

Finesta Financial Case Study

Part 1

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Company Overview

Finesta Financial LLC (Finesta) serves startups and established companies operating in global markets, by providing innovative services to plan and fund a company's growth strategy. Finesta prides itself on delivering outstanding service focused on quality, performance and financial results. The company has a strong reputation as a trusted partner and advisor for its clients.

Key Information:

Headquarters: Chicago, IL (United States)

International Offices: London, Hong Kong and Sydney

Company Type: Public

Total Employees: 15,000

Year of Founding: 2000

Primary Industry: Financial Services

Problem Definition

In the highly competitive financial services industry, customer-driven, enterprise-wide operational excellence is one of the critical success factors. Operational excellence at Finesta focuses on strategic alignment and continuously improving company performance through people, processes, technology, data and partnerships. Success depends on a combination of 'doing the right things' and 'doing things right.'

A culture focused on continuous improvement requires high-performing individuals and teams. Finesta is committed to the people who work there. 'People First' is a value pillar that defines how Finesta employees at all levels are expected to treat each other, their clients, and their partners – with mutual respect and appreciation. As Liam Goodman, Finesta's CEO states, "How we regard each person's well-being and success is a priority. We should always come together as a team and build on each other's strengths."

Employee engagement and effectiveness are key contributors to a high-performance culture. In Finesta's most recent employee engagement survey, scores for some of the key drivers of engagement had declined by as much as 25% compared to previous surveys. A recent loss of top talent across the organization also signaled a need to identify and address the contributing factors to the increasing turnover. Each top talent loss had an estimated cost of 1.5-2 times the employee's salary to recruit and train a replacement. The turnover also resulted in knowledge loss and negatively impacted morale.

Finesta's HR group conducted interviews with a significant number of employees to identify the causes of the decline in the scores for the key drivers of engagement. The interviews revealed the following root causes:

1. Employees reported receiving little or no meaningful feedback from their managers.
2. Employees were not clear on how their individual and team goals contributed to Finesta's strategic objectives.
3. Employees did not see a clear career path with Finesta and less than 50% of them had formal learning and development plans.

Performance Management Strategy

Performance management is an organizational discipline to align employee performance with organizational goals and ensure that employees are delivering on the desired goals. Finesta has always tracked employee performance, but more from the perspective of feedback and corrective action than skill development and growth. Performance management was considered an operational activity carried out within the business functions, rather than an organization-wide capability.

Mary Miller, VP of Human Resources at Finesta, described the challenge faced by the organization's senior leadership team: "The employee interviews revealed that we needed to change our approach to performance management to better support our people to use their talents and realize their full potential at Finesta. For example, we clearly heard from employees that our current process of annual reviews doesn't meet their needs for timely, meaningful feedback. We need to improve processes and systems so every employee can perform to the best of their ability. This will enable the organization to meet its performance goals and expectations – it's a win-win opportunity. It's also important as we look for ways to allocate and optimize all of our resources, especially our people."

Performance Excellence Project – (PEP)

Based on Mary's recommendation, Finesta launched a strategic initiative to address performance management as a component of their 'People First' value pillar. Mary was selected as the primary sponsor for the performance management project. She assembled a project team that included key members of the human resources function, a select group of managers and supervisors representing all organizational levels, information technology specialists, a project manager, and an outside consultant to assist with vendor selection.

The team named the overall project the "Performance Excellence Project" or "PEP" for short. They selected a cloud-based solution for performance management. The new system is replacing a current system and several manual processes that are focused primarily on an annual review cycle and corrective action feedback. The team designed, developed and delivered the technical solution in collaboration with subject matter experts (SMEs) in the following critical success areas:

- **Goal Alignment** – ensure strategic alignment between organizational goals and individual goals, and make direct connections to how work offers value to the organization
- **Open Communication** – support proactive and continuous feedback, coaching and recognition between managers/supervisors and their employees
- **Learning Focused** – design processes and practices that foster constant learning, skill building, development and career growth
- **Delivering Results** – measure the contribution of organizational results (quality, financial results, strength of the workforce) and individual results (engagement, motivation, accountability) to the achievement of performance improvement and operational excellence objectives

"We're going for GOLD!" Mary stated at a company-wide town hall meeting held to explain the four critical success areas. "We're striving to achieve the maximum reward from this project for every employee and for the organization." Finesta has top management support for PEP and has fully funded the initiative.

