



Why Change Management Is Key To Technology Implementation Success

The success or failure of technology initiatives depends to a large degree on the effectiveness of an organization's change management strategies. One manufacturer, for example, recently launched a new enterprise resource planning (ERP) system. The people heading up this initiative met regularly to discuss implementation issues, but after six months, they had to admit that the project appeared to be going nowhere.

Perhaps the manufacturing ERP system wasn't exactly perfect; few technology solutions are. But the more significant problems were unproductive dynamics developing among key people, leading to resistance to the project within the larger organization. Eventually, the manufacturer realized the underlying problem: Those leading the initiative just assumed everybody would be on board and didn't see the necessity of using change management techniques to guide the transition to the new ERP system. The leaders hadn't made a planned, cohesive effort to fully understand the changes they were asking everyone in the organization to make.

What's the solution? The company needed to understand the types of resistance the project had encountered and where they came from, and then strategically diagnose and treat each area of resistance. The project leaders assessed the key business leaders and department heads, mapping out where each one stood in terms of accepting the technology change, and then developed approaches for bringing these leaders on board using detailed talking points specific to each individual's concerns. This strategic communication gave leaders more confidence in supporting the ERP initiative within their departments and teams.

As in the above example, seemingly small things make a huge difference in aligning an organization behind a project. Effective change management has a significant impact on the likelihood of meeting a project's objectives, keeping costs under budget and staying on schedule, according to the 2014 report "[Best Practices in Change Management](#)" by research group Prosci. The latest data indicates that a project is six times more likely to be successful when there's excellent change management.

Who's it for?

Manufacturing executives and managers who want to increase user adoption and overall success for major technology initiatives, such as implementing ERP or CRM systems.

Summary:

A technology initiative's success depends largely on effective change management. Too often, leaders assume people are ready for new projects, rather than actively preparing personnel for coming changes. Using a change management approach helps a company get the most value from technology investments, while keeping personnel engaged and motivated.

How are manufacturers creating change management plans that work hand-in-hand with technology implementations to increase user adoption and overall success? While many companies already have a formal project manager coordinating efforts, these people often find greater success by interweaving change management and project management.

Understanding Change Management

People tend to think of change management as “good communication,” but that’s only the beginning. While good communication is important in spreading information about the change, it shouldn’t be mistaken for the change process itself.

The Association of Change Management Professionals, an international organization, defines the practice as “a deliberate set of activities that facilitate and support the success of individual and organizational change and the realization of its intended business results”.

In practice, these activities often begin with assessing an organization’s culture and dynamics, through interviews, focus groups or surveys, and gathering information on past change initiatives to see which tactics worked and which didn’t.

A company’s historical track record with change, for instance, is a key predictor of future success with technology initiatives. Unfortunately, senior leadership often underestimates the lasting effects that failed or unpleasant past initiatives have on front-line staff. If these front-line system users have good reason for cynicism and resistance, that past creates a huge hurdle to overcome. These users need to be in the right frame of mind before they’re ready to embrace new technologies and processes, because they’re typically the most affected by these changes.

Rather than an organization’s leadership assuming that the new project is going to somehow turn out better this time, change management actively prepares personnel for coming changes.

In this people-centered approach, a change management strategist suggests the most effective tactics to guide change, weaving these activities in alongside more traditional project management activities. These tactics include explaining what’s going to be different for each type of employee

or group, including personnel in the process, and taking time to listen to and understand their concerns. All of these ultimately lead to people understanding the change and embracing it.

Why Change Management Is Vital To Technology Initiatives

Companies often use change management methods when projects are complex and have a significant impact on the company and a large number of people, and also when buy-in and user adoption are key to overall project success, according to [Prosci's best practices report](#). Those factors certainly describe large technology initiatives, such as implementing a manufacturing ERP system or CRM software.

Investing in these technology projects is typically expensive. And no matter how well-designed and necessary the new tools are, the fact is that if enough people resist using them, they soon become useless. With a change management approach to user adoption, the organization, not simply the business leaders, need to feel ownership of the project.

Think about it in the context of education. If a teacher simply tells you what to do and gives you all of the right answers, that's not a recipe for learning. Part of learning and solving problems is feeling ownership of the solution and having a role in discovering it.

The same principle applies to learning and changing in a business setting. Everyone in an organization has personal pride at stake and believes in what they have to contribute. If decisions about new technology come across as authoritarian decrees, the natural reaction is to rebel, either in outright sabotage or through subtle resistance.

That's why it's important to begin incorporating a change management component as soon as you decide to invest in new technology. Don't wait until after you've identified the technical requirements and selected a system before you start thinking about user adoption. Take the time to assess the different stakeholder groups and understand which facets of the organization are most likely to have difficulty with the initiative. Identify the people most likely to be early adopters and those most likely to resist, and plan how to reach those groups.

Major Obstacles and Success Factors

Here are five major obstacles organizations encounter when introducing significant change, according to [the Prosci report](#):

1. Lack of effective sponsorship in change management
2. Employee resistance
3. Insufficient resources for change management
4. Failure to integrate change and project management
5. Resistance from middle management

The top five contributors to a successful project, such as a technology initiative, are:

1. Executive sponsors in active, visible roles
2. Change management structure in place
3. Resources and funds dedicated for change management
4. Frequent, transparent communication about coming changes and business rationale
5. Participation from employees

Bringing change management in early as part of these projects makes good sense for an organization's interpersonal dynamics — and its bottom line. Going through the process keeps the different stakeholders engaged and ultimately more receptive, even if they don't necessarily agree with some of the decisions. And there's hard data that supports the effectiveness of this strategic approach over the old way of doing things.

For instance, [Prosci's best practices report](#) draws on eight benchmarking studies, conducted between 1998 and 2013, and concludes that the quality of a project's change management strongly correlates with its ability to meet objectives, stay on schedule and remain on budget.

Projects with poor or fair change management met or exceeded objectives less than half of the time — 16 percent for poor management, 46 percent for fair. Projects with good change management met or exceeded these goals 77 percent of the time, and those with excellent management achieved a 96 percent success rate — six times higher than those projects with poor management.

Maximizing Your Organization's Change Capacity

At the end of the day, it's important to understand that people only have so much capacity for change at any given time. Major technology initiatives, like implementing manufacturing CRM software, don't unfold in a vacuum. Different departments and functions in your organization may already be confronting challenging transitions in other areas.

The role of change management, in a sense, is to assess and address these differences, and to avoid overwhelming individuals while maximizing the organization's change capacity. Adopting this approach helps a company get the most value from its technology investments, while also keeping personnel engaged and motivated.

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