What, Why and How of Enterprise Change Management (ECM)

Many project teams are recognizing the need to effectively manage the people side of change on their project. And while they have recognized this competency is necessary for their project’s success, the question remains: Is that enough? A few of these organizations have taken the next step, moving away from a single project model to an enterprise deployment of change management.

Has your organization made the decision to build an internal competency in change management? If so, keep reading. If not, then certainly keep reading.

The following tutorial presents the what, why and a glimpse at the how related to Enterprise Change Management. Prosci’s analysts are available to discuss Enterprise Change Management, so please email a Prosci analyst (changemanagement@prosci.com) or call 970-203-9332 to set up some time to discuss your organization’s ECM efforts.

What is Enterprise Change Management?

Change management is defined as the process, tools and techniques to manage the people side of change. It involves 1) understanding the change that is being implemented, 2) analyzing the people that will be impacted by the change and 3) creating the plans and actions that will help drive the successful implementation of the change from the people-perspective (such as communications, sponsorship, coaching, training, resistance management and reinforcement mechanisms).

Enterprise Change Management is different – it is the deployment of change management or the building of change management competencies across the entire organization. In essence, it is ensuring that change management is done effectively on all projects and changes in the organization. Prosci’s research and engagements with organizations show three main elements that define Enterprise Change Management:

1. **A common set of processes and tools for managing change** – This is essentially the application of “the process, tools and techniques to manage the people side of change” across all of the changes going on in the organization. It is the repetitive and intentional application of change management.

2. **A leadership competency at all levels of the organization, from supervisors to senior executives** – While the first element is tied to projects, this element is tied to the people in the organization. The leadership competency element is the internalization of the role and responsibility for “leading change” by all of the leaders, managers and supervisors in the organization. It requires training and coaching, as well as on-the-job support.

3. **A strategic capability that enables the organization to be flexible, change ready and responsive to marketplace changes** – This is more of an outcome of the other two elements. When the organization applies change management to many projects and when individuals build the needed expectations and skill set, the organization can count “change-ready” as one of its core competencies.
The above three elements define Enterprise Change Management. In addition, it is important to note that taking on ECM is itself an endeavor for the organization. There is no magic wand or silver bullet to help an organization become competent at managing change. When an organization becomes serious about building this core competency, it must treat ECM as:

- **A project** – Like any other project, the effort to build the competency to manage change requires planning, design and implementation work. To be successful, a structured approach to managing the project is needed, along with the resources and plans for implementing the “competency building” project.

- **A change** – For many in the organization, ECM means new behaviors, activities and skill sets. Managing the human component of “deploying change management” will be crucial to the success of the effort. This includes communication, sponsorship and the other tools for managing the human reaction to the competency building effort.

- **An effort that must be driven from the top of the organization** – In all five of Prosci’s best practices studies, the active and visible involvement of senior leaders was cited as the number one contributor to success. Building the competency to manage change is no different. There needs to be a primary sponsor, a strong sponsor coalition and communication directly from senior leaders about the need for “getting better” at managing change.

### Why Enterprise Change Management?

In answering the **Why Enterprise Change Management?** question, there are really three main lines of thought:

1. The **cumulative benefits** of change management, across multiple projects
2. The benefits of an **enterprise perspective** when deploying change management
3. The **external drivers** requiring organizations to become better at implementing change

The easiest answer to “why ECM” is the answer to “why change management” multiplied across all of the projects in the organization. Industry data shows a direct correlation between change management effectiveness and meeting objectives, finishing on schedule and staying on budget. The qualitative impacts of poorly managed change can be seen and felt by many – including productivity declines, passive resistance, employee disengagement, attrition, active resistance, arguments, slow adoption, work-arounds and divides between “us” and “them”. Change management provides structure to solve many of these issues. Effective change management also means a higher likelihood of achieving project objectives and return on investment (ROI); effective change management on all projects (read ECM) means a higher likelihood that all changes are more effectively implemented.

In addition to the reason above, there are additional advantages associated with deploying change management throughout the organization. Taking on change management with an **enterprise perspective** delivers more consistent application. It prevents the problem of “reinventing the wheel” for each new project. Continuous improvement of the change management approach, as well as the tools and training that support change management, can only take place when there is a common and enterprise-wide perspective. ECM results in a common language that is used throughout the organization. An enterprise perspective also enables the use of common and shared resources that can span multiple projects or parts of the business. And, there is a risk of collision and disengagement from all change management activities by leaders in the business if multiple approaches exist throughout the organization.

