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The Power of Integrated Project and Change Management

Microsoft Dynamics 365

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Introduction

In the everchanging world of business, organisations are encouraged to continuously improve to meet their strategic business objectives. At AlfaPeople, our project managers have experience in managing several multi-million pound implementations in a wide range of industries. As a result, each project manager has a thorough understanding of integrating the programme and change management.

Both disciplines have been in existence for over half a century. However despite this, many large projects overrun on their original timelines, are delivered over budget or are never completed. A recent study by PriceWaterhouseCoopers, which reviewed 10,640 projects from 200 companies in 30 countries, found that only 2.5% of the companies successfully completed 100% of their projects. A different research piece conducted by PMI established that only 26 percent of all projects succeed.

So what is a reason for such a high project failure? There are many whys and wherefores behind this question and they vary from project to project. That said, more often than not, they are due to the following causes:

- Technical (technology implemented, project management tools used or lack of effective project management)

- Individual (project leadership, scope management, communication)

- Stakeholder (user involvement, executive buy-in, goal specificity)

This whitepaper will show the necessity of combining project and change management and how they can minimise the project failure rate.

Definitions

To start with, it is important to understand the definitions of the project management and change management.

Project Management is the discipline of initiating, planning, executing, controlling and closing the work to achieve specific objectives in terms of outputs, outcomes or benefits at the specified time. A project is a temporary endeavor designed to produce a unique product, service or result with a defined beginning and end undertaken to meet unique goals and objectives, typically to bring about beneficial change or added value.

Change management is a collective term for all approaches to preparing and supporting individuals, teams, and organisations in making organisational change. Change management may be used solely to refer to how people and teams are affected by such organisational transition.

What is the impact of not managing the 'change' in large implementations?

The current project management tools, techniques and theories account for the rational components of project management but they overlook the emotional components. These behavioural aspects account for a large part of a project's success and affect how the users adapt to change. In general, people dislike change and the most important reason for that is a fear of unknown. Employees often do not understand the reason for altering the way they work especially if they are a part of a successful organisation. As a reason, organisations might find it challenging to influence their employees to adapt to the i.e. new ways of working especially if a clear organisational vision is not communicated to them.

Change management focuses on the 'people side' and if applied effectively it helps to reduce the employees resistance and help them to embrace and adopt to the change. A recent study by Prosci on best practices in Change Management found that out of organisations that effectively apply the change management on their projects:

- **94%** met or exceeded project objectives;
- **81%** were at or under the budget;
- **71%** were on or ahead of schedule.

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How to manage large implementations utilising the project and change management

While considering how to implement the projects, organisations should develop a context-sensitive approach that not only focusses on delivering projects on time, in line with previously agreed objectives and budget but also considers the conditions of employee adaptation.

1. Define a business case for a project that includes the elements of successful change

For project managers a project can be considered as successful one when the users accept the change and use the new application or process. As a result, whilst defining a business case for both project and change stakeholders should aim to answer the following questions:

- What are we trying to achieve?
- What are the reasons for this project?
- What are the reasons for this change?
- What organisational benefits are we aiming to achieve?
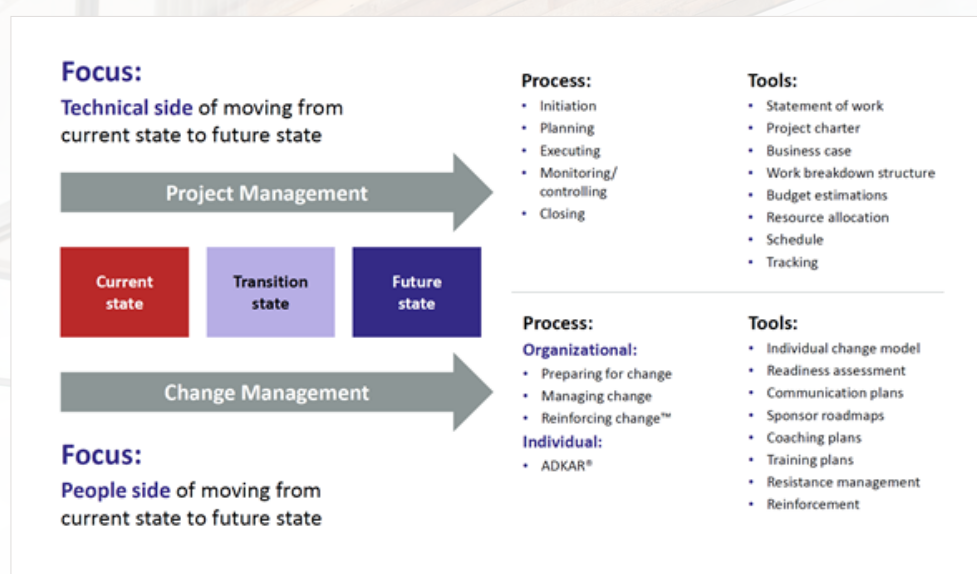- What metrics are we going to apply to measure the specific benefits?

