



NOW MORE THAN EVER:

# Why Building Change Capability Is a Smart Investment


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## Think about your last must-win, big-budget change initiative:

- Did users embrace the changes and drive the business results you imagined?
- Did the approach enable your people to capitalize on more changes going forward?
- Will your project results encourage strong sponsor support for the next big change?
- Have your investments in change management established the strategic groundwork for your organization's ongoing success, especially during turbulent times?

Although change happens one person and one project at a time, developing change capability means far more than applying structured change management on multiple projects. It requires embedding the discipline into the fabric of your entire organization, enabling every person and every project to deliver organizational benefits. Organizations that develop this capability consider change management a core competency—it's central to the way they do business.



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## Our VUCA World

We live in volatile, uncertain, complex and ambiguous—or VUCA—times. Recognizing this, more than half the participants in our recent Best Practices in Change Management study were actively working to build their enterprise change management capability.

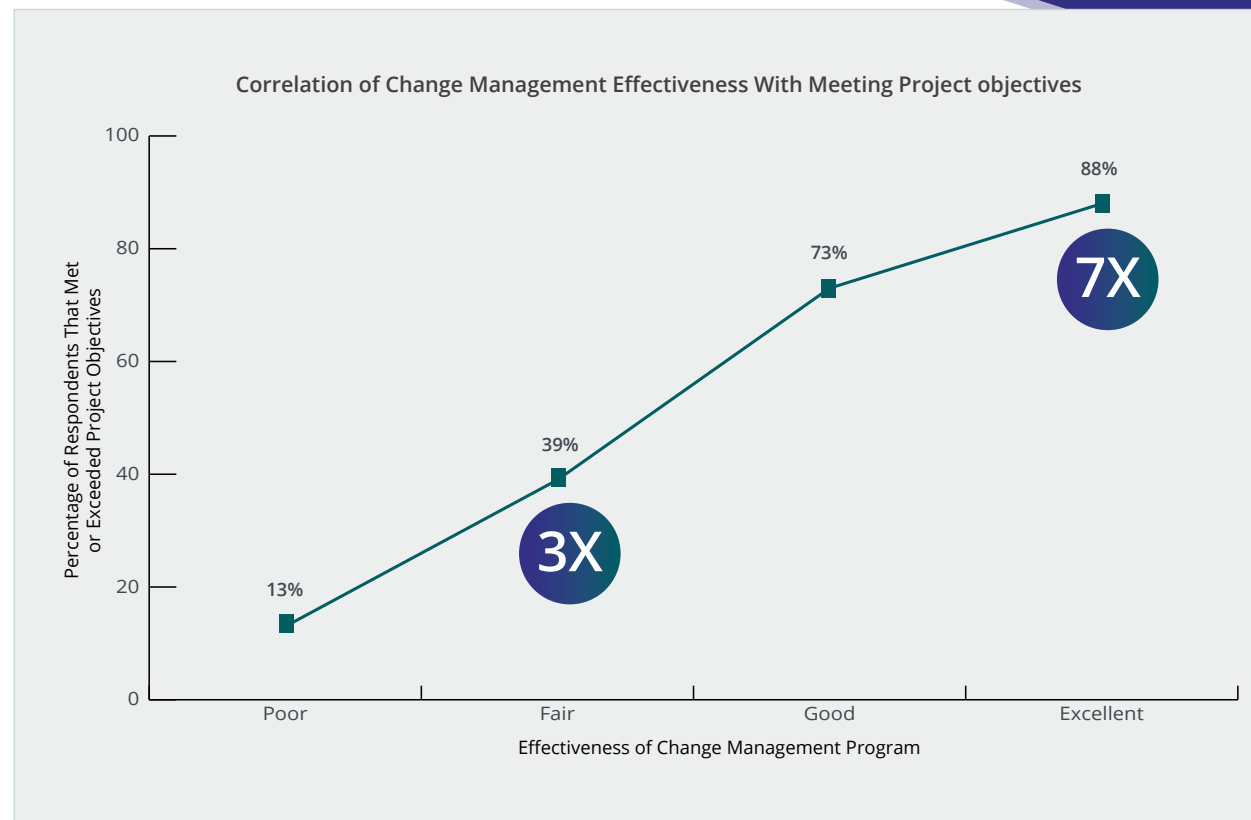
Their reasons stem from today's fast-paced, ever-changing environment. The overwhelming pace and volume of changes today has created the need for a structured process and framework to manage them. Frustrated by missed business objectives on top-priority projects, change professionals realize that neglecting the people-side impacts of change is to blame. Those who already invest in change management are seeing enterprise change management capability as a key success factor in their long-term plans. And some simply want to graduate from managing change on a project-by-project basis to a proactive, strategic approach that lowers costs over time.



