer be realistic

- External circumstances are changing or have changed

- The change initiative objectives have been re-focused

Feedback from completed or on-going stages is important to ensure that they have, or will, deliver the outputs expected and that the plan is still achievable. See Figure 5.1.

Figure 5.1 Ensuring Alignment of the Benefits During the Transition Phase
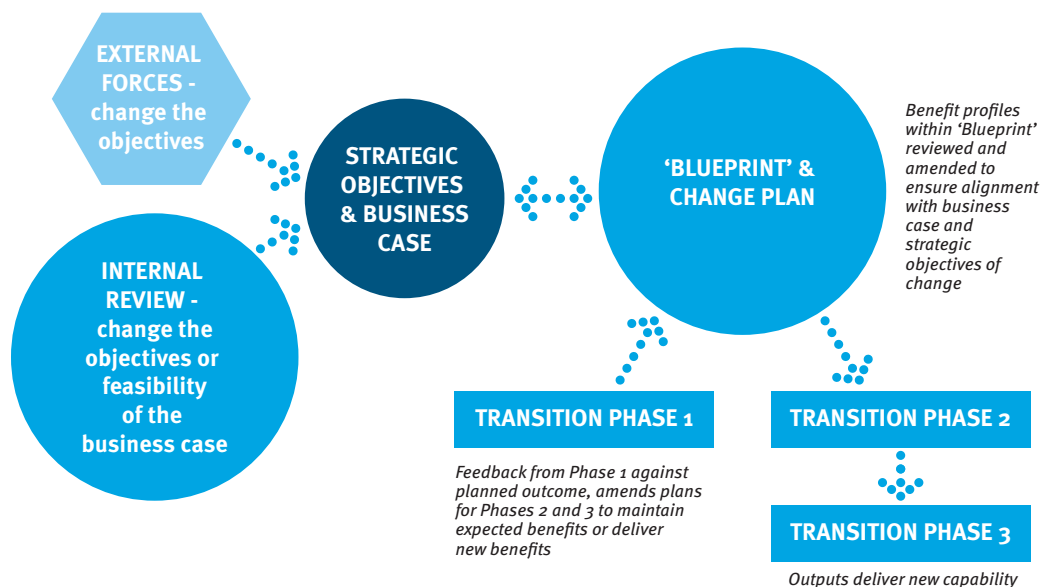
The Change Sponsoring Group and Change Sponsor should ensure that the change does not continue as originally planned if the strategic reasons and benefits for implementing the change are no longer achievable or required.

Checks also need to be made for each of the Benefits Profiles to ensure that they are still achievable. These should be managed and controlled as rigorously as cost and programme and reassessed and adjusted at regular reviews. If at any time the benefit becomes irrelevant or unachievable, the Change Sponsorship Group must re-assess its impact on the overall business case.

5.3.2   Structured Change Management

> **It was about very strong governance but ensuring the methodology wasn't too bureaucratic in terms of the way we ran it; "PRINCE2 light" we called it.**
> *Director of Strategic Planning*

A structured approach can be one that exists currently within the organisation or it can be a more formal programme/project management approach such as OGC's PRINCE2 or MSP (Managing Successful Programmes). Any of these approaches can be adapted to suit the particular needs and scale of the change, but some form of structure should be in place. Training, mentoring or best practice groups to bring individuals and teams up to speed may be required.

A change initiative will have many interdependent and inter-related projects all on-going at once. It is better to set up a programme management system that co-ordinates the projects and ensures that the interfaces and interdependencies between projects and resources are managed to deliver the new capability.

It is inevitable that on long change projects some aspects will change. A structured approach enables the project plan to be re-visited and ensures accountability is maintained.

5.3.3   Monitor Project Resources and Skills

Ensure resources are in place and that training and systems are available as planned. A lack of commitment from the top influences adoption in the middle and at the bottom.

Planning and managing resources and ensuring their availability is essential. Inevitably there will be conflicts and the Change Sponsor will need to resolve these by defining priorities or advising the implications if resource issues cannot be resolved.

Change initiatives need to be flexible as information evolves during the transition process. Maintaining budget and resource stability and only making changes in a co-ordinated and planned manner will help the change team to manage these resources successfully.

5.3.4   Monitor for Change Fatigue

The BCM should look for early warning signs of slow-down in achieving progress by regularly monitoring progress rather than waiting for whole work elements to be complete. This will also give an early warning of potential resistance to the change.

