

The logo graphic consists of two overlapping, upward-pointing chevron shapes. The top one is a dark brown color, and the bottom one is white. They are positioned above the main title text.

# STONERIDGE CONNECT

2019 Client Conference



## Organizational Change Management



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More about Eric:

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# About the Speaker

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Eric Newell

CEO

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Co-founder

13-year Microsoft veteran in Dynamics

Project management, engagement  
management, practice leadership  
support, internal systems architecture



CHANGE



# Change is Hard



- Not that simple
- Patterns are wired into your brain
- Fear is natural



# In Business, Change Often Fails

- Only 44% of business changes happen on schedule
- Why?
  - Lack of buy-in
  - Lack of vision for the future
  - We underestimate the time it takes to adapt to change



# Business Applications Bring Lots of Change



Software  
Change



Process  
Change



People &  
Role  
Change

Process Change



# Considerable Change in Projects

Every business process needs to be reviewed during an implementation

Current processes which aren't following best practices are obvious candidates for change

This is a good opportunity to make a process better while you have to retrain everyone anyway

# Business Process Owner

- Must name leaders who can make decisions on processes before starting the project
- Must have authority from leadership and field to make decisions
- Must be able to make good decisions \*quickly\*



# Affected Parties

- Identify who uses the system regularly
- Identify the “hidden power” – opinionated people on the team
- Look for potential champions for the process change
- Make time to talk through changes with key influencers



# Steps to Business Process Change

1. Gather feedback from the current users during process reviews
2. Analyze the options with key functional experts and make a recommendation to the business process owner. Outline "labor cost" associated with the process change.
3. Business Process Owner makes decision after hearing input from all sides
4. Functional team writes up design
5. User community reviews and approves design for usability
6. Development team changes code or functional team changes configuration
7. Documentation and training developed for the new process
8. Establish an enforcement plan - monitoring/auditing - for process adherence
9. Train the team and roll out the new process
10. Monitor the process to assure people are following it; enforce it if it isn't
11. Seek feedback and adjust as necessary and highlight any key changes over time

# People Change



# How Do People Change during an Implementation?

## New Roles During Project

- First timers
- Never changed process before

## Different routines

- Day to day work is quite different
- Some things slower
- Some processes require more data