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Externally, there are **marketplace drivers** that support the building of the organizational competency to manage change. First, the sheer amount of change that organizations are facing is continuing to increase. Despite being cliché, change has become the only thing that is constant in organizations across industries and throughout the world. With extensive change happening right now and expected to continue in the coming years, building the competency to manage change has become a necessity for growth, innovation and survival. Most organizations today can simply not risk the negative impacts associated with not executing on the changes they will be introducing over the next several years. Finally, many of the sources of competitive advantage that organizations relied upon in the past are eroding. How quickly and painlessly an organization can adapt to change will be one of the central tenants that differentiate organizations from their competitors in the coming years.

**How to build the organizational competency to manage change**

Once there is an understanding of what ECM is and why ECM is important, the question of how to build the organizational competency to manage change naturally follows. Prosci has done extensive research and development with organizations taking on this challenge, the results of which are presented in the ECM Lab³.

Prosci’s experience has shown three major approaches to deploying change management across the enterprise:

1. **A project-centric approach** – The focus of this approach is to attach change management to a handful of specific projects. This approach typically involves some sequencing and planning related to which projects are the first to apply change management. A project-centric approach is often taken when the originator of the effort wears more of a “project hat” in the organization – such as an experienced project manager, a member of the PMO or a leader overseeing several projects in their own department or organization. This is also typically the approach when change management is introduced by a single project team in more of a grassroots approach.

2. **A skill-centric approach** – The focus in this approach is on building skills and competencies to manage change in the organization. While projects may be marginally addressed, the initial focus is training. This approach leverages the fact that senior leaders, managers and project team members have specific roles and responsibilities, and that training is an effective tool for building skills associated with these roles. A skill-centric approach is often used when the originator of the effort has a Human Resources or training background.

3. **A holistic approach** (recommended) - Both the project-centric and skill-centric approaches have their merits and potential risks. Prosci’s experience and research has shown that a holistic approach that addresses both of these areas, as well as the elements of process and structure, is the most effective when sponsorship for this change is at the highest level of the organization. Prosci’s ECM Deployment Strategy Map (shown to the right) identifies five areas where tactics should be developed to truly improve how the organization reacts to and manages change: Leadership, Project, Skill, Structure and Process. The particular tactics and relative emphasis on each element will depend on the organization.

Remember, ECM should be approached as a project. The figure below shows Prosci’s ECM Deployment Process, developed to support business leaders based on research and experience. The process ensures that 1) the deployment of change management across the organization is approached as a project, 2) the ECM Deployment Strategy Map that you create has the highest probability to succeed and 3) that actual, executable plans are developed to support the ECM project.

³ Find out more about the ECM Lab at [http://www.change-management.com/ecmlab.htm](http://www.change-management.com/ecmlab.htm)
Prosci’s ECM Deployment Process

The ECM Deployment Process sets the guidelines for designing the solution for building change management competency. By moving from Vision to Strategy to Implementation, it ensures that the effort to build the competency to manage change is approached with structure and guided by sound solution design principles. The ECM Lab walks participants through the process with tips, assessments and best practices research.

**Tutorial summary:**

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<th>“What” of ECM</th>
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2. The benefits of an enterprise perspective when deploying change management  
3. The external drivers requiring organizations to become better at implementing change | 1. A project-centric approach  
2. A skill-centric approach  
3. A holistic approach (recommended) that incorporates leadership, project, skill, structure and process tactics |

Prosci’s ECM offering include three pieces:

**ECM Vision:** The ECM Vision is a one-hour conference call with one of Prosci's ECM experts. The call covers what ECM is, why ECM is a valuable undertaking for your organization and a high-level overview of the ECM Deployment Process and ECM Strategy Map.

**ECM Lab:** The ECM Lab is a facilitated design session that helps you and your team create a customized plan for rolling out change management in your organization. Through a series of five "live" instructor-led sessions and associated "lab" work your team completes, you will go through the full ECM Deployment Process - starting with the definition of your ECM future state and concluding with an integrated plan and measurement system.

**ECM Checkup:** The ECM Checkup is the final step in Prosci's ECM offering. The ECM Checkup takes place after you and your team have completed the ECM Lab and gotten in to your deployment efforts. In the ECM Checkup, you will evaluate your effort so far and the progress you have made toward your ECM future state.

Find out more at: [http://www.change-management.com/ecm.htm](http://www.change-management.com/ecm.htm)