Project planning will throw up both hard and soft targets and milestones that should be monitored as this stage progresses. It is important to know about the critical path through change implementation; equally important is to know where float exists. All plans should have in-built float thus allowing the BCM to adjust deadlines in order to keep staff on-board.

Create a sense of urgency and raise the level of energy by:

- Identifying improvements and extending the plan

- Consolidating gains to accelerate momentum

- Planning for visible performance improvements; recognition and reward

Improve the understanding of change and its impact. Train and condition all concerned individuals to adapt to change as early as possible.

One of the key questions to ask before moving on into the next phase is whether the organisation is now ready to change. Those involved in the change will inevitably by now be more immersed and committed to the 'Blueprint' and perhaps less likely to consider better options at this stage.

Further external challenge should therefore be sought by:

- Identifying someone with little or no stake in the change and initiating a peer review to the proposed 'Blueprint'.

- Reviewing process and structure. Are these appropriate to the change being proposed? Will established processes dictate the pathway for the change or will the project create its own pathway?

- Examining the structure for the emerging project(s), is it clear and are there people in place that will continue to challenge the assumptions so far?

- Checking to ensure that the key staff involved in the change are on-message and motivated to do what is required to get to the new state.

Find further useful information at: ***www.provelio.com***

6.0   Stage 4 – Create the New Capability and Deliver Performance and Benefits

Creating ownership for the change initiative is started in Stage 2 and the Institution then begins to embed the change as it develops in Stage 3. Stage 4 sees the move from short-term to long-term vision and embedding the new capability to deliver the planned benefits fully such that they become the new business as usual. Staff should already be looking to develop/improve these new systems and take long-term ownership. The original systems are now removed.

As the new capabilities start to deliver, benefits will be reviewed and measured against the criteria set within the Benefit Profiles. Similarly, new benefits that may have appeared during the process will be incorporated and developed.

6.1   Culture

When change is implemented remotely from the affected faculty, school, department or the like, many change initiatives struggle to pass ownership back to the organisation thus threatening the delivery of benefits. It is the organisation that ultimately delivers the benefits and not the change process.

6.1.1   Create Shared Ownership

In the earlier stages, the change is jointly owned by the change team and the Business Change Manager. Upon completion of the change, implementation ownership passes to the relevant part of the organisation to develop the longer term vision for the new capability and take full responsibility.

To enable lasting change, all systems, structures, processes and incentives must be aligned and consistent with the goals of the transformation. The people orientated elements of the future organisation need to be articulated and not just the structure. Initiatives like performance management, learning and development, workforce strategy and retention strategies have to be in place to reinforce the new capabilities/processes.

6.2   People

It is almost inevitable that many of the planned benefits will be achieved some time after the formal change organisation has been wound up. It is vitally important that staff who are left to reap these benefits are empowered and accountable for doing so.

6.2.1   Communicate Outcomes to all Parties Involved and Recognise Contributions

When the main part of the change initiative is complete, recognise the work achieved and the success that it will bring. As benefits are rarely visible upon completion, organisations should let their staff know what has been achieved and the expectation of what will be achieved in the future as a result of the initiative. Identify the link between organisational success and the change.

Celebrate the success and recognise individual contributions. This will reinforce the new processes and give people a reason to move forward.

Identify intermediate benefits and celebrate their success too.

6.3 Processes

The Benefits Realisation Plan sets out how benefits will be achieved. Some benefits will take longer to appear than others. It is therefore important to consider the shorter term benefits to ensure focus and on-going commitment to the change. It will give stakeholders confidence that the change is making a tangible difference and that the longer term benefits are worth the on-going investment in resources.

6.3.1 Deliver and Reap Planned Benefits

> **Failure occurs when the envisaged benefits (the whole raison d'être) of the initiative are not achieved.**
> *Price Waterhouse Coopers*

Initiatives are often considered to be finished when their deliverables are complete. This often leads Change Sponsors to declare victory too soon; diverting leadership, commitment and focus from the on-going effort before the benefits are realised (which can be several years away). This may leave no one responsible during the realisation phase and often no structure through which to manage this important element. Quite often this is not helped by senior leadership changes at the end of the tangible project. If realisation of benefits is to happen, it is crucial to have clear linkage to business objectives and clear ownership for the delivery of those benefits. The Benefit Profiles will have set out who is responsible for the benefit, when they are expected to be realised, how they will be measured and who will report on them.