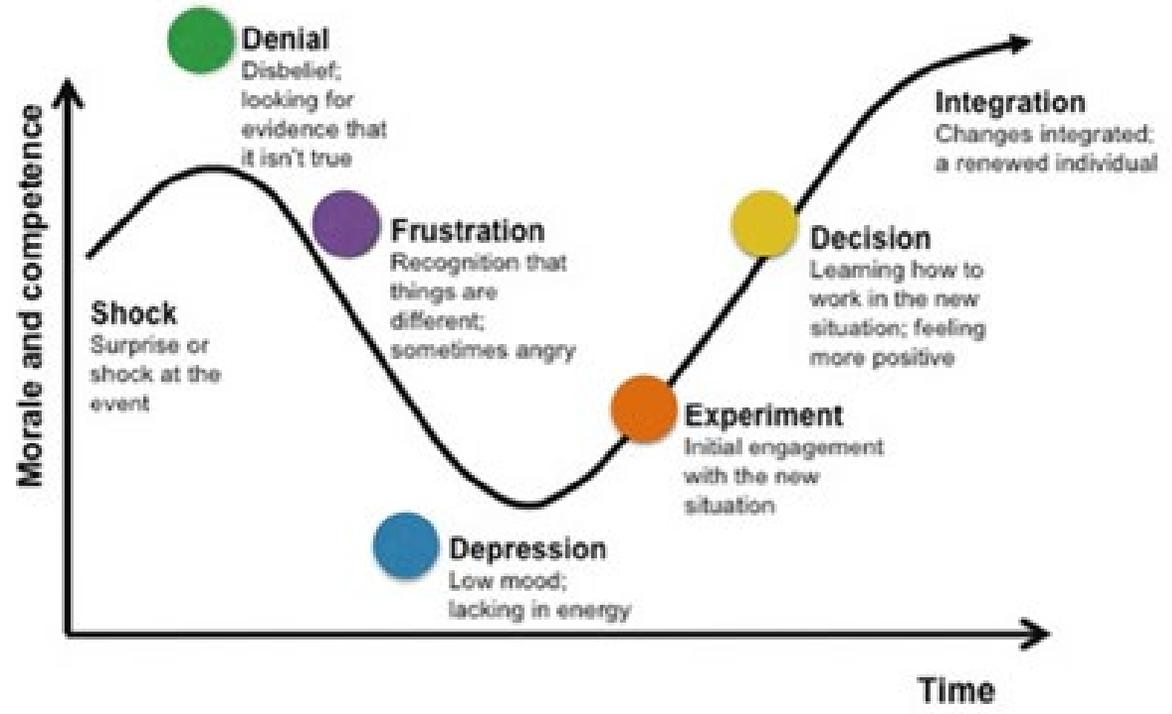
## Learning technology

- Not everyone picks it up easily
- One-size fits all training



# The Change Curve

## The Kübler-Ross change curve



Create Alignment

Maximize Communication

Spark Motivation

Develop Capability

Share Knowledge

# Change Curve

- Created by Elizabeth Kübler-Ross, a psychiatrist who wrote about dealing with the five stages of grief

## How to use the Kübler-Ross Change Curve for everyday change management

### What is the Kübler-Ross Change Curve?

- The Kubler-Ross Change Curve is a paradigm for navigating the transitions between when a change is initiated to reaching the organization's overall goal.
- Organizations use Kubler-Ross's research to understand how people navigate change.
- Managing change in this context means understanding where people are along the change curve and helping them get from the death of the old ways to the birth of the new ways. electronic medical records



# Initial Phases

- “Convincing professional such as doctors, lawyers and professors to make fundamental changes in their work practices is difficult because typically they have invested huge amounts of time and resources into their career and are guided by entrenched beliefs and values established during years of indoctrination and training. Often they are passionate about their fields and consider their work more of a “calling” than a job.”
- [https://www.researchgate.net/profile/Deone\\_Zell/publication/211396532\\_Organizational\\_Change\\_as\\_a\\_Process\\_of\\_Death\\_Dying\\_and\\_Rebirth/links/00b7d518569a326e8c000000.pdf](https://www.researchgate.net/profile/Deone_Zell/publication/211396532_Organizational_Change_as_a_Process_of_Death_Dying_and_Rebirth/links/00b7d518569a326e8c000000.pdf)

## Kübler-Ross Change Curve into Action: Understanding How to Manage Behaviors



### Shock:

- Employees are feeling surprised and unsure about their future
- Acknowledge and restate what employees are feeling, empathize with their pain
- Reinforce beloved policies and procedures remaining to give other changes credibility
- Respect how things were done; statements deriding past methods can undercut the change process and its intended effectiveness

### Denial:

- Employees do not believe the policy will be implemented; communication is at extreme importance
- Clearly explain the goal of the change; polite but firm communication is important, no matter how much team members disagree or show resistance
- Keep context honest; do not provide every detail, only the important components
- Be judicious about information dissemination; make sure information is applicable for a job so as not to overload employees
- Appeal to logic; show why the change is being made, how it positively affects the company and why the old method was harming the company



# Combatting Change



## Anger:

- Employees openly resist and do so vigorously
- Paraphrase what employees are saying; this helps defuse anger and shows you are listening and conscientious of their concerns
- Build intra-office connections; anger is often the result of feeling vulnerable so ensure a relationship-building environment
- Build two-way communication channels to alleviate feelings of not being understood and heard

## Bargaining:

- Avoidance of change procedures; passive resistance
- Ask questions about how employees envision the best next steps for their success
- Assist individuals and team members from being passive resistance to being active assistance
- Explain how team members can get to the outcome they are looking for by immediately adopting the change. Provide assistance options and support strategy
- Provide specific objective and actionable goals for employees to work hard towards



