

BEST PRACTICES IN CHANGE MANAGEMENT

2018 EDITION

Prosci Benchmark Report
Executive Summary

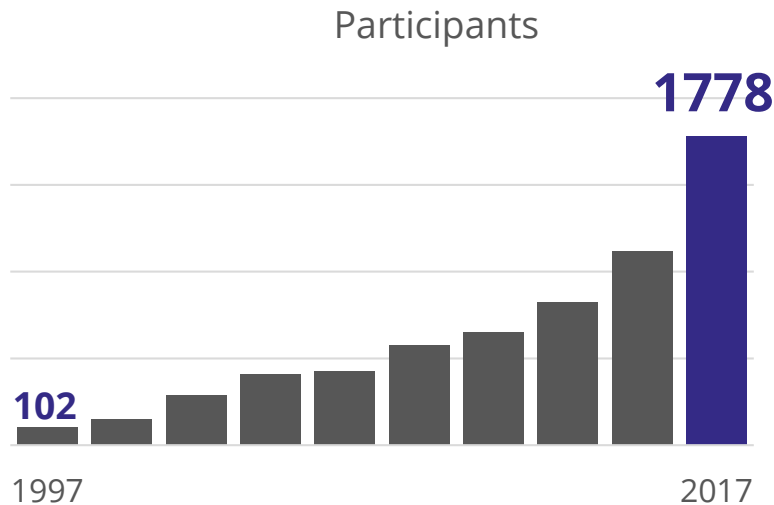
THE LARGEST BODY OF KNOWLEDGE ON CHANGE MANAGEMENT

Continuing to lead the discipline through research with real change leaders

Study purpose:

To uncover lessons learned from practitioners and consultants, so that current change management teams can benefit from these experiences. Emphasis is placed on what is working and what is not, in all areas of change management.

The 2018 report also presents emerging trends in change management, identifies changes that have occurred and describes the future direction of the discipline.



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Leveraging research to improve the people side of change brings credibility to our work as change management professionals. If you are interested in accelerating your success with change, this book was made for you. As the largest body of research in the discipline of change management, the insights within these pages will not only help you be more successful but they will also propel your organization forward.

Scott McAllister, Prosci President

INSIGHTS, EXPERIENCES AND BEST PRACTICES ORGANIZED SO YOU CAN FIND WHAT YOU NEED

*Prosci's 2018 edition of **Best Practices in Change Management*** is divided into four main parts, making the insights and direction easier to navigate and access.

Within each part, you will discover chapters, sections and findings you can apply in your change approach to increase the likelihood of delivering desirable change outcomes.

PART ONE: Current State of Change Management

- Insights
- Trends
- Organizational Change Capability

PART TWO: Change Management Application

- Motivation and Justification
- Effectiveness and Measurement
- Methodology
- Budget, Resources, Team Structure
- Change Management Activities
- PM and CM Integration

PART THREE: Roles in Change Management

- Sponsorship
- Managers and Supervisors
- Change Agent Networks
- Consultants
- Complementary Roles

PART FOUR: Adapting and Aligning Change Management

- Culture and Employee Engagement
- Customizing CM by Industry
- Aligning CM with Specific Approaches
- Managing Complex Changes
- Saturation and Portfolio Management

PART ONE: CURRENT STATE OF CHANGE MANAGEMENT

CHAPTER 1: INSIGHTS

Foundational findings in change management benchmarking research

CHAPTER 2: TRENDS

What is happening at the forefront of an emerging and maturing discipline

CHAPTER 3: ORGANIZATIONAL CHANGE CAPABILITY

Move past a project-by-project approach toward building change capability

To begin, we focus on the key obstacles faced by current change management practitioners around the globe and the tools they use to overcome these challenges. Next, participants identified the changes they expect to see in the discipline within the next 2-5 years, we report the trends they are observing.

