Importance of Change Management

The ability to execute strategic, ambitious, and sustainable change is creating winners. An organization today must navigate an increasingly complex global landscape, responding within tight time frames to new and accelerating demands imposed by technology and customers while retaining a strategic view of its business.

A superior change-management capability is a competitive advantage. Organizations with that superior capability are able to aggressively enter new markets, make acquisitions, manage complexity, and restructure more effectively than their peers. These companies learn to embed change capabilities into their fabric and reinvent themselves over and over again.

Yet it is hard to achieve bold change. It is a well-known fact that 50 to 70 percent of all change programs fail. According to an Economic Intelligence Unit study, the main factors in determining success or failure are clearly defined milestones that measure progress and the commitment of senior leadership.

BCG’s Change Delta framework addresses both these elements, as well as the broader hard and soft sides of change, using a single coherent approach that is underpinned by proven proprietary tools and methodologies developed as part of our work with thousands of clients across diverse industries.

Programs that have embraced our approach to change management have achieved on average 110 percent of the targeted value, dramatically flipping the odds in favor of success.

The Change Delta
Why Change Enablement?

Conventional change management typically focuses on a discrete set of activities designed to support the launch of a specific program. Resources and efforts are often ramped down too quickly after a program commences, and the capability to effectively support and manage change erodes. Once the case for change has been articulated by the senior team, attention shifts to other pressing matters, and the change program is left to its own devices, in many cases, running short of resources and lacking sufficient leadership engagement in the critical aspects of its execution. As a consequence, the value realized from the program falls short.

This erosion of value can be avoided.

Change enablement builds the organizational capability to manage (and sustain) change by addressing both people skills and required business platforms. Integrated into the broader change program, change enablement can help systematically and rapidly assess, build, and sustain your organization’s ability to effectively manage change, and it does so in the context of delivering tangible business results and ultimately creating a value premium over expected outcomes.

Realizing the Enablement Premium

For further information, please e-mail us at changeenablementcenter@bcg.com.
The Change Enablement Center

What We Offer

Our core offering includes:

- A comprehensive change-capabilities diagnostic along all elements of the Change Delta
- A well-proven suite of tools and methodologies that underpin the change program
- Individual skill-building and coaching programs based on a comprehensive change-management curriculum
- Access to a community of experts from BCG’s Change Enablement Center

We will partner with your teams to shape your change agenda and equip your managers and leaders with the skills they will need to execute successful change programs, as well as help put in place the next-level business platforms needed to sustain and drive the change.

Our global team of change experts will work with you to customize our offering to meet your organization’s particular needs, leveraging your existing strengths and targeting specific areas for development. We will ensure that the teams involved are fully trained in using our best-in-class tools and methodologies and are capable of standing on their own.

Our change-enablement programs deliver both results that exceed your targets and the next-level of capabilities and confidence that will allow your team to carry programs forward and launch additional programs without us.
Assessing Your Change Capabilities

We will use BCG’s Change Maturity Diagnostic to compare your organization’s current capabilities with best-in-class organizations. Designed to cover all four dimensions of the Change Delta, the diagnostic addresses the suite of capabilities necessary to deliver the full impact of a change effort and forms a baseline for understanding your starting position as well as a framework for understanding your key issues. The diagnosis covers questions such as:

Governance and the Project Management Office (PMO)
- Does leadership have the information it needs to make effective and timely decisions?
- Are leaders taking ownership to quickly and effectively correct emerging issues?

Executional Certainty
- Have we articulated what drives financial and operational results?
- Do we understand key risks?
- Are accountabilities clear?

Enabled Leaders
- Do the organization’s leaders speak with “one voice”?
- Can the organization’s leaders articulate the implementation process and plan?
- Do we have a well-respected executive visibly leading the effort?

Engaged Organization
- Do we clearly understand the level of engagement and attrition risk across the organization?
- Are new accountabilities personally relevant and clear for each affected individual?
- Is our communication plan formalized?

On the basis of this assessment, we will identify areas in which capability improvement can drive tangible business impact and design an integrated program for building the next level of change capabilities.

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How We Work with Your Organization to Support a Step Change in Capabilities

We have developed a comprehensive curriculum of 23 learning modules for building new skills. This curriculum will be customized and scaled to suit the development needs and levels within your organization. For example, an intensive two-week learning program addressing all six modules of executional certainty may be required for a core PMO team, while a two-hour course focusing on the role of leaders in executing change initiatives may be required for initiative sponsors.

Our Change Enablement Curriculum

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How We Work with Your Organization to Support a Step Change in Capabilities (continued)

We use a “learn one, do one, teach one” method that is based on real-life applications and reinforcement: building skills is integrated with doing the work. Your teams will be supported through the following three stages:

- **Learn one.** Understand basic change-management approaches and practice their application in a safe environment.
- **Do one.** Apply new skills on the job to solve real problems. The skills are applied to demonstrate their practical use.
- **Teach one.** Solidify the newly acquired knowledge and skills by teaching others. Spread the knowledge across the organization.

Throughout the learning process, the BCG team will provide timely feedback and individual coaching to ensure mastery by the end of the program. Even after the day-to-day BCG support ends, the experts in our Change Enablement Center will be available to provide support.

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How We Help Build Next-Level Business Platforms for Managing Change

True sustainability requires a holistic approach. Change enablement ultimately focuses on building a set of *business platforms*—not just individual skills but also the governance, structures, tools, and processes necessary for creating an enduring capability.

We take a holistic view of your organization when building capabilities

In addition to tailoring a program aimed at developing individual skills, we work with you to design and build the business system that will be required to support change, clarifying and articulating the role and contribution of leaders, initiative owners, the central PMO, and key functional representatives, and ensuring that all the necessary underlying enablers are in place—from minimally sufficient principles and clear metrics, incentives, and reporting to the use of best-in-class tools, tactics, and methodologies.

