

Defining change management

Helping others understand change management in relation to project management and organizational change

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“What is change management?” This is a question you may have heard from colleagues or coworkers in passing or in formal presentations. While many of us “know” intuitively what change management is, we have a hard time conveying to others what we really mean.

In thinking about how to define change management, it is important to provide **context** related to two other concepts – the *change* itself and project management. This tutorial shows how change management and project management are two critical disciplines that are applied to a **variety** of organizational changes to improve the **likelihood of success** and **return on investment**. As a starting point, remember the scope of focus for “the *change*”, project management and change management:

Element:	Scope of focus:
The change	Organization and operations
Project management	Tasks and activities
Change management	Impacted employees

Ultimately, the goal of change is to improve the organization by altering how work is done

When you introduce a change to the organization, you are ultimately going to be impacting one or more of the following four parts of how the organization operates:

- Processes
- Systems
- Organization structure
- Job roles

While there are numerous approaches and tools that can be used to improve the organization, all of them ultimately prescribe adjustments to one or more of the four parts of the organization listed above. Ultimately, “the *change*” in an organization is initiated to move from a current state to a desired **future state**, where performance is better than it had been. There are numerous examples of “the *changes*” happening in organizations right now, including: Six Sigma initiatives, new performance review systems, Enterprise Resource Planning (ERP) applications, 360 degree evaluations, virtual work environments, Balanced Scorecards, mergers/acquisitions, or implementing a Project Management Office (PMO). Each of these examples of “the *change*” have a future state they are trying to achieve.

The *change* typically results as a reaction to specific **problems** or **opportunities** the organization is facing based on internal or external stimuli. While the notion of “becoming more competitive” or “becoming closer to the customer” or “becoming more efficient” can be the motivation to change, at some point these goals must be transformed into the **specific impacts** on processes, systems, organization structures or job roles. This is the process of defining “the *change*”.

Formally defining change management and project management

It is not enough to merely prescribe “the *change*” and expect it to happen – creating change within an organization takes hard work and structure around what must actually take place to make the *change* happen. To begin, we look at the formal definitions of **project management** and **change management** – two key disciplines required to bring a change to life. These are two commonly accepted definitions that help us begin to think about these two distinct but intertwined disciplines.

Project management	<p>Project management is the application of knowledge, skills, tools and techniques to project activities to meet project requirements.</p> <p>Project management is accomplished through the application and integration of the project management processes of initiating, planning, executing, monitoring and controlling, and closing.</p> <p><i>* From PMBOK® Guide, Third Edition</i></p>
Change management	<p>Change management is the process, tools and techniques to manage the people side of change to achieve the required business outcome.</p> <p>Change management incorporates the organizational tools that can be utilized to help individuals make successful personal transitions resulting in the adoption and realization of change.</p>

As shown in Figure 1, both project management and change management support moving an organization from a **current state** (how things are done today), through a **transition state** to a **future state** (the new processes, systems, organization structures or job roles defined by “the *change*”). Project management focuses on the **tasks** to achieve the project requirements. Change management focuses on the **people** impacted by the change.

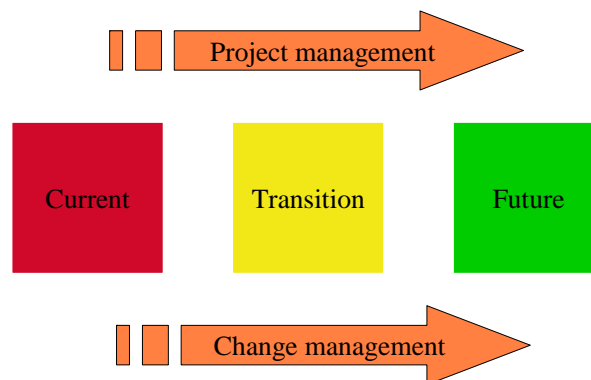


Figure 1

Any change to processes, systems, organization structures and/or job roles will have a “technical” side and a “people” side that must be managed. Project management and change management have evolved as disciplines to provide both the **structure** and the **tools** needed to realize change successfully on the technical and people side.

