

## LEADING WITH INTENSIFIED CHANGE: CHANGE PRACTICE BENCHMARKING STUDY

*A first of its kind benchmarking study looks at change practices amongst a small selection of organizations across the globe, focused on how these change practices manage their portfolio of changes.*

*As the world transitions into 2021 there is continued flux and disruptions all around us. There is significant tension globally. The new US president has been sworn in. There is continued fear of the effects of Covid as vaccines start to be rolled out. Lives are lost. Jobs are lost. Economies have been shaken. Some economies are suffering heavily from the fallouts of Covid whilst others are largely less affected. Everyone has gone through significant changes in 2020. We are still surrounded by a series of transitions. Change is all around us in more ways than ever. More than ever, everyone is in the midst of overlapping systems of changes.*

*Organisations are becoming more digital thanks to Covid. There are numerous examples of seemingly slow-moving government organisations going through the digital baptism of fire by becoming digital over-night with working-from-home call centres and providing digital services. Employees have enjoyed the joys and challenges of working from home. Some loving the flexibility of juggling home and work duties. Others struggle with parenting whilst presenting to their colleagues. Working virtually is now the norm.*

*As change practitioners we have been challenged with how to lead, execute and sustain change virtually. Even what is commonly accepted in agile practices is now in question. The old ways of running face to face workshops, post-its and roundtables simply are not feasible options. Teams are not able to physically be at the same place. Organisations are simply not able to run large physical workshops such as PI Planning (program increment planning). Scaled Agile Framework has quickly revised its guidance by updating its recommendation to allow for virtual workshops.*

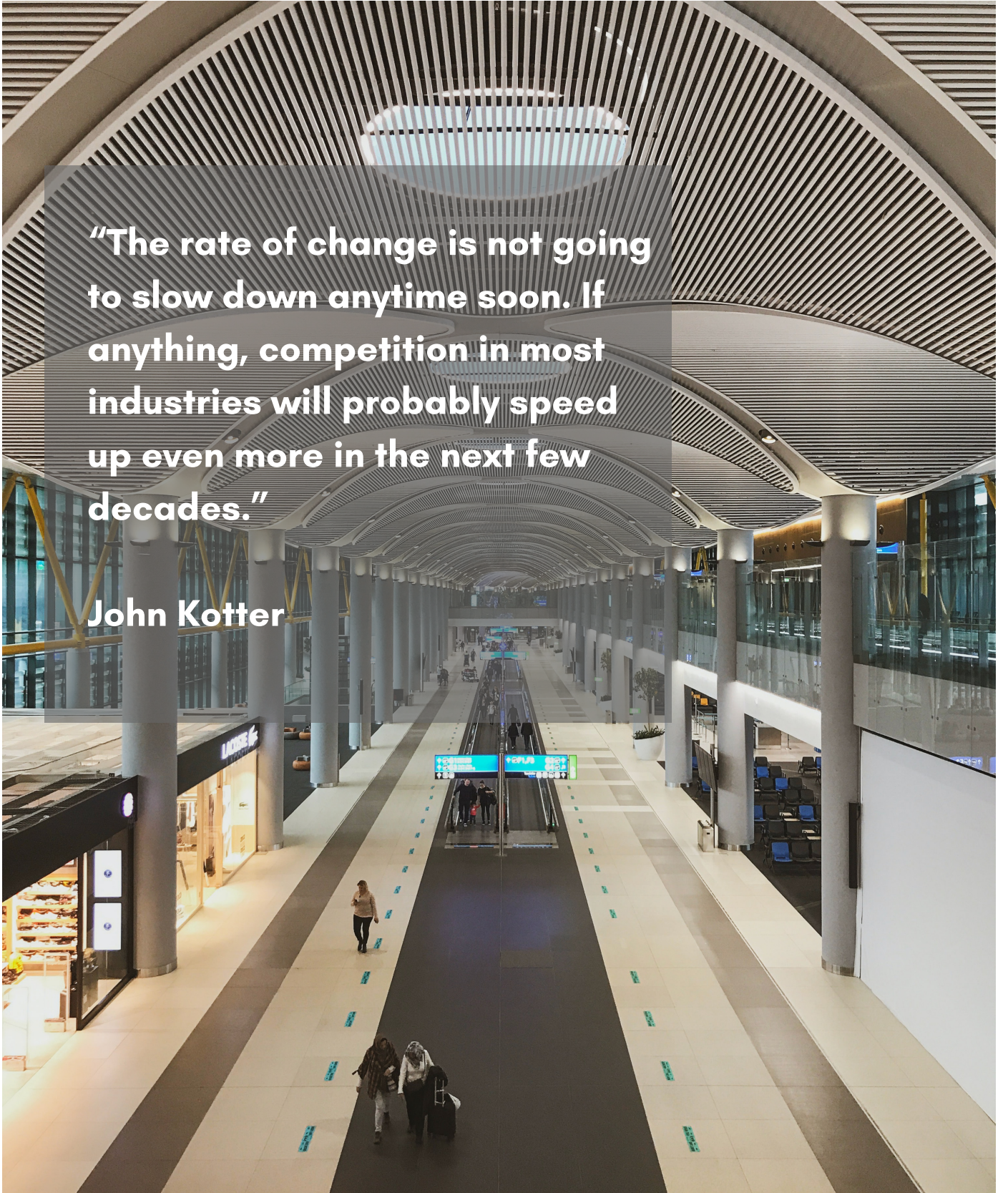
*This study aims to continue to survey and benchmark change practices of organisations around the world. We wanted to understand what has shifted and moved in how organisations manage their multitude of change initiatives. We are also keen to understand what has not shifted. The last study was carried out in 2018 so this is a 2-year benchmarking point. Anecdotally we often hear that there is increasing acknowledgement of the work of change management by stakeholders and more companies establishing change centres of excellence.*