# Dealing with Challenging Behavior

Using the new system as an excuse

Agreeing to the changes but not adopting them

Nitpicking every possible thing

Telling colleagues “the project will never go live”

Shadow IT projects

# How to Do Change Management Better



# Starting Off Right

Understand how brains work

Have empathy for the changes they are about to experience

Set proper expectations for the end goal upfront

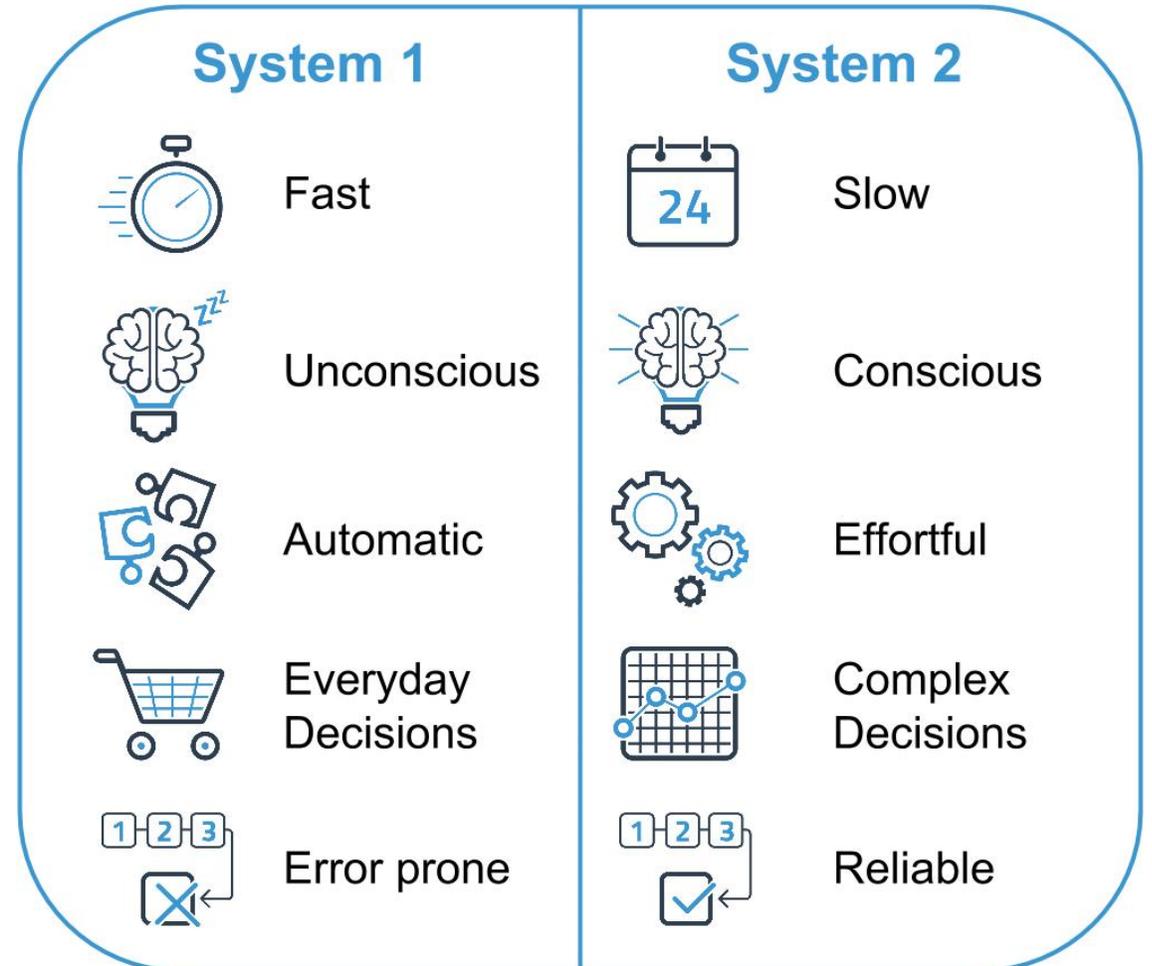
Develop communication plan

Leadership alignment

# Understand How Brains Work

- Think about your approach
- Encourage long-term thinking (framing)
- Power of storytelling
- Prospect theory (people are loss-averse)