Discipline:	Process:	Tools:
Project management	<ul style="list-style-type: none"> • Initiating • Planning • Executing • Monitoring and controlling • Closing <p><i>* From PMBOK® Guide, Third Edition</i></p>	<ul style="list-style-type: none"> • Statement of work, Project charter, Business case • Work breakdown structure, Budget estimations, Resource allocation, Schedule • Tracking, Risk identification and mitigation, Reports on performance and compliance
Change management	<ul style="list-style-type: none"> • Planning for change • Managing change • Reinforcing change <p><i>* From Prosci's research-based methodology</i></p>	<ul style="list-style-type: none"> • Individual change model • Communications • Sponsorship • Coaching • Training • Resistance management

Thinking about what each tool is trying to achieve

So, project management outlines the specific activities for defining and prescribing how to move from point A to point B (by changing processes, systems, organization structures or job roles). Change management outlines the steps needed to help the individuals impacted by the change adopt it and do their jobs in the new way (for example, people transitioning from fulfilling function “a” to function “b” as shown in Figure 2).

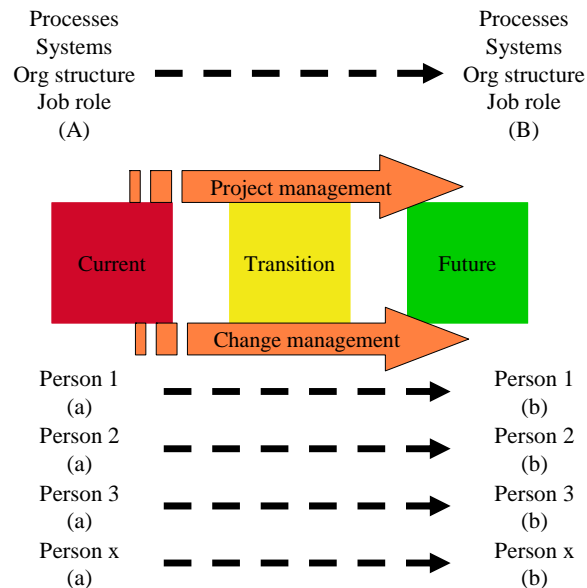


Figure 2

The goal of “the *change*” is to improve the organization’s performance by reaching a future state. The goal of project management is to effectively deploy resources in a structured manner to develop and implement the solution - in terms of what needs to be done to processes, systems, organization structure and job roles. The goal of change management is to help each individual impacted by the change to make a successful transition, given what is required by the solution.

Using the right amount

Each initiative or project you undertake requires **some level** of project management and change management. These two disciplines are tools used to support the implementation of a variety of changes that you may be undertaking. For example, think about the simplistic but illustrative table below:

Project:	Needs project management?	Needs change management?
Deploying an ERP solution across the entire organization	Yes	Yes
Reengineering the work processes and contact scripts of your call center agents	Yes	Yes
Integrating two organizations and their information systems following a merger or acquisition	Yes	Yes
Redesigning the physical layout of an office space	Yes	Yes
Developing a new sales channel	Yes	Yes

Note: All of the projects mentioned above need both project management and change management. There are very few instances where you will not need both disciplines.

Change management and project management are tools that need to be applied **independent** of the actual change that you are undertaking. Anytime you alter processes, systems, organization structures or job roles, you need a structured approach to manage both the “technical” side and the “people” side of the pending change.

Do project management and change management look the same for every initiative? Typically, no. While the right amount of project management and change management is at least some, each of these tools are at their best when they are **customized** for the unique situation that you are facing and are fully integrated. Your organization, its culture and history, and the specific change that you are implementing all influence the right amount of project management and change management.