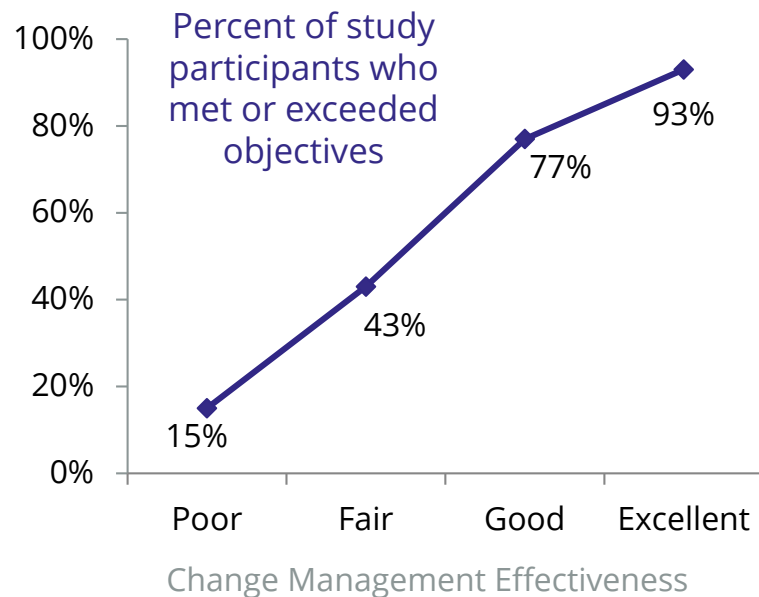
This part concludes with participants describing how they deployed change management capability projects within their respective organizations and how they might alter or improve deployment of change management capabilities.

EFFECTIVE CM DRIVES RESULTS AND OUTCOMES

Change management is a success enabler

Research on thousands of initiatives shows a direct correlation between how well the people side of change is managed (change management) and how successful the effort is.

Projects with improved change management had increased likelihood of meeting objectives, finishing on time and finishing on budget.



6x INCREASED
LIKELIHOOD
OF MEETING OBJECTIVES

RESEARCH INSIGHT

PART TWO: CHANGE MANAGEMENT APPLICATION

CHAPTER 4: MOTIVATION AND JUSTIFICATION

Build buy-in for the results you deliver with project teams and senior leaders

CHAPTER 5: EFFECTIVENESS AND MEASUREMENT

Projects with excellent change management are six times more likely to meet objectives

CHAPTER 6: METHODOLOGY

Increase change management effectiveness with a standard methodology

CHAPTER 7: BUDGET, RESOURCES, TEAM STRUCTURE

Size and secure the right resources for optimizing your efforts

CHAPTER 8: CHANGE MANAGEMENT ACTIVITIES

The specific steps effective change managers take to influence project success

CHAPTER 9: PM AND CM INTEGRATION

The power of complementary disciplines working in partnership toward a goal

This part focuses on the tools, techniques and methodologies used by change management practitioners to effectively implement change projects, specifically:

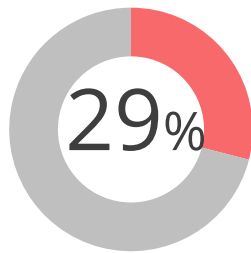
- Techniques for justifying change management within your organization
- Measurements of correlation between project success and change management effectiveness
- Strategies for applying change management methodologies

SPONSORSHIP CORRELATES WITH PROJECT SUCCESS

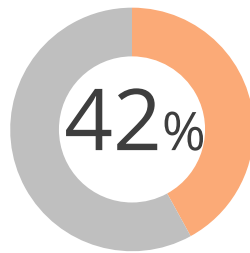
Better sponsorship = better results

Analysis of data from the 2018 research report shows a direct correlation between the effectiveness of sponsorship and the likelihood of meeting project objectives.