PEP Change Management

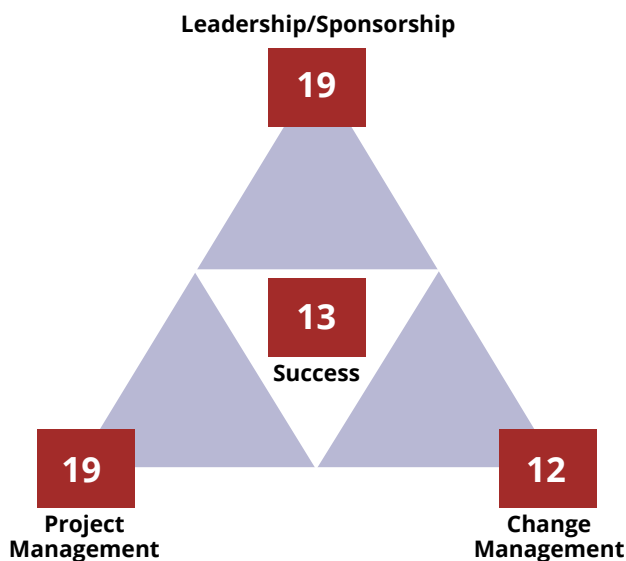
You are the change practitioner for the Performance Excellence Project. The changes being introduced will impact every employee at Finesta, and the project will roll out to each location over a nine-month period. The Shared Services function in Finesta’s headquarters location in Chicago will be the first to go live, followed immediately by the Hong Kong office. There will be a pause following the first two implementations to reflect on ‘wins and learns,’ before completing the PEP implementation with the remaining Chicago-based employees and the employees in London and Sydney.



Phase 1 – Prepare Approach

You are working with the project team focused on delivering the new performance management system, tools and processes in the first wave for Chicago and Hong Kong. You joined the team a few weeks after the project was initiated and began developing a customized and scaled change management strategy for PEP. One of your first engagement activities was to involve the sponsor, project team and key stakeholders representing the impacted groups in completing an initial Prosci Change Triangle (PCT) Assessment. The assessment established a baseline measure of the health of the PEP initiative early in the project lifecycle.

Initial PCT Assessment Results



Score Interpretation:

10-19	High risk/threat – needs immediate action
20-24	Alert/possible risk – needs further investigation
25-30	Strength – should be leveraged and maintained

The scores for all four aspects of the PCT were low. At this early stage in the project lifecycle, your primary concern was the lack of a clear and commonly understood definition of success for PEP. A secondary concern was a potential lack of sponsorship capacity to lead the project.

To address the first concern, you facilitated a series of discussions involving the sponsor, project team and other key stakeholders, which produced the following definition of the 4 P’s for PEP: Project, Purpose, Particulars and People.

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4 P's: Connect People to Success

Project What is the project?	Purpose Why are we changing?	Particulars What are we changing?	People Who will be changing?
<p>Performance Excellence Project (PEP)</p>	<p>To achieve operational excellence goals by aligning performance goals, increasing individual accountability and supporting employee development.</p> <p>Project Objectives:</p> <ol style="list-style-type: none"> 1. Goal alignment: 80% of performance plans show alignment between organizational and individual goals 2. Open communication: 80% of employees report that they receive meaningful developmental feedback monthly 3. Learning focused: 75% of employees have a development plan 4. Delivering results: 85% of employees agree they have the tools, resources and support to be successful <p>Organizational Benefits:</p> <ol style="list-style-type: none"> 5. Achieve workforce strength targets and reduce regrettable turnover by 15% 6. Increase scores for key drivers of engagement by 30% 7. Contribute to achieving operational excellence goals by aligning systems, processes and people to support strategic objectives 	<ul style="list-style-type: none"> • Processes • Systems • Tools • Job roles • Critical behaviors • Mindset/ attitudes/beliefs • Performance reviews 	<p>Chicago office Shared Services (2,500 employees):</p> <ul style="list-style-type: none"> • Finance • Accounting • Purchasing • Legal • Human Resources • Information Technology <p>Hong Kong office (1,950 employees):</p> <ul style="list-style-type: none"> • All functions