*Thinking Fast and Slow* – Daniel Kahneman





# Heuristics

Anchoring

Availability

Substitution

Optimism &  
Loss Aversion

Framing

Sunk Cost

# Two Different Approaches to Convince People to Give Up Smoking



“Give people space to explore motivations they already have”

Use Questions, not Lectures

# Pre-Suasion



Concept of “Priming” – setting up someone to better receive your message



Big Concept in Marketing

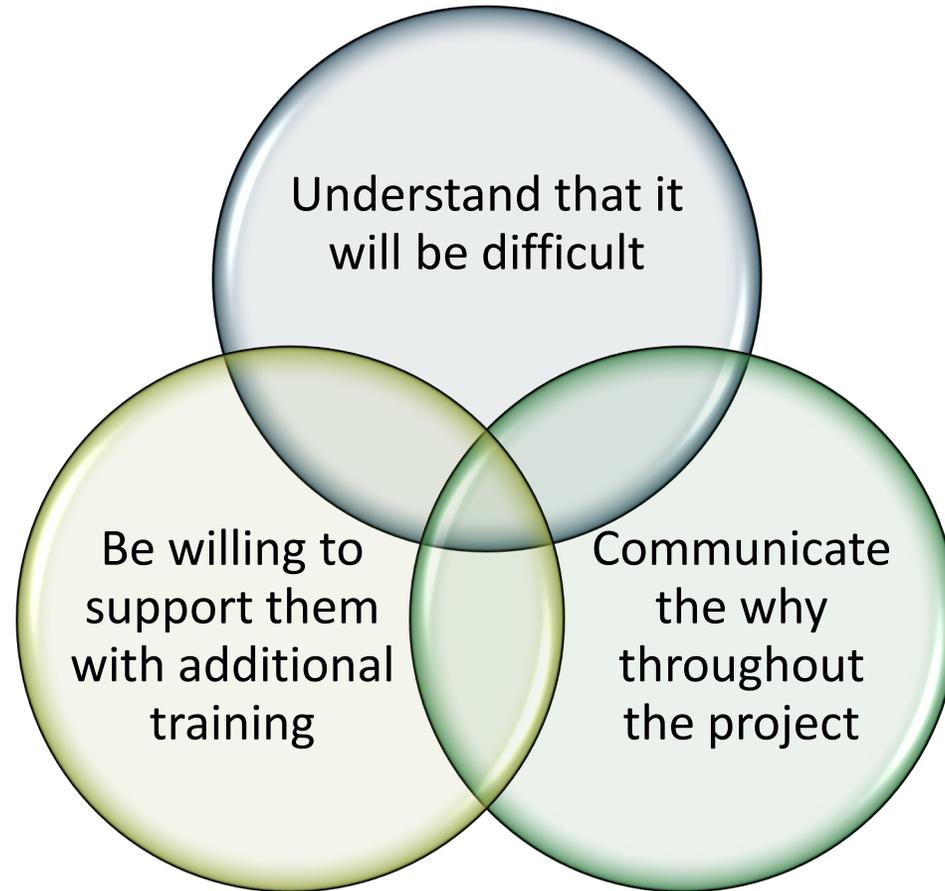


Robert Cialdini’s book – [PreSuasion](#)



More concepts on how the brain works in Daniel Kahneman’s [Thinking Fast and Slow](#)