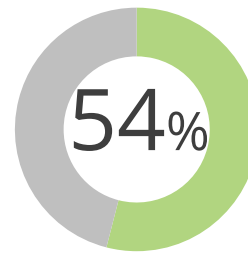
Percent of projects that met or exceeded objectives based on sponsor effectiveness



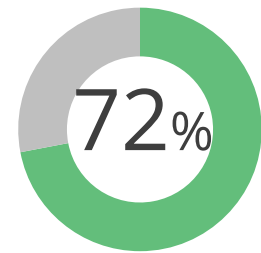
Very
ineffective
sponsors



Ineffective
sponsors



Moderately
effective
sponsors



Extremely
effective
sponsors

RESEARCH INSIGHT

PART THREE: ROLES IN CHANGE MANAGEMENT

CHAPTER 10: SPONSORSHIP

Active and visible sponsorship is the single greatest contributor to success

CHAPTER 11: MANAGERS AND SUPERVISORS

Managers and supervisors legitimize the changes impacting the teams they lead

CHAPTER 12: CHANGE AGENT NETWORK

Extend project support and credibility through an engaged group of advocates

CHAPTER 13: CONSULTANTS

Strategically leverage experienced change professionals to drive change performance

CHAPTER 14: COMPLEMENTARY ROLES

Collaborate with internal support functions to enhance change management outcomes

Part three explores the different roles that are present during a change project and the various ways in which they can aid change management as well as be affected.

Participants identified the most critical functions for each role as well as the potential challenges that can arise specific to each role.

SPONSORSHIP IS THE NUMBER 1 CONTRIBUTOR TO SUCCESS

Active and visible sponsorship is key to success

In each of Prosci's nine benchmarking studies, change leaders commented on the greatest contributor to success. 10 out of 10 times, effective sponsorship was identified as the top contributor to success. And, it wasn't even close – sponsorship beat out the second top contributor by a 3:1 margin.

Top contributors to success:

1. Active and visible executive sponsorship
2. Dedicated change management resources
3. Structured change management approach
4. Employee engagement and participation
5. Frequent and open communication
6. Integration and engagement with project management
7. Engagement with middle managers

