

Three Common Pitfalls of Change Management and How to Avoid Them

Julyan Lee

October 13, 2022





## Introduction to your dedicated team

Working with you side by side, everyday



•••• Your trusted workforce transformation partner

- What we know about digital transformation
- Pitfalls of change management
- How to mitigate these pitfalls
- Q&A

## Agenda

Transform with us



# 84%

of digital transformations fail.

Forbes, March 2022

- Lack of alignment
- Lack of awareness
- Mismanagement
- Distraction
- "Shiny toy" syndrome
- Communication with leadership

- Lack of control over vendors
- Lack of user training
- Loss of talent
- Resistance to change
- Slow decision making
- Poor prioritization

4

# All of these reasons revolve around people, not technology.

# This is why Change Management is so critical.

# But change can be difficult.

# 3 common pitfalls of Change Management

Pitfall

# Limiting beliefs about the value of OCM



## Why?

- The value of OCM is minimized due to the daunting task of implementing technology
- Lack of understanding about the human dynamic of a successful implementation
- Lack of awareness of the benefits of change management
- The new solution will be better than the current system so people should embrace it
- Overall resistance to change

## Why do it? The Proof is In The Pudding...

#### **Evaluation Criteria**

- 40 companies
- Expected value\*
- Captured value
- 12 factors
- 3 organizational levels
- Change management effectiveness

\*Expected Value = 100%

#### Senior Managers

#### Commitment

Communication

**Financial incentives** 

Nonfinancial incentives

Leadership

Stretch targets

#### Middle Managers

Decision authority Skills in managing people Skills in managing projects

#### Frontline Staff

Skills

Tools

Motivation

#### **11** Companies

Had effective change management at all the **3** levels of their organization.

Value Captured

#### 7 Companies

Had effective change management at **2** levels of their organization.

Value Captured

#### **11** Companies

Had effective change management at **1** level of their organization.

Value Captured

#### **11** Companies

Had **zero** effective change management at **any** level of their organization.

Value Captured

Pitfall #2

# Underfunding your OCM budget

### It's like using the wrong fuel in a high performance sports car



- OCM should "NOT" be positioned as a nice-to-have or an add-on
- Sales teams must position OCM as a necessary component of the project
- Key decision makers must see the value of OCM and not leave it off the table just to save a few dollars
- OCM "DRIVES" ROI by harnessing more expected value and, therefore, improves your bottom line down the "ROAD"

Pitfall

# OCM as an afterthought

# Start early

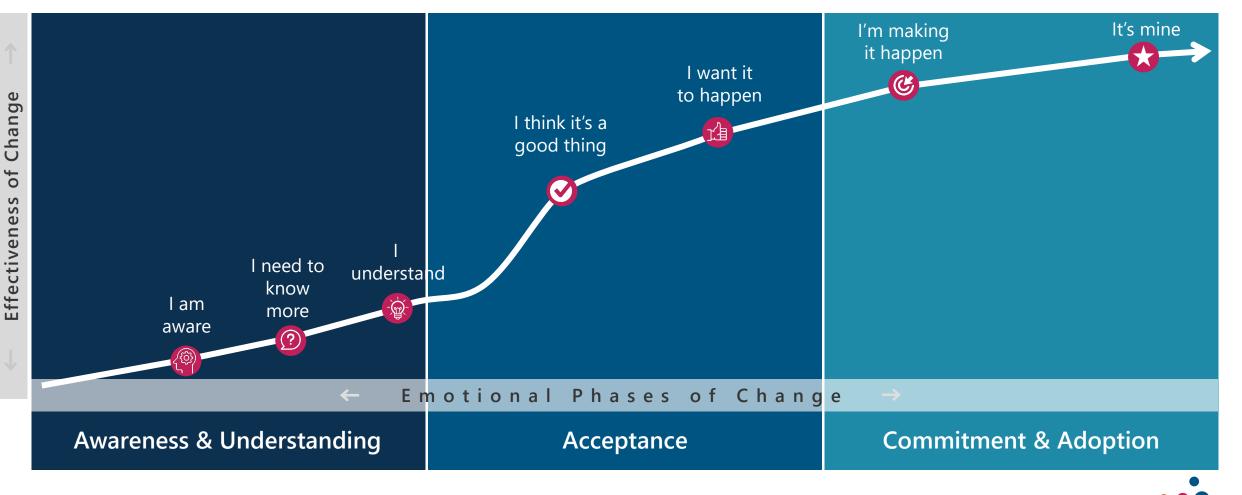
## Start early

- The idea of communicating awareness of a project early on can feel unnatural because the solution may end up looking different than you expect.
- The impulse to have things "perfect" and "ready to launch" before communicating provides a false sense of security or protection against having to contend publicly with the possible failures or hiccups of a large-scale change.
- Communicate with your people early on and continue that communication, even if things change along the way. They will be more engaged, and the transition will be smoother.