*Compared to the 2018 study we continue to focus on a small sample of organisations across different types of industries. This study is not aimed to be representative of the whole industry but more of a gage of common change practices. We continue to survey a range of organisations across the globe, ranging from financial services, government through to utilities organisations. There is also a significant range in sizes of organisations we surveyed.*

*The study is organised in the following topics:*

- 1. Change analytics – How organisations use change data to support their change work*
- 2. Business change capability - How organisations go about building and developing change capability*
- 3. Change portfolio management – How organisations manage a set of change initiatives*
- 4. Project delivery – How organisations support project delivery from a change management perspective*





**"The rate of change is not going to slow down anytime soon. If anything, competition in most industries will probably speed up even more in the next few decades."**

**John Kotter**

# Key Themes

*We've highlighted some significant trends in the change practices of surveyed organisations.*

## Change Analytics

### 1. Increased numbers of organisations use change heatmaps to understand change impacts on different parts of the organisation.

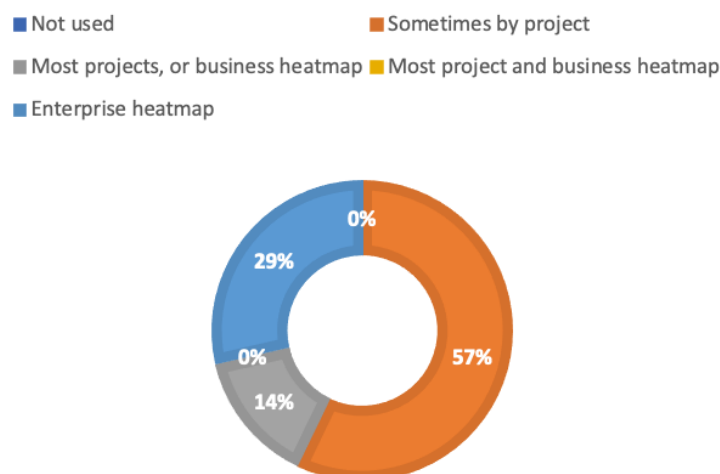
*In our previous study 1 in 4 survey companies did not use change heatmaps. In this study all organisations surveyed use change heatmaps.*

*There are organisations that use personal judgment to determine the level of heat impacting different parts of the business. However, there are many challenges with this approach. Since this is not data-based it is very easy for stakeholders to challenge the allocation of 'heat'.*

*Managing a portfolio of initiatives requires data and this may not stand up under scrutiny.*

*In the previous study, 65% of surveyed organisations did not use individual initiative data to devise change heatmaps. In this study the figure is only 14%.*

### Exhibit 1: Change heatmap is devised and utilised to understand change impacts on different parts of the business, calculated using 'individual' initiative change impact data