RESEARCH INSIGHT

PART FOUR: ADAPTING AND ALIGNING CHANGE MANAGEMENT

CHAPTER 15: CULTURE AND EMPLOYEE ENGAGEMENT

Navigate the complexity of managing change within the context of culture

CHAPTER 16: CUSTOMIZING CM BY INDUSTRY

Adapt change activities to the unique challenges of your industry

CHAPTER 17: ALIGNING CM WITH SPECIFIC APPROACHES

Change management intersects with Program Management, Lean, Agile and CPI

CHAPTER 18: MANAGING COMPLEX CHANGES

How to adapt when the project presents difficult change management scenarios

CHAPTER 19: SATURATION AND PORTFOLIO MANAGEMENT

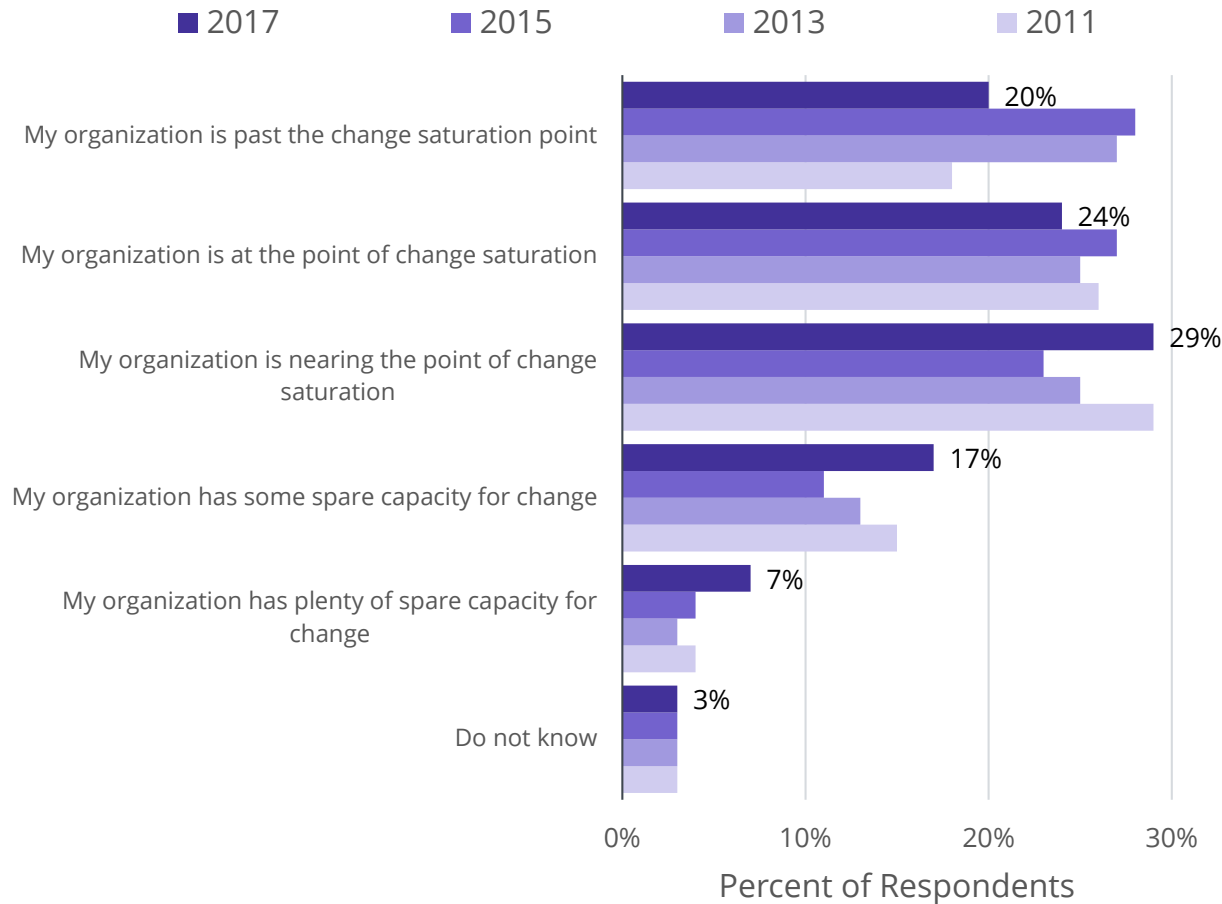
Mitigate the cumulative and collective impact of an increasing volume of change

Part four discusses the many ways in which change management can be - and in many cases must be - adapted and tailored to a specific organizational setting. Cultural context, industry setting and organization-wide goals are all factors that influence change management.

This part gives insight into how current change management practitioners adapt and change their techniques in order to effectively manage change in all different organizational and cultural settings.

ORGANIZATIONS ARE REACHING CHANGE SATURATION

Level of Change Saturation



PERCENT OF PARTICIPANTS REPORTING PAST, AT OR NEARING SATURATION POINT:

2011	73%
2013	77%
2015	78%
2017	73%

RESEARCH INSIGHT

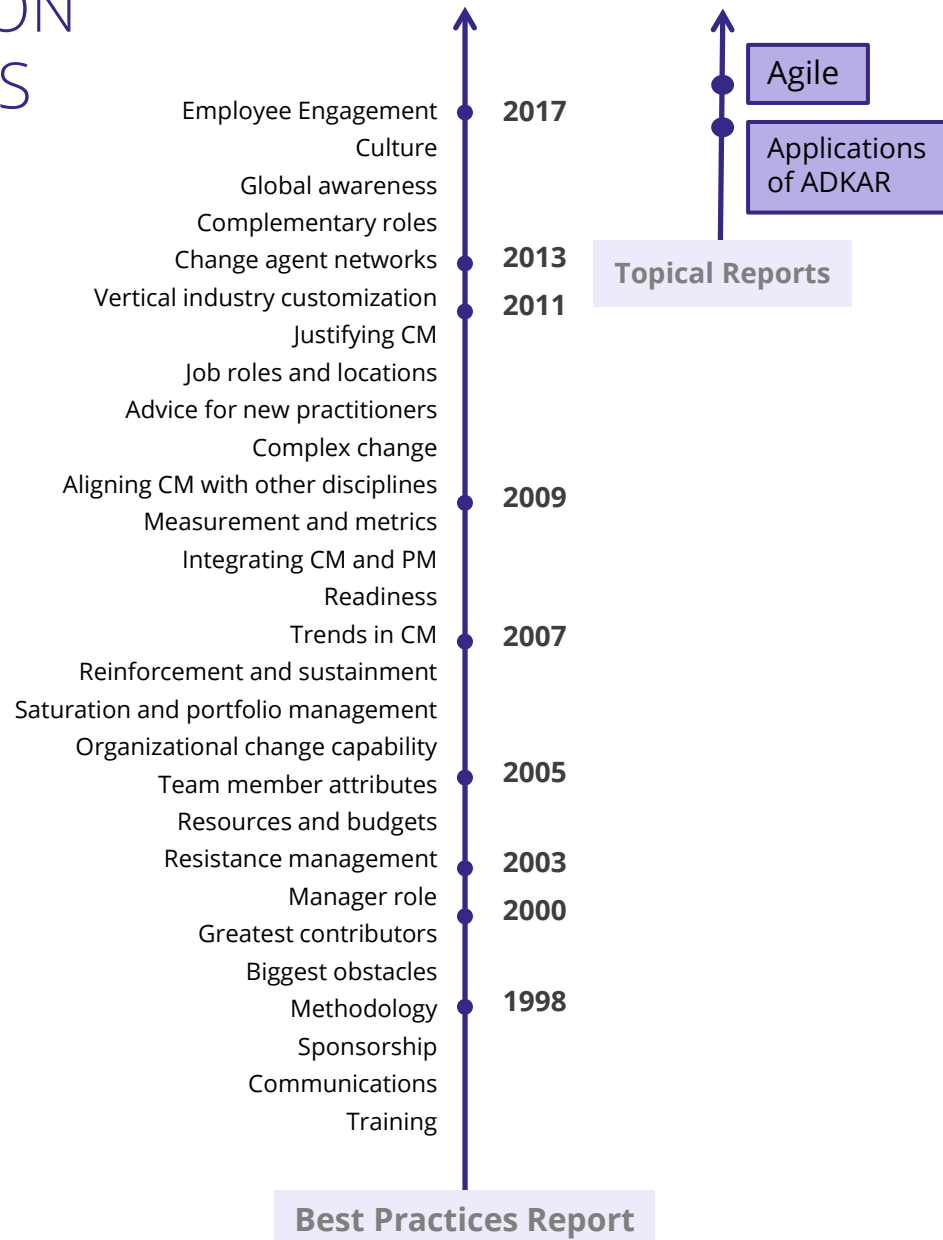
UNCOVERING NEW INSIGHTS ON EMERGING TOPICS AND ISSUES

In each study, Prosci explores topics and issues facing change leaders - 2018 is no exception

Since 1998, each of the ten benchmarking studies have enabled Prosci to expand and deepen the discipline of change management by focusing new questions and sections on the areas where practitioners are looking for research and direction. This year Prosci headed the effort of conducting topical studies in addition to the 2018 Best Practices Report. The topical studies allow us to take a much deeper exploratory approach into specific emerging market trends as they unfold in the discipline of change management in a timely and efficient manner. Responding quickly to the market prioritizes our clients success.

The 2018 research report and topical reports include the following emerging topics:

- Employee Engagement
- Change Management and Agile
- Seven ADKAR Use Cases



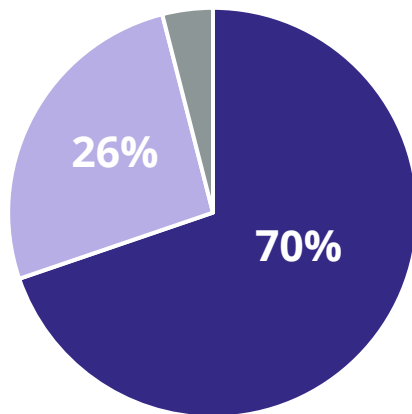
EMPLOYEE ENGAGEMENT

Prosci took a unique approach to studying employee engagement in the 2018 report. Research focused on answering the question:

What is the impact of change management on employee engagement?

Research Finding: Seventy percent of participants reported that applying change management had a positive impact on employee engagement.

