



CC42 Organisational change capability

Centres of excellence club





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Introduction

Organisational change capability is one of the most pressing issues facing organisations across both the private and public sectors. A significant driver is the rapid increase in the rate of change across society, with technological advancement at its core.

As organisations are compelled to change more swiftly, more innovatively and with a greater degree of flexibility, the need for effective change capability is clear. Indeed, with the transformation of work speeding up, this requirement is nothing short of critical to organisations' future success.

This topic was chosen as the central theme for CITI's 42nd Centres of Excellence (CofEe Club) event, held at the John Lewis Partnership Head Office in London's Victoria. With eighty executives present, representing fifty leading organisations and Government departments, the event was a lively, engaging and in-depth look at just what it means to create and sustain an effective organisational change capability.



Hilary Small
Managing Consultant at CITI



Creating a single business practice for project and programme management

Kim Newark, Waitrose

CREATING A SINGLE PRACTICE

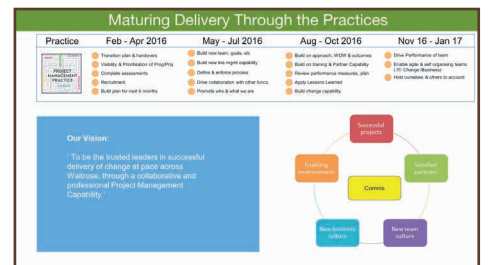
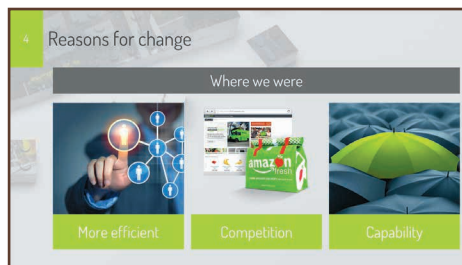
Following a very thought-provoking insight into Waitrose as a business, Kim helped us to understand their need for establishing a single practice for project and programme management from a group of project and programme practitioners who were spread across different business functions. Emphasis was placed on creating a clear vision together with a single, unified team that was focused, expert and efficient. Consistency of

REASONS FOR CHANGE

approach was also deemed to be an important attribute, as was constant and effective communication. Six work streams were subsequently defined and managed in which building capability played a significant role. Twelve months on, Waitrose has project managers working across business change and IT, all delivering professional project management to Waitrose. They have created an established team vision, culture and

MATURING DELIVERY

support network and are evolving new project management roles based on project models and execution methods. In conclusion, the team is playing a key role in creating a modern Waitrose by successfully delivering the company's strategic programmes and effectively executing changes in process, people and technology. You can download the presentation here: <http://citi.uk/cc/42/KN>





Implementing organisational change

Andy Carroll, Waitrose

WHERE TO START

Continuing on from Kim’s presentation, Andy gave us more detail about his involvement with the changes at Waitrose. He started by sharing with us seven key steps that Waitrose followed to ensure success, which included, amongst others, the importance of communication, the need for defined roles and responsibilities, as well as continuous review. Andy also highlighted the importance of being

INPUTS - LISTENING TO ALL MEMBERS

able to be clear and precise about why changes are happening in addition to being prepared to be challenged. A significant contribution to their success was how they collectively established a set of six values for their new team: trust, courage, teamwork, learning, success and happiness. Indeed, Andy stated, “We are a vibrant team that strives for happiness for all of our members” as

OUTPUTS AND CONTINUED JOURNEY

well as their hunger to develop and share their knowledge and experiences. We then heard about the work carried out with change practitioners to enable them to define what the future would look like for them personally. This journey is still continuing and supporting the future of Waitrose. You can download the presentation here: <http://citi.uk/cc/42/AC>

Where to Start

1. Be Clear on Why
2. Communicate
3. Start as Early as Possible
4. Focus on Culture
5. Be Clear on Roles & Responsibilities
6. Prepare to be Challenged
7. Continued Review