### **Driving Change Consistently...**

• • •

Change is a personal journey where an individual (and an organization) moves towards acceptance. Our change framework and communications process is designed to drive this change smoothly and consistently.



•

| 18

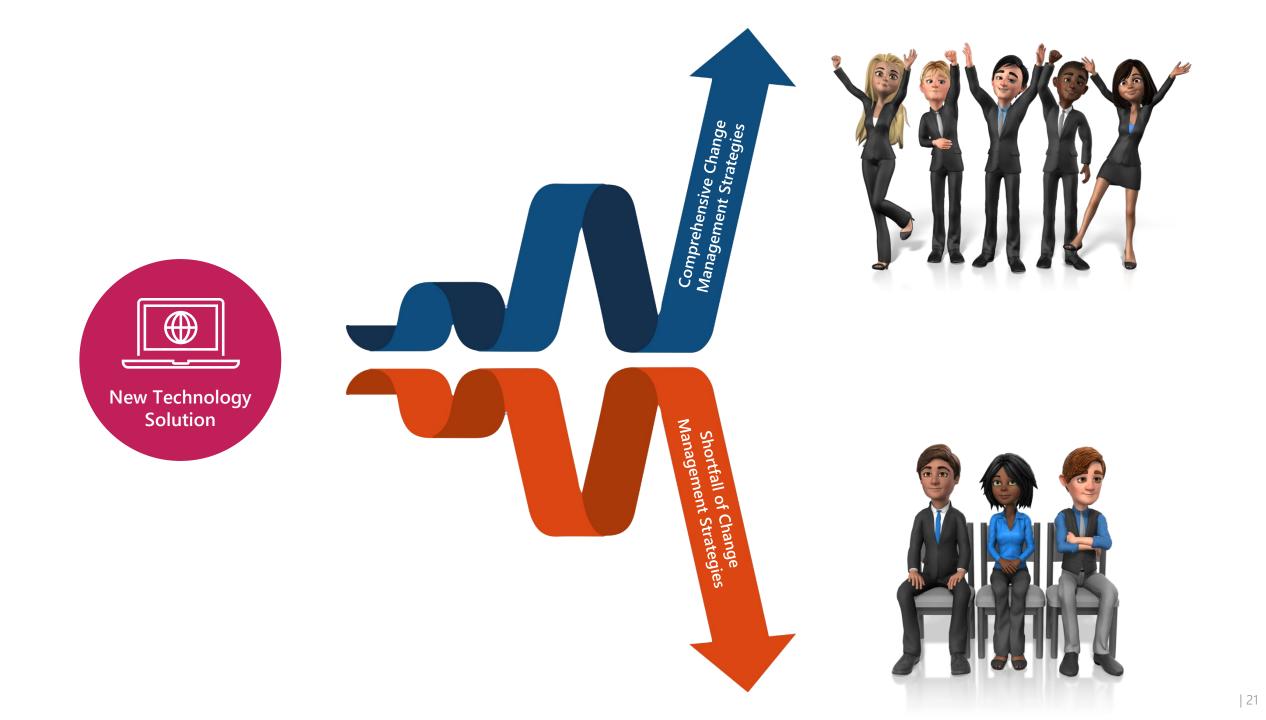
## How to mitigate these pitfalls

#### **Build Executive Buy-In**

- Tie the adoption of change to strategic goals and bonuses.
- Hold department heads and leaders accountable for attaining change readiness and adoption goals.
- If a project meets a certain threshold for complexity, OCM must be a required part of the process and budget.

#### **Facilitate Mindset Shifts**

- Create spaces in which people feel safe raising their hesitancies and the concerns they have about major changes.
- Encouraging individuals to fully verbalize and lay out their concerns and have them derive solutions to solve those problems – creates ownership.



## Let's work together



### **Contact us**

Name: Julyan Lee Title: Organizational Change Management Practice Lead Email: jlee3@gpstrategies.com

© 2022 GP Strategies Corporation. All rights reserved. GP Strategies and GP Strategies with logo design are registered trademarks of GP Strategies Corporation. All other trademarks are trademarks or registered trademarks of their respective owners. Proprietary to GP Strategies Corporation



