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## Changing Perceptions about Change Management—Convincing Management You Need a Formal Change Program

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March 17, 2014

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## Introduction

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In Oracle eBusiness implementations, one of the major obstacles faced in effective change management is convincing management that a formal change management program is imperative for project success.

In this paper, you will learn how to break through the common management perception that change management is “nothing but fluff.” There is one overarching objective in this paper—provide tools and techniques you can use to convince management your organization needs a formal Change Management program for your Oracle implementation or upgrade project . During Collaborate13, I presented *Implementing a Winning Change Management Program on a Shoestring Budget*. After the session, I spoke with many people about their project challenges. One issue was very clear—convincing management that a formal change management program is needed can be a major hurdle!

## CHANGING MINDSETS IS YOUR CHANGE PROGRAM

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There are essentially two separate change management programs you must tackle. Your *first* change program is to unlock the current management mindset so they will support the change management effort in the project. Otherwise, your change program for the project is dead in the water. You cannot worry about the ERP Project change management program until management buys into it.

It is also important to point out that a change program can be large and well-funded, small with no incremental project funding, or somewhere in-between. Don't be trapped into thinking a change program requires a full-time change manager, a change management team and a full network of change agents. “All or nothing” thinking many times results in nothing.

## FOUR MAJOR STEPS

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There are four major steps to convince management you need a formal change management program.



The first step is to *Assess the Landscape*. You must know the players, the history and the current environment in which you are working. Otherwise, you may create a strategy that is not appropriate for the present situation.

The second step is to *Build the Strategy*. Based on your assessment, you may have several choices about how to go about convincing management about the need for a change management program. Just as in any strategy, some choices will be more effective than others. The key is to choose a strategy that has the best chance of success.

The next step is to *Implement the Strategy*. Finally, review your progress and results, and then make any needed adjustments.

These steps closely mirror the Plan-Do-Check-Adjust methodology that has been used in Total Quality programs for decades.

The focus of this paper will be on the first two steps.

## Step 1: Assess the Landscape

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Your assessment of the current landscape contains several components, including:

- Identify who is resisting
- Determine the root cause of resistance
- Learn the project cost structure
- Assess *your* position....Have your ideas about change management been rejected in the past?
- Determine who has the power and/or the influence to make a change management program a reality
- Identify those in the organization who have been through ERP implementations in the past
- Look at the organization from a *mile-high* view

**Identify who is resisting** – Is it the project manager? Or the program manager? Is someone above them directing their resistance, or does the resistance actually reside within the top executive of the company?

Make sure you understand the *highest* organization level of any resistance. This is the level where the mindset must be changed. Additionally, resistance may be widespread at a certain management level. It is critical to determine exactly where the resistance resides in the company. Only then will you know whose mindset needs changing.

**Determine the root cause** – A lack of awareness is a common root cause that results in managers not wanting a formal change management program. They may simply be unaware of the benefits. Additionally, they may have no experience managing a large-scale change where someone manages the people side of the change. In this case, they have

no first-hand experience seeing the benefit of a formal change program.

A manager's ego is another potential root cause. If they believe the organization will quickly fall in line based upon his or her command to accept the changes, they certainly won't understand the need for change management. Understanding the root cause is an imperative. You will most likely need to engage in numerous conversations to clearly identify the root cause of resistance.

**Learn the project cost structure** – Understanding the project cost structure may also lead you to the root cause. You must understand what the project or program manager is being held accountable for. Internal resources may be charged against the project, or just external consultants, or both. The budget may be extremely tight. The project manager's key performance variable may be headcount, and any additions may not be welcome.

**Assess your position** – If you introduced the need for change management in past projects and were met with resistance; you might not be the right person to drive the change management initiative in this situation. Be honest with yourself, the resistance might be because of you. If you are not the right person, start thinking about who could be better suited, and received, as the champion for change management.

**Determine who has the power and/or the influence to make a change management program a reality** – At the end of the day, who really has the authority or influence to make the change management program a reality? It may be someone who is an executive sponsor or it may be someone who is only loosely associated with the project. It is relatively easy to identify authority. Finding those with influence over the decision makers and resisters is a much tougher challenge. Many times, the person with the most influence may be a trusted advisor to someone with true authority.

**Identify those in the organization who have been through ERP implementations in the past** – Individuals who have experience in ERP implementations in their former companies may be able to influence decision makers. Their testimony about the actual experience may provide the perspective that captures the attention of those who are resisting a formal change management program.

**Look at the organization from a mile-high view** – It is also critical to look introspectively at both the entire organization and at the project at hand from a mile-high view. Is the organization traditionally resistive to change? Are there examples of "change gone bad" in other initiatives? Are the examples recent?