# Change Is Not Inherently Valuable

People like to say that change is good, but that's only partly true. There's no value in a new process that your employees circumvent because they prefer to do things the old way or can't apply a digital technology effectively because they don't understand how it helps them or how to use it. Value doesn't come from change. Value comes from changes that get adopted and used.

We know that successful change implementations—those that employees adopt and use—produce better project outcomes. Prosci research confirms that projects with excellent change management produce as much as 7X better outcomes than those with poor change management. And better project outcomes improve the financial and strategic success of your project investments and your organization.



# Change Is Not Inherently Valuable

The more you weave change management into the fabric of your organization, the better you can manage the people side of change, help transition your employees through those changes, and increase rates of adoption and utilization. And doing so on an ongoing basis enables your organization to adopt more changes, more quickly.

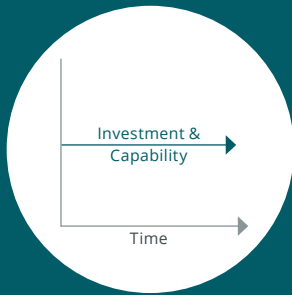
When you embark on the journey to build enterprise change capability, the goal is to build lasting capabilities throughout your organization. Training and coaching should not only focus on change management experts but also on executives, deployment leaders, front-line employees and other stakeholders who learn how to apply their role to the current change while they're building the overarching skills to apply change management in the future. Sprinkling change management around the organization on a few projects won't accomplish this. Building true change capability enables your organization's people with readily transferable skills that reap benefits from your training investments for years to come.



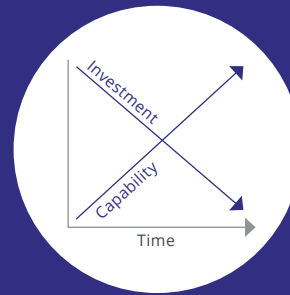
# The Economic Case for Building Capability

Building capability makes sense when you understand the three ways organizations tend to invest in change management:

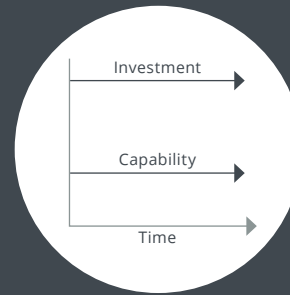
## 1 Practitioner-Only Approach



## 2 Holistic Capability Building



## 3 Consultant-Only Approach





# 1 – Practitioner-Only Approach



Leveraging this DIY approach, your organization’s internal change management team or change management practitioners engage with key stakeholders to drive changes and outcomes on multiple individual projects—but do so in an isolated fashion. In this common scenario, leaders and people managers are not equipped with the change management skills and experience they need to serve their sponsorship and people-manager roles in change effectively.

Because leaders lack critical training and experience, the organization can’t speak a common language around change or recognize a common set of expectations about how to execute their roles in change. With the practitioner-only approach, change practitioners can drive project changes but frequently encounter obstacles.

The practitioner-only approach requires less investment in the short run and ongoing investments over time, but it does not build enterprise change capability.

This approach is popular among organizations that are newer to change management or have not yet garnered support for building enterprise change capability.

## 2 – Holistic Capability Building

This holistic approach to building change management skills and expertise across the organization enables key roles and drives your most critical projects toward better outcomes. Leveraging a tailored mix of training programs, expert coaching, consulting, tools and licenses, you engage key internal roles to drive change success throughout your organization on key projects.

From the start, this approach imparts skills and drives outcomes while simultaneously building your long-term, enterprise change capability for the future. Unlike the practitioner-only approach, capability building equips stakeholders at all levels of the organization—from the front line to the C-suite—to execute their critical roles in change.

While requiring a larger upfront investment than the do-it-yourself approach, this holistic approach yields cost savings over time, plus builds a sustainable strategic enterprise change capability.

This approach is best for organizations facing major, high-risk initiatives on an ongoing basis, and needing to build a culture of change that executes with speed and agility.