- Trust**
We are leaders and are respected for 'doing the right thing'
- Courage**
We love to challenge and be challenged, there is no fear to be different
- Teamwork**
We recognise our individual strengths, which magnify through collaboration
- Learning**
We are hungry to develop and share our knowledge and experiences
- Success**
We are passionate in our drive for successful delivery for our customers
- Happiness**
We are a vibrant team that strive for happiness of all of our members



Change makers

Mark Paden, Nationwide

BELIEFS

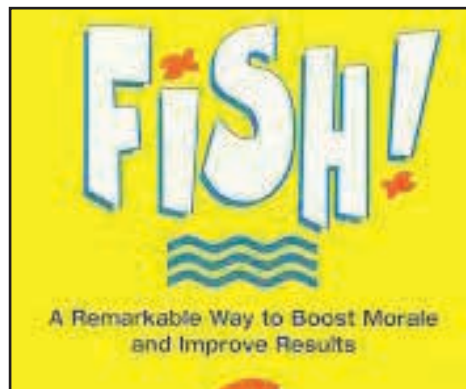
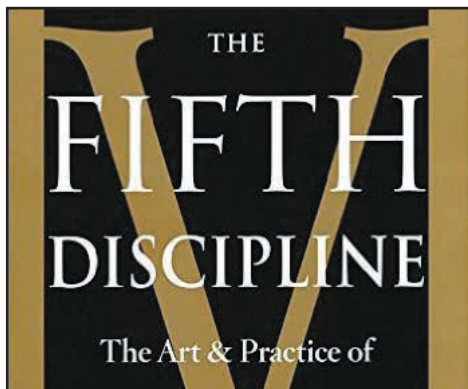
Mark chose to tell us interesting stories rather than use slides, to give us insights into how we can create “every employee as a change maker”. Through his early personal life travelling across Africa and the many large organisational changes he has experienced throughout his career, Mark discussed three key elements for making change successful in the 21st century: Belief - following and

AWARENESS

holding onto your personal beliefs and values; Awareness - how you personally manage change, e.g. through the Change Curve; and Purpose - being clear on direction so that everyone is going towards the same destination. He demonstrated these points with reference to his favourite books on change - Senge’s The Fifth Discipline about the power of learning

PURPOSE

organisations in change, FISH! encouraging us to choose to be positive in the workplace, and Kotter’s Leading Change giving us his eight step model for change. Mark rounded off with a quote from Alice in Wonderland, reminding us that if we don’t know where we want to get to we may end up anywhere!





Building organisational change capability

Fiona Magee, CITI

SUCCESS OR FAILURE

In today's constantly changing business landscape, organisations need to be able to deliver and embed change successfully to stay ahead of the game.

Fiona has found, in her work with clients, that many organisations are so concerned with the *doing* of change that they forget about building their organisational capability to ensure that they can undertake that change effectively.

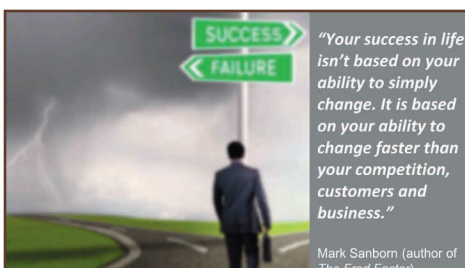
COMPETITIVE ADVANTAGE

Indeed, it is often an assumption that someone with good business knowledge and experience can easily become a capable project manager or change manager. This, of course, underestimates the knowledge and skills required to lead change. But whilst it is important to develop personal capabilities, it is also important to develop organisational capabilities. In reality, learning and development across the whole organisation is

WANT VS NEED

required for successful change. Fiona also remarked that two people with exactly the same personal capabilities can perform and perceive change differently in different organisational environments. It is therefore vital to know what change is being delivered in order to know what capability is needed.

<http://citi.uk/cc/42/FM>



Online polls

The questions posed during our event’s live polling reflected the key issues surrounding organisational change capability, and were formulated to provide a strong insight into the collective thinking of the group.

As an overview, it became clear that whilst many participants’ organisations are working towards building organisational change capability, most are focusing on developing capabilities of change teams. Interestingly, there was significant variation in who was responsible for managing this. It would seem for just under half of the participants’ organisations it is necessary to get clarity on what capability is actually needed.