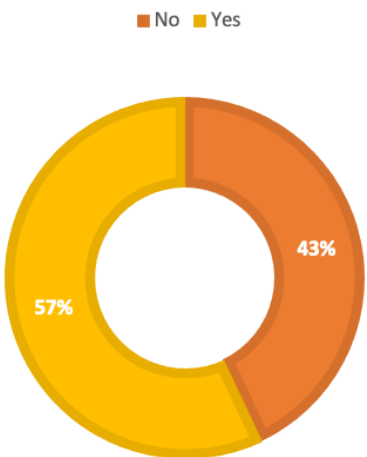
*We recommend using actual initiative impact data and collate these to form a portfolio-wide picture of change heatmap for businesses. This approach provides significant value for business operations that use this data to plan for resourcing and business readiness. PMO (Project Management Office) also can leverage this to make better prioritisation decisions. However, this approach will require more resources in terms of data entry. Digital tools may be leveraged to support this process. For example, The Change Compass has automated features to help quickly generate and update data within minutes.*

*Given the significant change that organisations are undergoing this is not a surprising trend. Layers of changes compiled on top of one another has impacted even the most slow-moving industries. Industry competition. Virtual ways of working. Cost containment. Customer demands. Digitisation. The list goes on. Organisations simply do not have a choice but to be ‘dragged’ into increasing intensity and pace of change.*

**2. Other than Change heatmap other forms of change data visualisation are used**

*The finding that change heatmap is not the only data visualisation that a lot of organisations use to show change impact is exciting. This indicates that there is increasing maturity and sophistication of change practices to showcase and highlight how change initiatives are impacting different parts of the organisation, from which any risks and opportunities may be derived.*

**Exhibit 2: Other forms of change impact data visualization are used other than change heat maps**



*There are different ways in which change impact information can be displayed. We've included a few examples from The Change Compass as references. For example, bubble chart is a popular way of depicting the size of the change impact without the need to verbally explain this. There are various ways in which bar chart formats may be used to depict change impact, including mapping change saturation and change volume trends over time.*





### 3. Change data is used to make business decisions such as sequencing, planning or prioritisation occasionally, or sometimes at best

*It is exciting to see companies leveraging change data to make program or portfolio level decisions. Typically, decisions across the portfolio of initiatives are made based on cost, time, and strategic importance. All of these are critical factors. However, change data also plays a critical part in this equation.*

*The following are examples where change data can play critical roles:*

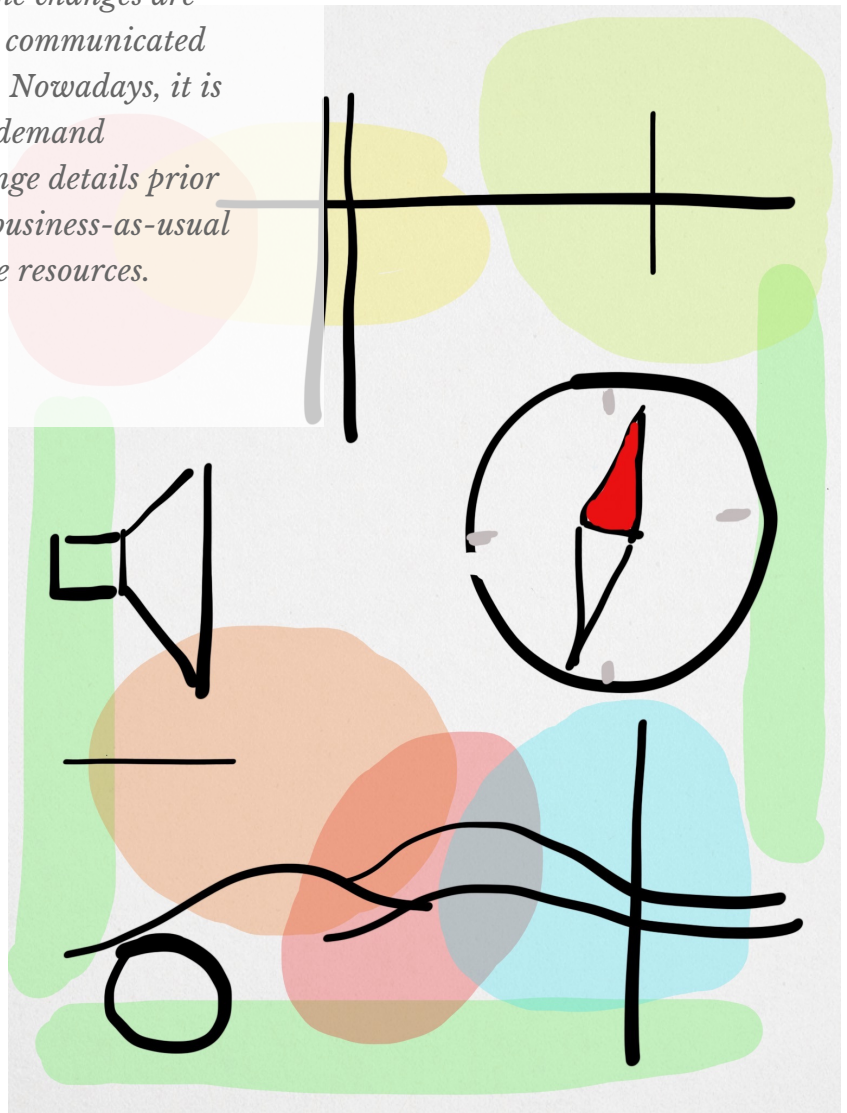
*a) Change saturation. With intensified number of change initiatives being rolled out across the organisation it is absolutely critical that the level of saturation is monitored closely. This is where change impact data comes in. An accurate set of data on which initiatives will impact which part of the business, at what time, to what level, for which roles, and for what type of change can provide invaluable ability for the business to make better decisions on sequencing.*