> **The project would be evaluated against the 5% reduction in carbon emissions that was set as part of the Estates KPI's and the Strategic Implementation targets to Council.**
> *Energy Manager*

Benefits linked to the organisation's key performance indicators (KPIs) will be more readily achieved. Use of a long-term reporting/assessment tool with clear targets will identify people who are responsible for evaluating progress. This ensures that questions are raised if targets are not being met. Benefits should be managed in the same way as risks, i.e. continually reviewed and updated

When executing and monitoring the Benefits Realisation Plan, consider these points:

- Monitor progress of other related dependencies that may still be on-going but are outside the scope of this change initiative

- Complete benefit reviews to cover both expected benefits and those benefits that should have been realised to-date

In addition to assessing and updating the Benefit Profiles, this helps to:

- Inform stakeholders of progress in realising the benefits

- Assess the performance of the changed business operations against their original (baseline) performance levels

- Assess the level of benefits achieved against the plan

- Review the effectiveness of the management of the delivery of benefits for future change initiatives

6.3.2 Long-Term Ownership

It is critical for the operational teams to take ownership and develop the new capabilities delivered as part of the change initiative.

To ensure this happens consider the following:

- Remove the redundant parts of the previous system so that individuals cannot start re-using them

- Ensure on-going support and training is in place for the new systems

- Test regularly that the new systems are working and communicate with teams on issues and ideas for improvement

- Consider how the organisation will operate without the support of the change team to resolve disputes and issues

6.3.3   Achieve Additional Benefits

> We need to keep those lessons learned for whatever strategic projects are round the corner, it could be international, it could be a potential merger.
> *Director of Strategy*

During and after the change process, there may be possibilities for identifying new benefits or accruing greater benefits in addition to those already being realised.

Be prepared for and responsive to new possibilities as the organisation starts to adopt the new capability.

6.3.4   Winding up the Formal Change Organisation

It is vital that the BCM ensures that any residual risks or issues are fully recorded and handed over appropriately to clear owners. There should also be a post-implementation review giving time for analysis, recording of lessons learned for future initiatives and a proper evaluation against the control documents. Post implementation review should also be repeated at a frequency appropriate to the Benefits Profile and, if necessary, issues may have to be handed back to the Change Sponsor for resolution by those with more intimate knowledge of the design aspects of the change.

6.4   Summary Of Key Challenges

By this stage the change will be part of the new state and benefits ought to be clearly on the way to being realised. Handover of responsibilities to the day to day organisation will be happening and change management staff will be moving on or returning to their new roles. Losing the momentum that has been built up during implementation may be an issue which may slow down the realisation of benefits.

The Change Sponsor should therefore:

- Ensure that responsibilities for the delivery of benefits are now clear as staff may have changed since the initial drafting of the benefits realisation plan

- Continue to monitor benefits delivery and match this against the specification developed in previous stages

- Carry out a lessons learned exercise involving those involved in the change team as well as those who are now involved in the day to day operation. This provides another route to validate that benefits are being realised and can identify blockages that can be then tackled. This should not be an exercise about the journey, rather it ought to focus on the aspects related to the desired outcomes from the change. Other reviews can deal with aspects of the process

- Repeating the format of the lessons learned exercise until the full range of benefits have finally been measured and realised

- Feeding back the lessons learned so that the next programme of change can benefit from experience already gained

Find further useful information at: ***www.provelio.com***

Appendix 1 – Glossary of Terms

AMHEC	Association of Managers in Higher Education
AUDE	Association of University Directors of Estates
BCM	Business Change Manager
CS	Change Sponsor
CSG	Change Sponsoring Group
CSR	Comprehensive Spending Review
DVC	Deputy Vice-Chancellor
HEFCE	Higher Education Funding Council for England
HEI	Higher Education Institution
JISC	Joint Information Systems Committee
KPI	Key Performance Indicators
MSP	Managing Successful Programmes
OBS	Organisational Breakdown Structure
OGC	Office of Government Commerce
PIR	Post Implementation Review
POE	Post Occupancy Evaluations
PPM	Project and Programme Management
PRINCE 2	Projects in Controlled Environments 2
PVC	Pro Vice-Chancellor
SMT	Senior Management Team
SRIF	Scientific Research Investment Fund
WBS	Work Breakdown Structure

Appendix 2 – List of Figures and Tables

Figures

Tables

Please note where an organisation or institution is mentioned, this can be the principal organisation/institution, a college, a faculty, school, department or the like.