# Empathy for the Change Coming



# Set proper expectations upfront

Some parts of the system may be slower



We may not replace every annoying, time-consuming task you have today

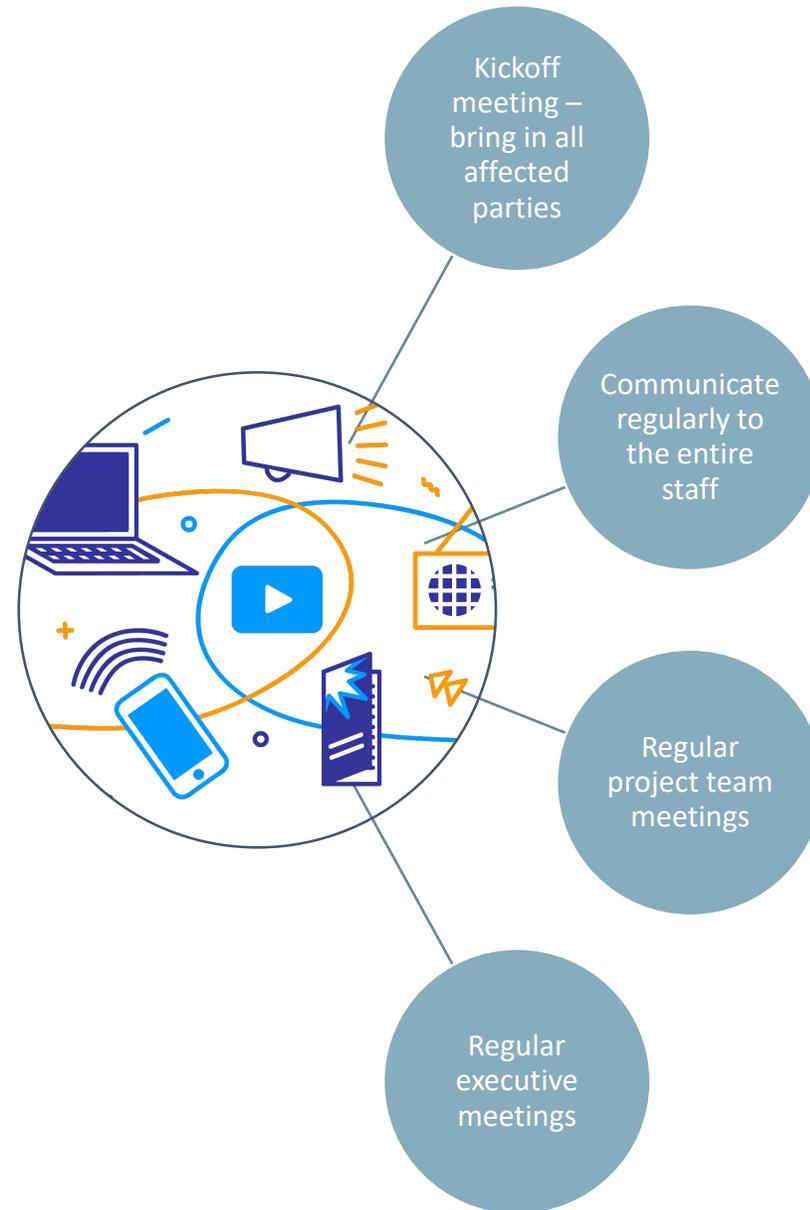


Some processes may take longer because we are asking for more data



You can do more with data than ever before, but you may not know how to get that information right away

# Develop a communication plan



*Write easy to understand updates for the company to read*

*All meetings need to have agendas with preparation and action items clearly identified*

# Leadership Alignment

- Importance
  - Other challenges can be overcome with an aligned leadership team
  - Without an aligned leadership team, the rest won't give you the results you seek
- What Does This Mean?
  - All leadership members are actively supporting the project
  - All take accountability for their area
- How Do You Achieve?
  - Culture of accountability within the organization
  - CEO visibility
  - Regular meetings/discussions at some level of detail
  - Leadership pulled into key process change discussions