*A Mckinsey study showed that with active portfolio prioritisation and resourcing allocation, a company can reap 40% more value. Such is the power of change data to provide the organisation with the ability to maximise overall portfolio value.*

*b) Coordination of communications activities across initiatives. Within an environment where there is a slew of changes being implemented, it is critical to track the various types of messages being disseminated. Too often than not, there are multiple messages from different projects sending information to the same stakeholder groups. Yes, each project has its own agendas and particular details in which they need stakeholders to take note and action. However, there are always better ways in which messages could be better coordinated, linked, packaged, themed, etc. to achieve simplicity and clarity of focus for the targeted audience group.*

*c) Coordination of learning interventions across initiatives. Similar to the alignment of communications activities across initiatives, the same can be said for learning interventions. Training sessions can be better coordinated with a clearer view of which type, when, and the structure of the content. References to concepts may need to be aligned across projects. Order of the rollout could mean that some initiatives could 'piggy-back' on previously rolled out content without repetition.*

a) Overall business readiness. With a heightened level of change, stakeholders need more time and visibility on what is coming down the pipeline so that they are better prepared for the changes. This contrasts with agile methodology where the change solution is often developed and confirmed just before the release. This means across a multitude of projects, each one is constantly iterating. To better feel the pulse of the overall picture of what is changing, a clear picture of what the changes are evolving toward must be regularly communicated with impacted stakeholder groups. Nowadays, it is not uncommon for stakeholders to demand significant advanced notice of change details prior to roll out in order to manage the business-as-usual side of the operations and available resources.





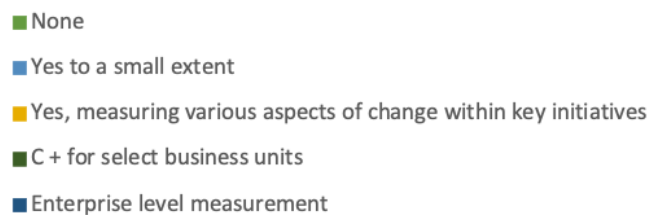
#### 4. More organisations are leveraging digital tools to manage change

*43% of participants in this study reported that they are leveraging digital tools to measure various aspects of change initiatives, and for some this is applied across the enterprise. This percentage was only 20% in the previous survey.*

*As organisations continue to digitise, transform, and modernise, change practices also need to keep up with the new digital world. Other disciplines such as sales and marketing, human resources, finance and operations simply would not be able to function efficiently without the use of various digital tools to support their digital organisation. Change management as a discipline is slow to follow the lead in digitisation.*

*In Project Management as a discipline, most organisations are using various tools such as Jira, Confluence, MS Projects, Clarity, Trello, etc. For change practitioners there are less tools to choose from. Other than The Change Compass which supports organisations at a portfolio level. Other tools may be found by clicking [here](#).*

#### Exhibit 4: Digital tools are leveraged to measure change



# Business Change Capability

## 1. There is more formalised people capability offering

*The current study found that surveyed organisations have more formalised change capability offering than the previous study.*

*Change capability offerings such as change leadership is not just a part of general leadership curriculum and that there is a separate offering. 57% of those surveyed indicated having separate change leadership capability offering, compared to only 30% in the previous study.*

*In addition to having separate change leadership capability sessions surveyed organisations are also more likely to measure change capability programs. 14% surveyed indicated that they measure change capability programs, versus only 5% in the previous study.*