- How are we going to help our employees to adapt to the change?
- How the organisation will be different after delivering the project?

2. Integrate change and project management

In order to deliver successful projects, stakeholders should understand that successful change requires both the Technical and People Sides. Both teams should have a common goal in mind and focus on delivering the specific objectives. The common Project management practices will focus on designing, developing and delivering the installation or processes. The change management practices, on the other hand, will focus on the people side and employees embracing, adapting and using the installation or processes.

Prosci published a great diagram comparing Change Management and Project Management and their focus displayed below.

The diagram displays a clear difference of what processes and tools need to be utilised in order to deliver a successful initiative and integrate both disciplines. The most important thing to remember though is to apply a structured approach to delivering and combing both activities.

Focus:
Technical side of moving from current state to future state

→ Project Management

| Current state | Transition state | Future state |

→ Change Management

Focus:
People side of moving from current state to future state

Process:
- Initiation
- Planning
- Executing
- Monitoring/ controlling
- Closing

Tools:
- Statement of work
- Project charter
- Business case
- Work breakdown structure
- Budget estimations
- Resource allocation
- Schedule
- Tracking

Process:
Organizational:
- Preparing for change
- Managing change
- Reinforcing change™
Individual:
- ADKAR®

Tools:
- Individual change model
- Readiness assessment
- Communication plans
- Sponsor roadmaps
- Coaching plans
- Training plans
- Resistance management
- Reinforcement

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3. Understand the 5 keys to effective integration.

Prosci's research summarised the 5 keys to effective integration:

• Support and buy-in from project teams by making Change Management meaningful and real by connecting to what the project team cares about.

• Support from leadership by participating actively and building a coalition of sponsorship with peers and managers.

• Scope, timing and prioritisation to meet or exceed the strategic objectives.

• Provide direction on how to integrate people, processes and tools.

• Define organisations structure and change structure to provide role definition and clarity.

4. Work collectively to achieve the desired end-result.

By working collectively and defining Change Management within the context of any project, both teams can focus on what needs to be done to successfully deliver the project and organisational / behavioural change. The business case for both teams should be well defined so they can focus on reaching the common goals and objectives. It is also worth conducting regular project and change teams meetings to monitor the progress and establish the long-term partnership between these strategic teams.

Conclusion

To summarise, there are various reasons for a failure of projects. Both empirical research and circumstantial evidence have long supported the importance of combining the effective project management with the change management to manage both the deliverables and the human aspect of any initiative. Organisations should understand that their employees disengagement could decrease the chances of a project succeeding and if they combine both disciplines and adapt a more behaviour-based management, the projects are more likely to succeed.

Nowadays, companies are constantly experiencing the resistance to change and combining the project and change management helps to manage objections as well as their employees resistance to manage any transformations more effectively.

The purpose of this whitepaper has been to spell out in more details some of the specific differences between project and change management. In addition, it is increasingly clear that combining project management tools and techniques with the emotional components of change management has an immense effect on any project success. Organisations should aim to gain a better, more systematic understanding of the change management impact on their project implementation delivery and have dedicated teams to manage both aspects of any strategic initiative.

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