Phase 1 – Prepare Approach: Observations

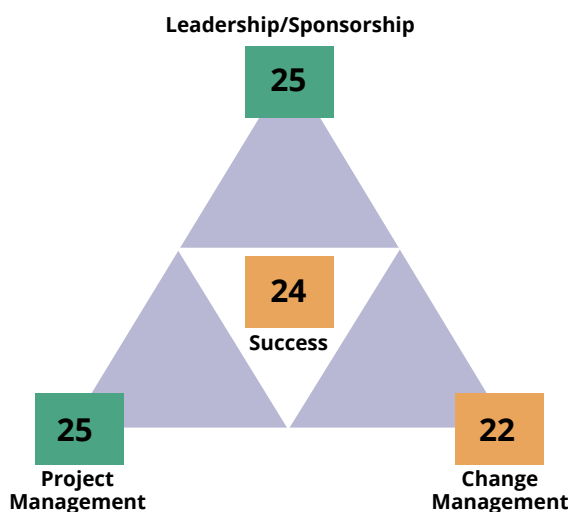
- Defining success measures and targets for this project was challenging. For example, quantifying the specific contribution to organizational benefits from implementing PEP was difficult, because there were concurrent change initiatives that also contributed to achieving operational excellence goals.
- Senior levels of management, including Liam Goodman (CEO), were supportive of the change.
- The primary sponsor, Mary Miller, is the VP of Human Resources. She did not have authority over all the people, processes and systems that would be impacted by the change. Mary needed a strong sponsor coalition to ensure the desired outcomes of the change were realized. She was also the primary sponsor for several other strategic initiatives, so sponsor saturation was a concern.
- ‘Continuous feedback, coaching and recognition’ in the open communication critical success area was understood conceptually, but there was not widespread understanding regarding who needed to do their jobs differently and how. More than just process, system and tool changes, there needed to be an emphasis placed on critical behaviors, mindsets, attitudes and beliefs.



Phase 2 – Manage Change

After completing and obtaining sponsor approval of the PEP Change Management Strategy, you turned your attention to Phase 2 – Manage Change of the Prosci Methodology. You focused on developing and supporting the execution of the change management plans needed to drive adoption and usage of the new performance management system and processes. You engaged the sponsor, project team and representatives from the impacted groups to develop an ADKAR Blueprint, followed by a set of four core plans: two role-based plans (Sponsor and People Manager) and two activity-based plans (Communications and Training). You then supported the execution of the plans. Prior to beginning the training for people managers and employees, you conducted a second PCT Assessment and reported on the progress executing the change management plans.

PCT and Change Management Assessment Results – Prior to Delivering Training



ADKAR Blueprint	On target
Sponsor Plan	On target
People Manager Plan	Behind target
Communications Plan	On target
Training Plan	On target