*With increasing volume of change, organisations are realising that investing in formalised change capability offering can pay off in terms of longer term value. A more change capable organisation is one that is more capable of undergoing changes and therefore can reap more value from the investment made in committed initiatives.*





## 2. The majority surveyed have change capability offering for senior leaders and sponsors

*The majority of those surveyed indicated that they have change capability offering for senior leaders and sponsors (71%). Within this, 14% indicated that they have change capability offering for senior leaders and not sponsors.*

*This shows the commitment that surveyed companies have made to both senior leaders and sponsors. Sponsors, being ultimately the accountable party driving the change initiative, have paramount role in shaping and leading the success of the initiative overall. A sponsor may not always have the experience or know-how in leading a sizeable change. This is when the an effective capability program can help meet any gaps.*



## Change portfolio Management

### 1. More organisations have established business-led change governance to monitor and make decisions

*All surveyed organisations indicated that they have governance bodies to manage change. The vast majority have only project level business governance (57%) which is standard practice for most organisations. In addition to this, 14% surveyed have not only project level change governance, but have also established formal divisional business change governance.*

*Having divisional level change governance is critical as this enables each division to be able to closely track and plan for the various impacts that may impact business operations. This includes not only large projects, but also change initiatives that the division may be driving themselves.*

*The change governance activity does not need to have a complicated set up. It could be an existing monthly business planning meeting.*

*We have seen that divisions that have established monthly change governance routines have over time increased the change capability of the division. This is because the act of focusing on change data and having focused change conversations means that the cohort will be experimenting with different ways to get ready for and manage change.*

## 2. Change management portfolio planning review exercises are more frequent

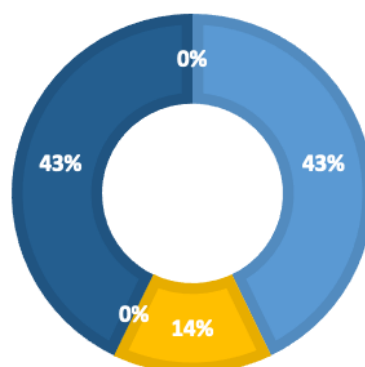
*2 years ago when we surveyed organisations 55% of those surveyed did not conduct any change management portfolio planning review exercises at all. In the current study, all surveyed participants confirmed that they conduct change portfolio planning review exercises. Moreover, 14% of those surveyed indicated having regular monthly portfolio planning exercises. 43% indicated these are only ad hoc and not regular.*

*Having regular portfolio planning review exercises is critical to the success of the whole portfolio of initiatives. Again, as mentioned, these do not need to be cumbersome and complicated. It is just about reviewing the data to agree and align expectations amongst stakeholders on what changes are coming, who they are impacting, and assessing any risks in terms of change delivery and stakeholder readiness. There could also be opportunities for cross leveraging and aligning across initiatives.*

*The other exciting finding in this study is that for those surveyed 71% indicated that change practitioners are involved in change portfolio planning review exercises. In the previous survey the figure was only 63%. Moreover, there is more PMO/Project portfolio manager involvement (14%) than previously (5%).*

### Exhibit 5: Change portfolio planning is carried out frequently to effectively plan for change

■ None      ■ Project level only      ■ B + divisional level  
■ C + quantitative data      ■ D + enterprise





# Project Delivery

## 1. Structured change management methodology and tools to support project delivery is more proliferated

*In the previous study half of all surveyed indicated either having no structured change management methodology and tools to support project delivery, or having only basic project level methodology and tools. In the current study, there were no organisations that had either none or basic levels of methodology and tools.*

*The exciting finding is that in the current study all organisations report having advanced change management methodology and tools. In addition to this, 43% reported some business stakeholders having familiarity with the change methodology and tools. An additional 43% indicated having achieved enterprise-wide level of application.*

## 2. Formalised change champion networks to support change initiatives are more proliferated

*The current study shows that there are more organisations that leverage a formalised change champion network to support change initiatives. In the previous study 10% of surveyed did not leverage a formalised change champion network.*

*However, the trend remains that the majority of organisations only have initiative-based change champion networks. It is encouraging that in this study 14% of organisations have division based change champion networks and a further 28% have enterprise wide change networks.*

*Having formalised change champion networks is critical to the overall success of the change portfolio. The challenge with having initiative-based change champions is that initiatives come and go and different change champions may be selected. The outcome is that there is no continuity in building up change capability skills within the business through change champions. With division-based or enterprise level change champions, the organisations can, over time, build the business change capability and improve the outcome success of initiatives. Projects come and go. However, change champions that are within the business can still support the end to end embedment of the change.*