Poll one

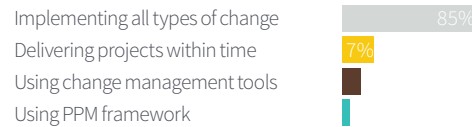
Who is responsible for developing organisational change capability in your organisation?



Whilst 38% stated that the Transformation/Change function has responsibility, slightly more (41%) stated that this was the responsibility of a function other than Transformation, HR, PMO or IT. It would be interesting to understand how, in these organisations, change capability is coordinated and developed across the whole organisation – and are there points we could all learn from?

Poll two

Which of the following definitions of organisational change capability would you choose?



In building change capability, it is valuable to establish a common understanding of what is meant by organisational change capability. 85% agreed that it is “the ability of an organisation to plan, design and implement all types of change effectively, with minimal impact on operations”. Is it possible that there is a correlation between our success in realising benefits and where we focus on building capability?

Poll three

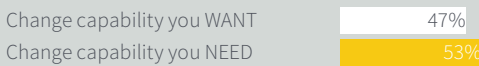
What percentage of your change initiatives fail to deliver benefits?



It is commonly stated that 70% of change initiatives fail to deliver benefits. Our poll broadened this figure, with the majority of participants’ organisations stating that between 26% and 75% of their change initiatives failed to deliver benefits, with a small minority feeling that over 76% of their initiatives were failing. Are there any common factors we can identify in the successes (and failures) to enhance our future performance?

Poll four

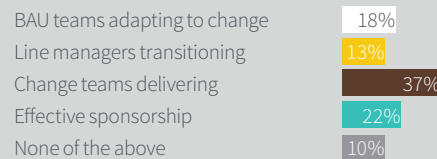
What do you think your organisation is focusing on now?



Understanding the difference between the capability you think your organisation wants and what it actually needs is crucial for success and achieving optimal Return on Investment (ROI). We saw an almost even split between the two. Does this indicate that more effort spent in establishing the NEED would increase our performance in achieving effective change? Would this effort then result in a greater ROI from capability development?

Poll five

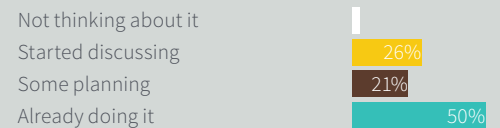
Which of these change capabilities do you think your organisation is developing now?



Looking at areas of people capability, the greatest focus in the participants’ organisations is: developing those involved in delivering change. Developing effective sponsors, an important factor in successful change, (and identified as such during workshop one) came second. With 10% stating that none of the above is being done now - is there potentially any correlation with the 11% of organisations where failure is over 76%?

Poll six

Where is your organisation now in building organisational change capability?



Although 50% stated they are already developing their capability, is it focused on the right things? Or is there still room for improvement and/or are there barriers to be overcome? If 50% are not yet building capability, is this having an impact on their success? And does it, once more, potentially reflect in the results from Poll three.



Workshop outputs

Workshop one

What are the key elements of organisational change capability? Which elements do organisations tend to nurture or neglect?

This workshop witnessed a significant discussion around the capabilities of sponsors. Sponsors must be able to define a clear business strategy and ensure that the changes link back to this. It was viewed that essential skills for sponsors include the ability to create and articulate a compelling vision of change, to prioritise the changes in a collaborative way, and to have the ability to enable the necessary culture for change to be adopted.

Being able to deal with unexpected major change (such as a new regulation) was a strong theme, as was ensuring a supportive learning environment, where people are not afraid to make mistakes, exists.

With regards to the latter question, the greatest focus is on developing implementation capabilities, tools and processes, whereas the most neglected area is the ability to effectively adopt change into 'business as usual'. Given the emphasis on, and importance of, having a capable sponsor, could this be another area that needs nurturing?

Workshop three

What are the risks inherent in organisations implementing continuous change, and how can we effectively manage them?