# 3 – Consultant-Only Approach



The change-management-by-consultant approach relies on experienced external consultants to implement change management projects and organizational change strategy for you. By engaging with your leadership, functional managers and front-line employees, these consultants drive change-related outcomes on your behalf. As with the practitioner-only approach, leaders may not be trained or competent in a structured approach to the people side of change.

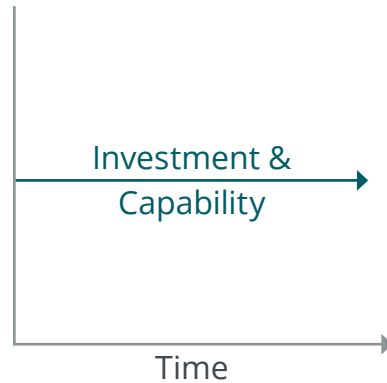
Many consultants execute both the technical side and the people side of change, typically focusing on technical project management with change management added on the side. Change management is not their prime area of expertise or focus.

Requiring a large investment that continues through the course of the engagement (and new investments in the next set of projects), this approach can yield strong outcomes in the short run, yet it does not build organizational capability.

The consultant-only approach is common among organizations that are not pursuing a path to enterprise change capability, yet they need to manage selected changes.

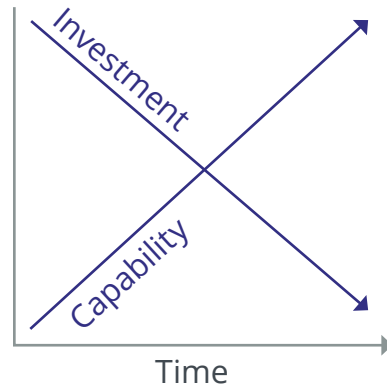
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Practitioner-Only Approach



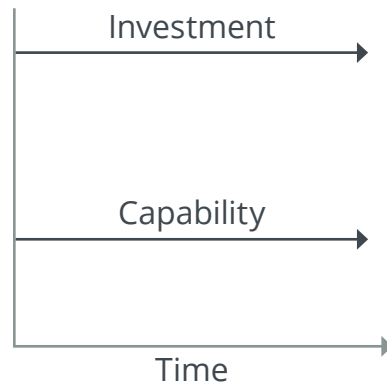
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Holistic Capability Building



3

Consultant-Only Approach



## Simply Put...

...growing your change management capability is a long-term investment that enables you to manage more change, more effectively, at a faster pace, and at a lower cost. And you rely less on external trainers and consultants as your capability grows. Like any investment, the returns can grow and compound over time when you manage your investment wisely.

Manage more change,  
more effectively,  
at a faster pace,  
and at a lower cost.

# Enterprise Change Capability as a Strategic Advantage

Change management capability requires deploying change management systemically into roles, structures, processes, projects and leadership competencies. Despite the larger upfront commitment, the outcomes yield returns that outweigh the investment:

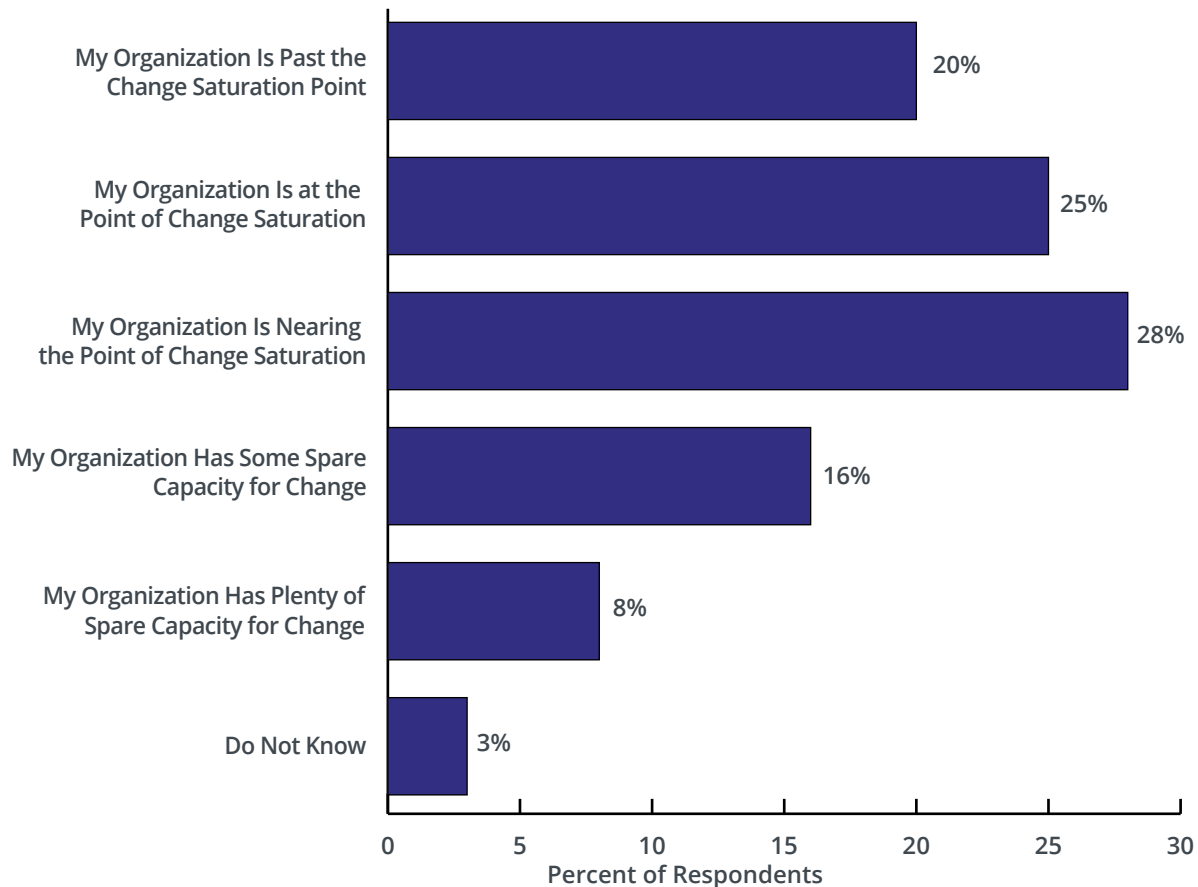
- Stakeholders speak a common language around change
- Employees embrace and adopt changes more quickly
- Technologies yield enterprise-wide productivity gains
- Organizations mitigate the negative effects of change saturation
- Strategic organizational initiatives meet or exceed long-term objectives
- Financial performance improves for the organization
- Projects harmonize to deliver cumulative benefits
- Organizations capitalize on market opportunities with speed and agility

The last bullet point is particularly important today. *The Economist* defines organizational agility as “the ability to transform information into insight in response to market movement.” *McKinsey Quarterly* defines organizational agility as “the capacity to identify and capture opportunities more quickly than rivals do.”

When you develop change management capability and do it well, it can become the key differentiator and strategic advantage that empowers your organization to out-change competitors.

The winners of the future  
will be those who can  
out-change the competition.

# Change Saturation on the Rise



Source: Prosci Best Practices in Change Management – 12th Edition

## Change Capability to Reduce Change Fatigue

**Customer:** University of Virginia

**Industry:** Higher Education

**Challenge:** Operational leaders witnessed a growing sense of change fatigue across the university as teams spun up needed projects, yet not in coordination with one another. In addition, projects weren't achieving intended results because among other things, the organization wasn't focusing enough on how changes would impact people's jobs.

### Solution:

- Certified 54 key UVA employees in Prosci change management to grow organizational change capability
- Leveraged Prosci's structured methodology to integrate project and change management
- Empowered project managers on large-scale projects to effectively manage change

### Results:

- Managed cumulative and collective impact of change via University Project Portfolio, reducing change fatigue
- Streamlined processes and enabled project managers for success through integrated change management and project management
- Grew change capability by positioning Prosci change practitioners in key functional areas to apply the Prosci methodology to projects, better preparing faculty and staff to thrive in a shifting institutional environment

# Maturing in Change Management

Enterprise change capability is the sum of all individuals involved and how they work together to engage key roles and create a holistic culture of successfully managing change. It's about catalyzing your individual changes to deliver organizational results.

Enterprise change capability varies from one organization to the next, based on their level of success in five capability areas. And it's easy to spot when it's done right:

1

## Leadership

Leaders routinely sponsor and communicate efforts to make change management integral to the way the organization does business. For example, a cross-functional change agent network of influencers and subject-matter experts supports change deployment efforts and the message for the organization.

2

## Application

Employees apply change management processes and tools effectively across your enterprise. Securing resources, tools and the budget necessary, employees incorporate change management from the onset of every must-win project and initiative.