Additionally, you must determine how disruptive this project will be to the organization. Will it significantly change the way people do their work? Is the impact organization-wide or is it limited to pockets of the organization? Clearly understanding these macro level attributes of both the organization and the project allows you to assign a relative level of risk.

Resistive to Change	Medium	High Risk
Ready for Change	Low Risk	Medium
	Small Incremental Change	Large Disruptive Change

If your company is change-ready and your project is less disruptive, then it will be very difficult to convince anyone of the need for a formal program. The key is that you need to fairly and objectively assess the risk. Low risk projects don't need a formal change management program nearly as much as high risk projects.

## Step 2: Build the Strategy

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Once you have assessed the situation at hand, you must first create a strategy that provides the best chance—in your environment—of convincing management of the need for a change management program. You have many choices. Let's look at some potential components of your strategy.

In any leadership situation, you have choices about the approach you take. These same choices—Force, Rational Persuasion and Shared Power—apply to leading change, as well. Do you have the ability to force people? In this case, probably not. If you can, then you can dictate a change management program.

In using Shared Power, you determine *what* will be done. Others under your direction are then empowered to determine *how* it will be done.

Rational Persuasion uses facts, empirical evidence and demonstrations to equip others with the same information you possess. The premise of Rational Persuasion is that sensible people, armed with the same information, will come to similar conclusions. In your effort to change managers' mindsets, Rational Persuasion makes the most sense. We will keep this approach in mind while crafting the remainder of the strategy.

### Create Your Elevator Speech

In 10 seconds or less, you need to be able to clearly articulate a position

about the change management challenge of this project. Here are some potential elevator speeches:

- A formal Change Management program is needed for this project because it will create user acceptance of the changes to their work.
- A major challenge facing this project will be user acceptance. Productivity will suffer if people don't accept the new tools and business processes.
- For project success, we need to ensure people understand what is happening and why.
- This project touches everyone in the organization. We need to provide clear communication about the project to everyone.

In general, it is better to be more granular than broad. Talk with people using words they understand. Some managers may not know what is included in a change management program.

Once they show interest in further discussion, you can provide additional detail.

## USE A PROVEN SELLING TECHNIQUE

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Effective selling is about asking questions. You should ask, “What concerns do you have about the project?” or “From your perspective, what are some of the challenges facing the project?” Once you have identified concerns, you can then offer appropriate change management-based solutions. Do not offer solutions before understanding the concerns.

## LEVERAGE OTHERS

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When you assessed the landscape, one task was to identify anyone with previous experience in an ERP implementation. These individuals can deliver highly credible, personal testimonies to management. Ask about their thoughts regarding user acceptance and change management. Determine if they understand the change management imperative in large ERP projects and can act as an advocate for the change management program. If so, then put them in a position where they can share their experiences with those with power and influence.

You also identified those who have the power and influence to make the change management program a reality. Ask them to support the program and advocate for it. Directly ask for their help! Some may have the “hierarchical muscle” that you do not. Others have little power but enormous influence. Remember, those with influence may come from anywhere within the organization.

## USE OBJECTIVE EVIDENCE

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Third-party evidence, including newspaper or magazine articles, studies and surveys are fantastic tools for providing objective evidence about the importance of a change management program. Prosci's *Greatest Contributors to Change Management Success* is a survey that provides a wonderful third-party objective look at successful change management programs. Prosci found there are several key factors for successful change:

1. Active and visible executive sponsorship
2. Frequent and open communication about the change
3. Structured change management approach
4. Dedicated change management resources and funding
5. Employee engagement and participation
6. Engagement with and support from middle management

Item #3, a structured approach, is normally a prerequisite for all of the other factors. This is what you are selling to management.

## Step 3: Implement the Strategy

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Schedule and track the activities you have chosen as part of your strategy. Just as with any other important action plan, write them down! Important points about implementation and results:

**Scheduling and tracking** – Make sure you have sufficient detail. (E.g., Mary Jones will discuss the importance of end-user communications at the next Executive meeting; Mike Roth will speak to Nancy Smith about his experience with an ERP implementation at Levi Strauss by April 25)

**Don't let great get in the way of good** – If you currently have no change management program and you only receive approval to create a communication plan, this is still a step in the right direction and a good starting point. The scope may broaden as it is shown that the investment in this piece of a comprehensive change management program has provided expected benefits.

## Step 4: Review and Adjust

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If you convince management that a formal change management plan is required for your ERP implementation, all is good! If you do not, adjust your plans and take another run at selling the change management program.



## Summary

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It is your own “mini” change management program to convince management that a formal program is needed for your Oracle ERP implementation or upgrade. You can change management’s mindset by using a four-step process that includes:

1. Assess the Landscape
2. Build the Strategy
3. Implement the Strategy
4. Review and Adjust

Following these steps will greatly enhance your ability to convince management that a change management program is an absolute requirement for your ERP project success.



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March 17, 2014

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