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The Tools and Methodologies You Need

We will work with your team and leave your organization with a suite of best-in-class tools and methodologies, covering all aspects of change management.

In addition to BCG’s Change Maturity Diagnostic tool, our portfolio of tools and methodologies includes:

Governance and PMO
- *PMO Playbook.* A guide to rapidly establishing the most effective PMO for your circumstances

Executional Certainty
- *Rigorous Program Management and Roadmapping.* Processes and software for planning and monitoring the change program
- *Rigor Testing and DICE.* Testing to determine whether your roadmap is set up for success—in terms of both the hard and the soft sides of change

Enabled Leaders
- *Leading-Change Toolkit.* Providing leaders with the tools they need to support their employees and serve as role models
- *Cascading Change.* Supporting leaders in aligning on goals and communicating those goals effectively throughout the organization

Engaged Organization
- *Stakeholder Segmentation and Engagement.* Covering the best way to work with individual stakeholders
- *Ready, Willing, Able.* Surveying and assessing against BCG’s global benchmark data to understand the preparedness of your organization for change

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Our Winning Team

Our change-enablement team features a broad group of committed individuals focused on delivering lasting results for your organization. For advice and coaching, you will have access to our global cadre of almost 100 experts who represent all disciplines of change management.

Meet some of our global change-enablement experts

**Perry Keenan**
- Senior partner and change enablement global leader
- More than 25 years of change management experience across multiple industries
- Based in Chicago

**Jason LaBresh**
- Partner and change enablement leader
- Expertise in supporting major transformation and reform programs in both the private and public sectors
- Based in Sydney

**Stéphanie Mingardon**
- Partner and change enablement leader
- Expertise in people and organization change programs
- Based in Paris

Our enablement experts will help you build sustainable change capabilities:

- Leveraging our diagnostic tools to identify your organization’s change-capability gaps
- Equipping your organization at all levels with change capabilities across the full Change Delta
- Providing ongoing support from our Enablement Centers, including after the official engagement ends

Most of our work is conducted in the field, where the largest impact can be found, but our experts are also available in our Change Enablement Center in Chicago.

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Achieve Lasting Results

We define success as your achieving the ability to take ownership and deliver results in the long term. During the course of the enablement program, we embed change capabilities into all levels of your organization. Your senior management will be effective at creating buy-in for change across the organization. Stakeholders at all levels will be motivated to engage and to be part of the solution, using the skills to leverage BCG’s tools and methodologies to implement programs in the future.

We recognize that achieving truly sustainable results requires the ability to continuously adapt to today’s dynamic environment. BCG’s change-enablement program will equip your organization with the capabilities it needs to tackle new change challenges as they arise and to drive change to create competitive advantage. Ultimately, we enable your organization to deliver self-sustaining change—results that continue to grow even after the BCG team departs.

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Our Impact

Australian Government Department

A large government agency recognized the need to improve its service-delivery model. Reform was critical in a time of financial constraint during which government agencies were expected to do more with less. Recognizing its own poor track record for change, the agency engaged BCG to deliver a change enablement program to help make its processes, structures, and capabilities more consistent and to improve the effectiveness and efficiency of service delivery.

Working across both the operational and people sides of change was critical for the effort to “stick.” Over the course of eight months, BCG designed and implemented a new operating model that improved productivity by 12 to 15 percent. Furthermore, we identified several cultural risks in which individual attitudes conflicted with what was needed for change to succeed. To get the organization back on track, we implemented a Change Champions program designed to motivate and enable senior leaders from across the organization to successfully lead change efforts. By the end of the program, leaders were cascading the case for change themselves throughout the organization.

As part of the enablement program, BCG provided the following:

- A bottom-up diagnostic of culture and change readiness
- An intensive training course for 22 senior leaders, initiated before the change program began
- A roadmap for Change Champions to communicate and motivate others in the organization to shift behaviors and mindset
- Exercises and tools for use and practice in a safe environment that allowed Change Champions to deal with the emotional aspects of change, including role modeling the desired behaviors, communicating effectively, and supporting their teams
- Ongoing assessment of progress, with actions for addressing roadblocks

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Our Impact (continued)

Transformation of a Global Insurance Company

Having weathered the financial crisis, a global insurance company recognized the need to fundamentally transform if it wanted to improve performance and maintain long-term growth. The company engaged BCG in a change enablement program to start the transformation process and improve the organization’s effectiveness.

In the yearlong engagement, BCG helped design new functional operating models and define an initiative portfolio. Overall, we identified opportunities for reducing costs by approximately 15 percent. We conducted an organization and culture diagnostic, which identified specific barriers to success. An organization redesign was implemented, reducing management costs by almost 20 percent, increasing organizational effectiveness, and realigning the organization to the new enterprise strategy and operating models.

In addition, a comprehensive change-management and communication plan was rolled out and continues to be executed by the client. The plan was designed to improve engagement and reinforce key elements of the desired cultural changes, such as improving cross-business-unit collaboration. Finally, BCG implemented rigorous program management (RPM) to ensure that senior leaders had access to the initiative portfolio and had the ability to make forward-looking course corrections.

As part of the change enablement program, BCG provided the following:

- A bottom-up culture and organization change-readiness diagnosis
- A capabilities and skills transfer plan for key PMO team members
- Coaching for senior executives
- Training of more than 800 leaders on organization design and more than 100 leaders on RPM
- Tools and methodologies, including organization design skills and RPM playbooks

For further information, please e-mail us at changeenablementcenter@bcg.com.