3

## Competency

Stakeholders up and down the organization, from the C-suite to front-line employees, know their part in change management. Well-trained in their specific change-related roles, people exhibit personal competencies and can execute with help from coaches and change management experts as needed.

4

## Standardization

A structured and consistent change management approach lives in all projects, programs, workstreams and relevant conversations. Change management often operates as a centralized, functional group such as a Change Management Office (CMO).

5

## Socialization

The organization manages the people side of change as a core competency and cultural value. All employees recognize the importance of change management to the organization's success and speak a common language around change.

Organizations don't develop this level of capability overnight. But managing the effort to build enterprise change capability as its own change project can help you organize and measurably advance your progress over time.

The project to build capability starts with understanding where your organization stands today in terms of change

management maturity. Analyzing key indicators reveals a precise level of maturity in quantifiable terms, rather than relying on educated guesses. This systematic, project-based approach also helps your organization define where you want to go in the future and the unique steps your organization should take to get there.

## Prosci Change Management Maturity Model

Level 1	Level 2	Level 3	Level 4	Level 5
Ad Hoc or Absent	Isolated Projects	Multiple Projects	Organizational Standards	Organizational Competency



Source: Prosci Best Practices in Change Management – 12th Edition

## Change Capability for Structure and Focus

**Customer:** DSV

**Industry:** Transportation and Logistics

**Challenge:** Over the course of three years, the company's Business Change Management unit saw low adoption and usage on top-priority solutions implemented. They identified the need for a structured framework for managing change.

**Solution:**

- Dozens of key individuals certified in Prosci change management methodology
- Hundreds of managers familiarized with the Prosci ADKAR® Model
- Change management incorporated into the company's leadership development program
- The Prosci Methodology used as a standard framework

**Results:**

- Adopting the Prosci Methodology enterprise-wide enabled the establishment of Business Change Management teams in 22 countries
- Integration of project management and change management drove new efficiencies and increased project success
- Using the Prosci Change Management Maturity Model as a measurement tool, the organization increased its change management maturity level from 2.4 to 4.2 (on a scale of 1 to 5) in two years



# Building Enterprise Change Management Capability With Prosci

For 25 years we've been helping organizations of all sizes, across industries and geographies, focus on the people side of change. Using our holistic, easy-to-use methodology and tools, best-practices research, and expert resources, organizations can successfully grow enterprise change capability, and achieve better project and business outcomes year after year.

As your change management partner, our mission is to help you grow your internal capability and mature in change management as an enterprise. In fact, that mission is fundamental to our approach. We help you accurately understand your current change capability, identify where you want to go, and guide you toward the enterprise change capability that can fuel your ongoing success in today's—and tomorrow's—VUCA world.

## Change Capability for Enterprise-Wide Agility

**Customer:** Federal Aviation Administration

**Industry:** Government Agency

**Challenge:** Organizational agility and embracing complex change are paramount to the agency's success. This drove the decision to build enterprise change management capability through a large-scale, multi-year, enterprise-wide initiative called "Project ECM" (enterprise change management).

### **Solution:**

- Created a Change Management Group along with a Program Advisor role to coach and support federal executives responsible for project successes
- Spent nearly two years building awareness and desire with "the slow drip" of building change management capability into the entire organization
- Tailored the language of change to align with the organization's safety imperative and make change failure a safety risk

### **Results:**

- The FAA reached every goal in its five-year strategic plan and began building upon them as it entered the next five-year planning cycle
- Examining success and failure factors over the five-year period led the FAA to embrace change management and make Change Management Advisors the first permanent change-related roles in federal government
- The Change Management Group was honored at a national success briefing, during which the U.S. Secretary of Transportation, Elaine Chao, presented a video to the entire organization, crediting the Change Management Group and ADKAR for the FAA's project success

# Get Change-Ready for the VUCA World

The nature of change today requires organizations to manage it with speed and agility. To be successful, you need a way to manage the people-side impacts of change and harness the collective power of your high-risk, must-win projects and initiatives.

## Got Questions?

Whether you're actively pursuing enterprise change capability or gathering information to build a compelling business case, Prosci is ready to help you find the best path for your unique organization. Visit [www.prosci.com](http://www.prosci.com) to take advantage of our online library of industry-leading research and resources, or contact the Prosci Growth Team at +1-970-203-9332 to schedule a pressure-free consultation.

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