Organisations have historically tended to implement significant changes in discreet initiatives, with periods of normalisation, or embedding of the change. This model is less appropriate to a fast-moving business environment, where organisations must adapt quickly to changing circumstances.

The notion of 'continuous change' has become more the norm, with much more frequent and smaller scale changes, often overlapping, being implemented throughout an organisation. This approach is not without its risks, both to the effectiveness of the organisation and of the individual.

The workshop identified some sound guiding principles for managing these risks including: Getting the WHY right first; understanding the 'big picture' of change in an organisation; creating a change mindset; remembering that all change feels personal; and using multiple strategies for dealing with potential and real opposition.

Workshop two

If disruptive change is now the norm, how can your organisation be agile enough to stay ahead of the game?

In today's landscape, there is a constant threat of disruption, and so the constant monitoring and scanning for potential disruptors is seen as an important requirement. Additionally, the necessity for fast-paced decision-making and response indicates that small, focused teams, with the right level of authority, are preferable to larger structures.

The speed and quality of communications is seen as being crucial, as this can facilitate the rapid acquisition of relevant information, which in turn supports speedy and effective decision-making. However, care is needed not to overreact when information is given.

The consideration of, and preparation for, disruptive events can also bring about insights into how an organisation can position itself more strongly, through, for example, the identification and protection of key business knowledge. There's even an outside chance that the disruption may become a positive influence!

Workshop four

How can organisations assess and develop their capability to manage continual change successfully?

In this workshop, the importance of developing organisational capability moved into a discussion on personal capability assessments – indeed, it was found that only a minority of organisations had impactful assessment processes in place. The few that did either linked assessment to appraisals, or 360 degree reporting and similar subjective performance techniques.

More positively, there was significant focus on individual capability development, with plenty of tools and techniques in support of face-to-face interventions and softer change skills: storytelling, eco-checks, introducing schemes like WOW (ways of working) programme, piloting new techniques, etc.

The importance of good leadership and setting good examples of change from within the change teams was a recurring theme, requiring that our stakeholder engagement skills are more effective. The main barriers to success were deemed to fall between culture and politics. Most activities and capabilities focused on the *making change happen* and less on *making change wanted* and *making change stick* - a recurring theme throughout the day.

thoughtful sharing
insightful networking enlightening
inspiring fun thought reassuring
valuable psychology diverse
helpful ideas engaging agile excellent energetic
empowering interesting useful eye-opening
provoking connecting
thought provoking
thought-provoking

RISKS

- Losing people
- Opting out - no LISTENING sense of FAIRNESS
- Degradation
- Burn out - lack of care Leadership not sharing the load - left on few shoulders



Summary of the day

CITI's 42nd CofEe Club, held at the John Lewis Partnership Head Office in Victoria, London, was a compelling and fascinating look at organisational change capability. With speakers from Waitrose, Nationwide Building Society and CITI, as well as eight separate workshops, the event generated wide-ranging discussions and considerable debate.

Not in doubt is that the concept of 'continuous change' is fast becoming the norm, with change often forced on an organisation by sheer circumstance and commercial imperative.

In such scenarios, the importance of quick decision-making and response; small, focused teams; high quality communication; and capable and effective sponsors (who can enable the necessary culture for change to be adopted) cannot be underestimated.

To maintain competitive advantage, successful organisations must be excellent at responding to change. To do this, they must build the

change capability needed across all employees, suited to the organisational culture and processes. However, whilst it is clear there is a lot of work being done to develop the capability to make change happen, there is often less attention being given to the key areas of making change wanted and making change stick.

Our next CofEe Club event will be held at Nationwide Building Society, Swindon on Thursday 30th November 2017 (event theme tbc). As always, the event is free of charge, but we would urge interested parties to register quickly via this link - <http://citi.uk/CC/43> - as places are limited.

Thanks to all those who took part and a special thank you to the John Lewis Partnership for hosting the event with such accomplishment!



Richard Bateman

National Accounts Director



Thank you all for attending!





Crosby and Brown

SCALE OF
SPEC
TRAINING
FOCUS ON
INTERNATIONAL



CC43

Nationwide Building Society autumn 2017

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