How much project management is needed?	How much change management is needed?
Depends on the complexity and degree of change to processes, systems, organization structure and job roles	Depends on the amount of disruption created in individual employee's day-to-day work and the organization attributes like culture, value system and history with past changes

Separate but integrated in practice

So far in this tutorial, project management and change management have been discussed as two distinct disciplines. While separate as fields of study, on a real project change management and project management are often integrated. The steps and activities move in **unison** as teams work to move from the current state to a desired future state.

As an example, think about what activities occur during the planning phase of a project. On the project management side, teams are identifying the milestones and activities that must be completed. They are outlining the resources needed and how they will work together. They are defining the scope of what will be part of the project and what will not be. From a change management side, teams begin crafting key messages that must be communicated. They work with project sponsors to build strong and active coalitions of senior leaders. They begin making the case of why the change is needed to employees throughout the organization, even before the specific details of the solution are complete. The most effective projects integrate these activities into a **single project plan**.

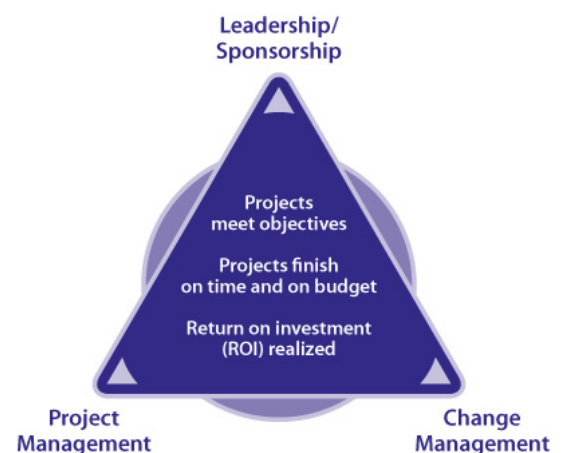
While integrated in practice, there is certainly value in addressing the two areas separately. Some of the key advantages of this separation include:

- **Having an intelligent conversation** – A framework that effectively delineates between “the change”, project management and change management makes it easier and more productive to discuss these three aspects of any organizational effort. This context makes defining and understanding the discipline of change management more effective.
- **Troubleshooting** – Are problems related to what is actually changing (“the change”), to the management of tasks and resources to make “the change” happen (project management) or to issues relating to employee engagement, buy-in and resistance (change management)?
- **Evaluating strengths and weaknesses** – As a project progresses, it is important to evaluate the health of the effort by looking at both the technical and the people side elements of the project.
- **Improving implementation** – From an enterprise perspective, there may be organizational competencies or organizational deficiencies in the methodologies and practice of these two disciplines; development and continuous improvement requires a separation.

The PCT Model as an additional framework for definition

Prosci's Project Change Triangle – or **PCT Model** – provides another approach for defining and positioning change management. This simple but powerful framework shows the three crucial elements of a successful project as corners of a triangle:

- Leadership / Sponsorship is at the top of the triangle
- Project Management is in the lower left corner
- Change Management is in the lower right corner



Successful projects have all three components: **governance** and **direction** provided by Leadership/Sponsorship, structure and activities to support the **technical side** of the solution (Project Management), and structure and activities to support the **people side** of the solution (Change Management). Without all three elements, the triangle will be unbalanced and the project will struggle.

At the center of triangle is the ultimate goals of “the *change*” that are achieved when all three elements of the triangle are present – meeting objectives, completion on time and on budget and realizing expected Return on Investment.

The [PCT Assessment](#) is a tool with 10 questions on each of the corners of the triangle. The assessment can be a useful tool when trying to define change management. The questions for each of the three corners help to further define what is meant by Leadership / Sponsorship, Project Management and Change Management. This assessment is a useful tool in one-on-one conversations or in project team meetings to establish a baseline of what needs to be done on the project and to evaluate the current health or performance of change.

Both the PCT Model itself and the PCT Assessment provide a necessary framework showing the relationship and necessary components of the three essential elements of any change project.