# Mid-Project Keys

Addressing  
Project  
Challenges

Dealing with  
Push back

Training

# Addressing Project Challenges

## Possible challenges

- We are not getting a piece of functionality we expected
- Something won't release on-time
- This process is going to be more complicated than expected

Doubters will use this as proof they are right

Key is to communicate and be open/upfront about the changes and lay out the new reality and reiterate the benefits

# Navigating the Choppy Waters

Using the new system as an excuse

Agreeing to the changes but not adopting them

Nitpicking every possible thing

Telling colleagues “the project will never go live”

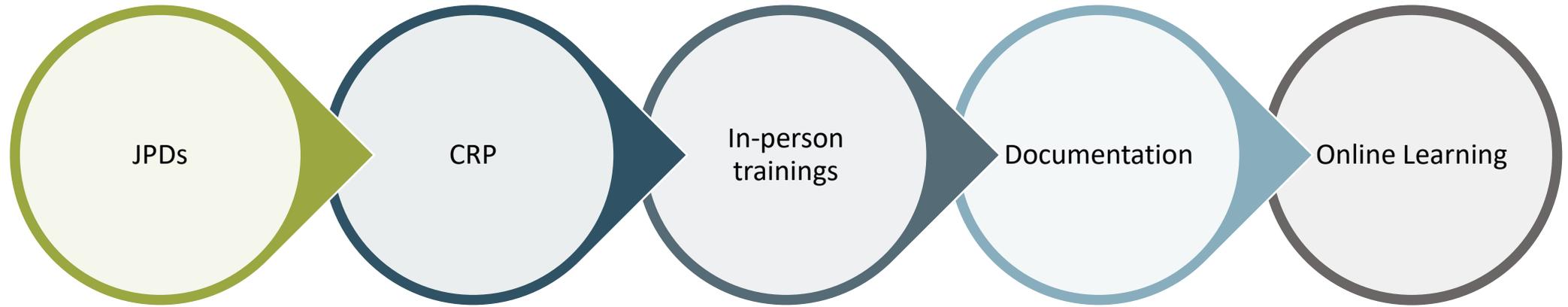
Shadow IT projects



# Training

People like  
systems  
they know

# Training – Interactive Sessions



- Basic first
- Advanced around go-live time
- Remember not everyone learns at the same speed

# Post Go-Live

## New system reality

- Everything will be slower at first
- Reports will be hard to find
- Security will not be right
- Errors will happen

## How you help

- Set reasonable expectations for processing time early on
- Additional support resources from project team, power users and implementation team

# Acceptance

## Acceptance:

- Employees are embracing new ideas and procedures
- Recognize the effort of employees who embrace the change and adopt it into their functions; these folks are taking a massive risk by jumping aboard and integrating the change, therefore they need to have proper recognition for taking the risk
- Consider providing public recognition for employees who have eagerly embraced the change process
- Implement change rapidly and successfully on the first try; this gives the change greater credibility
- Build systems reinforcing the change and provide quick positive feedback to those navigating the change process
- Use feedback and monitoring systems to ensure change is being adopted





# Stoneridge Emphasis

Look for us to invest more in Change mgmt. going forward – starting soon

Additional internal training for our team

What we're building:

- Training strategy plan (template)
- Communication strategy plan (template)
- OCM survey draft/proposal (template)
- Intro to OCM deck to use with client teams and steering committees (template)
- OCM Activities/Tool Kit list to consider for our team and/or our clients

# OCM Team at Stoneridge



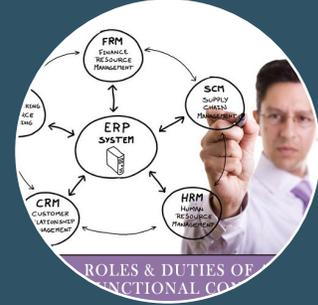
Heike Peters



Project  
Managers



Engagement  
Managers



Solution  
Delivery  
Managers



Questions?