■ Positive ■ Neutral ■ Negative



- Employee engagement has been a top contributor to a successful change management initiative for 20 years.
- Participants who reported having more mature change management practices also reported having more engaged employees.
- Participants with more engaged employees exceeded and greatly exceeded their project objectives more often than those with lower levels of employee engagement.
- In the full report we dive into employee engagement by region, industry, revenue and number of employees.

NEW TOPIC 2018

TOPICAL STUDIES



In addition to the BPR Prosci also released two topical studies in 2017. The topical studies allow us to take a much deeper exploratory approach into specific emerging market trends as they unfold in the discipline of change management in a timely and efficient manner. The 2017 topical studies explore the practical applications of the Prosci ADKAR® model and the intersection of change management and Agile. These studies are highlighted in the next two slides.



CHANGE MANAGEMENT AND AGILE

In response to the increasing prevalence of Agile development approaches and the need to drive adoption and usage of the solutions created using these approaches, Prosci conducted a study to explore two dimensions of change management related to Agile development.



Impact of agile development's iterative nature on change management

1. Change management became iterative
2. Change management plans became living documents
3. Change management required more upfront work
4. Change management needed to be done in less time and at a faster pace

Greatest contributors to a successful transition to agile

1. Ensuring strong executive sponsorship
2. Communicating effectively
3. Training on Agile
4. Ensuring Agile experts were involved in the effort

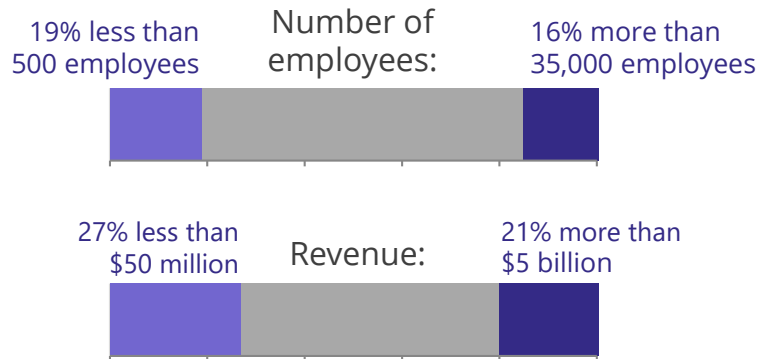
APPLICATIONS OF ADKAR®

The **Prosci ADKAR® Model** was first published in 1998. Since then, thousands of change leaders have used it to improve their change results. We asked over four hundred participants in our Applications of ADKAR study how they use the **ADKAR® Model**, and seven use cases emerged that we analyzed and reported on:



- 1 Leverage a structured approach and methodology
- 2 Facilitate individual change
- 3 Measure change outcomes
- 4 Create a common language for change
- 5 Integrate with project management
- 6 Empower managers
- 7 Equip senior leaders

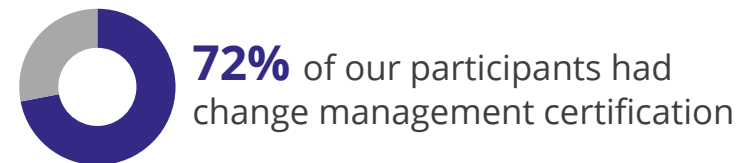
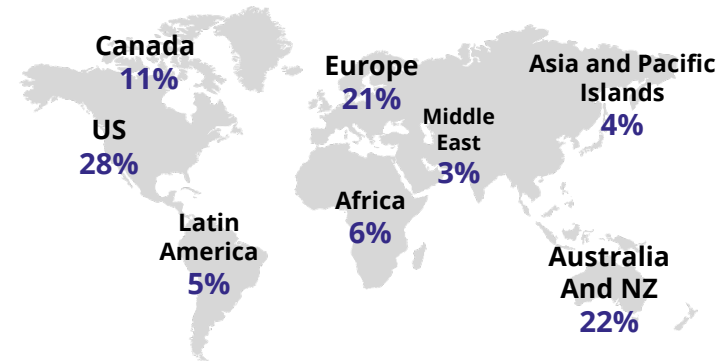
DEMOGRAPHICS SUMMARY: WHO CONTRIBUTED THE DATA?