Summary

Organizations undertake change in order to improve performance - through reduced costs, improved efficiencies, increased revenue, better utilized employees, reduced risk exposure, etc. To improve performance, changes must be made to the processes, systems organization structures or job roles – and ultimately these changes impact how people do their jobs. For these changes to be successful, they must be managed from a technical perspective using project management and from a people perspective using change management.

The better we can separate out and define change management, project management and “the *change*” – the more success change efforts will have. Think about what each component is trying to achieve (see the table below) – this is the best way to tell someone else what change management is, and how it is related to “the change” and project management.

Element:	Goal or objective:
“The <i>change</i> ”	To improve the organization in some fashion - for instance reducing costs, improving revenues, solving problems, seizing opportunities, aligning work and strategy, streamlining information flow within the organization
Project management	To develop a set of specific plans and actions to achieve “the change” given time, cost and scope constraints and to utilize resources effectively (managing the “technical” side of the change)
Change management	To apply a systematic approach to helping the individuals impacted by “the change” to be successful by building support, addressing resistance and developing the required knowledge and ability to implement the change (managing the “people” side of the change)

About Prosci

Formed in 1994, Prosci is the leading provider of research and tools that enable organizations to manage the people side of change. As a research company, Prosci has conducted six longitudinal studies over the last eleven years to create the most complete body of knowledge available in the change management field. Research participants include more than 2000 organizations from 65 countries since 1998, including many of the largest companies and government organizations worldwide.

Prosci sponsors the Change Management Learning Center at www.change-management.com. This online resource provides access to Prosci's change management tools and a collection of books, articles, case studies and other change management resources. The nearly 40,000 registered members receive regular tutorials featuring the latest research and models in change management.

Prosci offerings

Prosci has developed holistic models, processes and tools for effective change management. Prosci's ADKAR® Model and organizational change management methodology have become two of the most widely used approaches for managing the people side of change in corporations and government agencies. Prosci's change management approach provides a common language, customized tools and training for multiple levels in your organization:

For change management practitioners	<ul style="list-style-type: none"> • Certification – Intensive 3-day program where you apply the learning and process to a project you are currently supporting. Open enrollment programs at venues across the US or at your location. http://www.change-management.com/change-management-training.htm • Change Management Toolkit – hardcopy 3-ring binder with CD-ROM, complete process along with tools, assessments, templates and checklists for building change management strategy and plans. http://www.change-management.com/change-management-toolkit.htm • Change Management Pilot – online tool with four-click access to entire methodology, downloadable tools and eLearning modules http://www.change-management.com/cm-pilot.htm
For executives and senior leaders	<ul style="list-style-type: none"> • 4-6 hour executive briefing covering what change management is, why it is important and the role of senior leaders in times of change. Includes a self-assessment on sponsorship and examination of the portfolio of change. http://www.change-management.com/tutorial-job-roles-mod3.htm#training
For managers and supervisors	<ul style="list-style-type: none"> • Change Management Guide for Managers – hardcopy 3-ring binder and CD-ROM designed to help managers effectively lead their direct reports through change. http://www.change-management.com/managers-guide.htm • 1-day coaching program covering how to prepare yourself for change and how to lead your people through change using the ADKAR model and fulfilling the five roles of managers and supervisors in times of change. http://www.change-management.com/tutorial-job-roles-mod4.htm#training
For employees	<ul style="list-style-type: none"> • Employee's Survival Guide to Change – Paperback book about decisions in times of change and how individuals experience change using the ADKAR model http://www.change-management.com/survival-guide.htm • 1-day employee orientation on how to survive and thrive in times of change
Reference and resource materials	<ul style="list-style-type: none"> • Best Practices in Change Management – Benchmarking report with lessons learned, best practices, tip and suggestions for managing the people side of change. The most complete body of knowledge available on change management. http://www.change-management.com/best-practices-report.htm • ADKAR: a model for change in business, government and our community –The first full text on Prosci's popular ADKAR Model. http://www.change-management.com/adkar-book.htm • Change Management: the people side of change – A solid foundation in change management perspectives, theories and practices for executives and managers. http://www.change-management.com/introduction.htm