### 3. Increased use of formalised embedment channels (such as training processes or engagement channels) to support continuous change

*All surveyed participants indicated using formalised embedment channels, compared to the previous study where 10% indicated they did not. This study also showed that 57% of respondents had measurement frameworks in place for the effectiveness of embedment channels. This could include measuring communication response rates, pulse surveys, training completion rates, etc. Moreover, 29% of those who measure embedment channel effectiveness, use this at an enterprise level.*

*Having effective embedment channels are necessary to have solid foundations for multiple projects to be implemented. Without these, each project may need to create their own channels, leading to organisational waste and confusion. It is also difficult for each project to design the right channel for each part of the business. Enterprise level embedment channels simplify the change process, create stakeholder alignment, and reduce organisational complexity.*

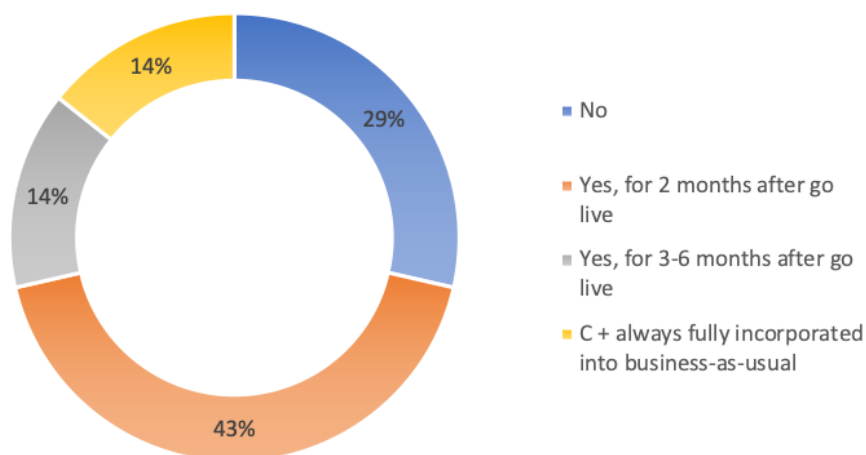


#### 4. The majority surveyed either do not monitor change outcomes post implementation or only do this for 2 months after go live.

*29% of surveyed indicated that they do not monitor change outcomes post project implementation. In addition, 43% only do this for 2 months after go live. Having the majority (73%) of surveyed organisations not monitor change outcomes after 2 months of go live means there is key opportunity for change practices to make greater impact by designing change implementation in a way that sustains the change.*

*There are too many examples where change outcomes may have hit all the targets in the first 2 months, with the adequate support of the project team. However, when the project team packs up and leaves, the indicators start to drop and it becomes obvious to stakeholders that the change has not been embedded and has not been sustained. For simple changes this may be adequate. However, for more complex changes we recommend designing adequate processes for tracking and monitoring to be embedded within business-as-usual activities.*

**Exhibit 5: Change outcomes are monitored and reported post implementation**





# Biggest challenges in managing a portfolio of change initiatives



# Biggest challenge for change practitioners in this Covid-environment



# Key focus areas for change practices in the change maturity journey

*This study found that surveyed organisations have displayed increasing maturity across all four areas of change analytics, change capability, change portfolio management and change project management. However, there remains key opportunities areas for organisations.*

*As organisations continue to manoeuvre around the impacts of Covid and to emerge successful, significant change and transition remain. Virtual ways of working are already the norm.*

*Change leaders are now challenged with knowing how to engage with stakeholders virtually.*

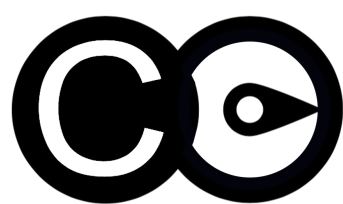
*In a virtual environment data is critical to manage the business. Rather than walking the floor, leaders need to gauge the sentiments and thoughts of teams through digital means. The same can be said for what change practitioners need to do.*

*As the pressure for more intensified change environment continues, change leaders and change practices need to help the organisation effectively plan for and deliver a multitude of changes.*

*To do this, adopting foundational portfolio management practices is advised. And without data it is not possible to manage a portfolio of changes.*

*In the next few years, progressive organisations will focus on change analytics capability. This critical element will form a core part of change maturity. To mature change analytics capability organisations need to build the right processes, governance, systems and know-how to provide valuable change insight to the organisation. To learn more about how to do this visit our article [How to build change analytics capability](#).*





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