Top industries represented:

1. Health Care
2. Consulting
3. Education Services
4. Insurance
5. Government – Federal
6. Finance
7. Government – State
8. Banking
9. Utilities
10. Telecommunications

Participants from around the world, representing 84 countries



Respondents were experienced practitioners



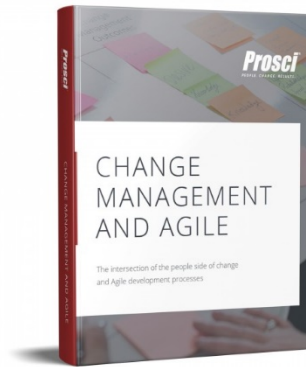
THE LARGEST BODY OF RESEARCH IN THE FIELD OF CHANGE MANAGEMENT



Prosci's comprehensive research allows you to align your change management efforts with industry best practices, optimizing your approach to achieve results. Leverage lessons learned from thousands of change and project leaders.

LEARN MORE

CHANGE MANAGEMENT AND AGILE REPORT



Purchase the full Change Management and Agile report for the complete findings on effectively leading the people side of implementing Agile methodology in your organization and adaptations for applying change management on Agile projects.

LEARN MORE

TRY A TWO-WEEK FREE TRIAL OF CHANGE MANAGEMENT RESEARCH LIBRARY



Access best practices and benchmark data from anywhere through the CM Research Library. Continually updated, this app contains all of Prosci's most current and relevant research. Browse all topics to sharpen your change management skills or use the Change Management Research Library to find answers to your current questions.

LEARN MORE



Why Prosci® Change Management training?

Whether you are new or experienced in the field of Change Management, Prosci will provide you with a structured approach to effectively manage the people side of change.

What makes the Prosci Change Management approach unique?

- ▶ A holistic approach that integrates both the individual and organisational aspects of change
- ▶ A clear framework, effective for any type or size of change
- ▶ Practical, easy-to-use eToolkit for practitioners with tools, templates, assessments and checklists
- ▶ Contextualised training; assessing and building change management plan for real projects

* Prosci's research has shown that projects with excellent change management are:

93% more likely to meet or exceed their objectives

69% more likely to be on schedule

78% more likely to be under budget

* Prosci® Best Practice Research 2018



The ADKAR Model is a framework for understanding change at an individual level.

The Model addresses each of the ADKAR factors: *Awareness, Desire Knowledge, Ability and Reinforcement* so that we can successfully employ it to facilitate individual change.

Contact us

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Why CMC, to help build your Change Management capability?

Owned and managed by Change Practitioners, CMC is licensed to deliver Prosci Change Management Training worldwide. Our courses are delivered by highly qualified instructors who also have practical experience in change, programme and project delivery.



CMC's Prosci Certification training has been approved by the Association of Change Management Professionals®

CMC offers a wide range of change management training, advisory and support to suit you and your organisations needs:

- ▶ *Prosci Change Management Practitioner Certification* course for change professionals
- ▶ *Workshops* for sponsors, managers, project teams and employees
- ▶ Advanced training for change professionals, including *Enterprise Change Management Boot Camp, Experienced Practitioner, Train-the-Trainer* and other applied learning support
- ▶ A range of complementary *workshops* designed to support and progress your change projects
- ▶ Advisory support, coaching and flexible access to change management expertise

Locations

- ▶ CMC is the sole provider of public training across the UK & Ireland, Italy and Singapore
- ▶ Private courses can be facilitated on a client site or at a venue of choice, anywhere in the world

"It's been 3 days of light bulb moments!"

Rachel Vipond
Portfolio Manager, Ishoni

The Prosci Change Management Methodology

- Draws upon continual field research with more than 4.500 participants worldwide
- The most widely used change management methodology in the world
- Based on Prosci's 3-Phase Change Management Process as a leading framework for managing the people side of change:
 - Phase 1: Preparing for change
 - Phase 2: Managing change
 - Phase 3: Reinforcing change