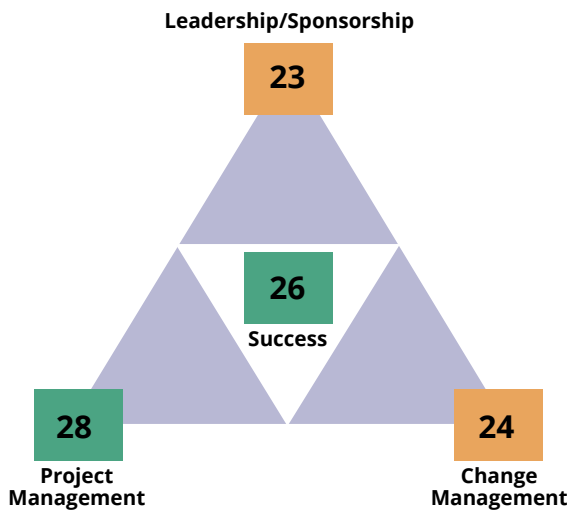


Phase 2 – Manage Change: Observations – Prior to Delivering Training

- Middle managers were exhibiting resistant behaviors, which increased project risk. The resistance was reflected in the People Manager Plan falling behind schedule, as you had difficulty engaging this critical target audience.
- The ADKAR survey completed prior to delivering training on the new system and processes indicated that Awareness was high across all impacted groups, but Desire remained a barrier point for some groups in Shared Services. Members of these groups were concerned that the new performance management system would require a significant amount of active engagement and oversight by people managers who were not prepared to provide career progression coaching.

The first 'go-live' milestone for the Chicago Shared Services function and Hong Kong office is about to occur. You have conducted multiple Prosci Change Triangle Assessments and the most recent results are shown below. You have also repeated the ADKAR Assessment and have been actively tracking change progress to plan.

PCT and Change Management Assessment Results – Prior to First Go Live Milestone



ADKAR Blueprint	On target
Sponsor Plan	Behind target
People Manager Plan	On target
Communications Plan	On target
Training Plan	Behind target

Notes

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ADKAR Assessment Results – Prior to First Go Live Milestone

Group Impact Inventory						
Impacted groups:	Number in group	Anticipated ADKAR				
		A	D	K	A	R
Shared Services Chicago: Finance	400	4	3	3	3	2
Shared Services Chicago: Accounting	375	4	2	3	3	1
Shared Services Chicago: Purchasing	125	5	4	4	3	1
Shared Services Chicago: Legal	675	4	5	3	3	2
Shared Services Chicago: HR	375	4	5	4	4	3
Shared Services Chicago: IT	550	4	3	3	3	2
Hong Kong Office	1,950	5	4	3	3	3



Phase 2 – Manage Change: Observations – Prior to the First Go Live Milestones

- The PCT score for sponsorship has decreased, as Mary Miller has been unable to fulfill some of the key activities in the Sponsor Plan due to competing demands for her time to sponsor other projects.
- The most recent ADKAR survey indicates that Desire continues to be a barrier point for three groups in Shared Services.
- Early training was delivered for people managers to introduce the new performance management system, but more than half of the Chicago Shared Services team leaders did not attend. Training for the Hong Kong office has not been conducted yet.
- Cultural differences between Chicago and Hong Kong indicate an increased need to consider cultural implications in sponsorship, communications, and people manager engagement.
- The change agent network is working well with issues and concerns being addressed within the functional areas.
- Post-transition proficiency metrics are still being finalized. Employees are wondering what 'Ability' looks like for them in the future state.
- The project manager has extended the timeframe for the project into Phase 3 – Sustain Outcomes and has secured resources.
- PEP is one of many change initiatives being implemented at Finesta. Employees are feeling change saturated.

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Adapt Actions

At this point in applying Phase 2 – Manage Change you need to consider the implications of the most recent assessment results and your associated observations, and answer the key question: “What adjustments do we need to make?”

Challenging Scenarios

Refer to the following topics and chapters in Prosci’s *Best Practices in Change Management*, for industry research related to key aspects of this case study:

- Sponsor saturation – Chapter 10
- Resistant people managers – Chapter 11
- Optimizing a change agent network – Chapter 12
- Cultural awareness – Chapter 15
- Change saturation – Chapter 19
- Others you identify

Notes



Case Study Notes

Recap the case study by documenting your observations and the implications of those observations.

What?	Assessment Results
	Strengths
	Opportunities



What are the implications of your observations?

So
What?