

Defining change management

Helping others understand change
management in relation to project
management and organizational change

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- Tutorial highlights -

- A concise view of the definition and role of change management
- How much change management and project management do you need

"What is change management?" This is a question you may have heard from colleagues or coworkers in passing or in formal presentations. While many of us 'know' intuitively what change management is, we have a hard time conveying to others what we really mean.

In thinking about how to define change management, it is important to provide **context** related to two other concepts – the *change* itself and project management. This tutorial shows how change management and project management are two critical disciplines that are applied to a **variety** of organizational changes to improve the **likelihood of success** and **return on investment**.

Ultimately, the goal of change is to improve the organization by altering how work is done

When you introduce a change to the organization, you are ultimately going to be impacting one or more of the following four parts of how the organization operates:

- Processes
- Systems
- Organization structure
- Job roles

While there are numerous approaches and tools that can be used to improve the organization, all of them ultimately prescribe adjustments to one or more of the four parts of the organization listed above. *Change* typically results as a reaction to specific problems or opportunities the organization is facing based on internal or external stimuli. While the notion of 'becoming more competitive' or 'becoming closer to the customer' or 'becoming more efficient' can be the motivation to change, at some point these goals must be transformed into the **specific impacts** on processes, systems, organization structures or job roles. This is the process of defining 'the *change*'.

Formally defining change management and project management

However, it is not enough to merely prescribe 'the *change*' and expect it to happen - creating change within an organization takes hard work and structure around what must actually take place to make the *change* happen. To begin, let's look at the formal definitions of **project management** and **change management** - two key disciplines required to bring a change to life. These are two commonly accepted definitions that help us begin to think about these two distinct but intertwined disciplines.

Project management	<p>Project management is the application of knowledge, skills, tools and techniques to project activities to meet project requirements.</p> <p>Project management is accomplished through the application and integration of the project management processes of initiating, planning, executing, monitoring and controlling, and closing.</p> <p><small>* From PMBOK® Guide, Third Edition</small></p>
Change management	<p>Change management is the process, tools and techniques to manage the people-side of change to achieve the required business outcome.</p> <p>Change management incorporates the organizational tools that can be utilized to help individuals make successful personal transitions resulting in the adoption and realization of change.</p>

As shown in Figure 1, both project management and change management support moving an organization from a **current state** (how things are done today), through a **transition** state to a **desired future state** (the new processes, systems, organization structures or job roles defined by 'the *change*'). Project management focuses on the **tasks** to achieve the project requirements. Change management focuses on the **people** impacted by the change.

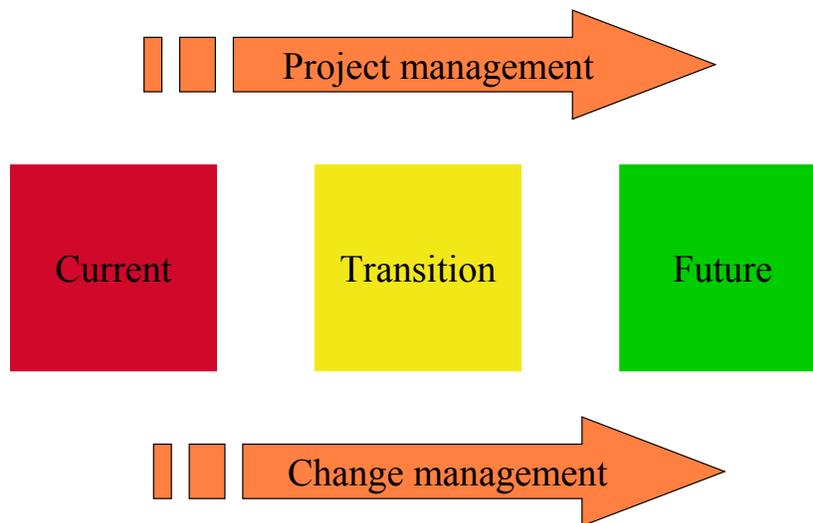


Figure 1

Any change to processes, systems, organization structures and/or job roles will have a 'technical' side and a 'people' side that must be managed. Project management and change management have evolved as disciplines to provide both the structure and the tools needed to realize change successfully on the technical and people side.

Discipline:	Process:	Tools:
Project management	<ul style="list-style-type: none"> • Initiating • Planning • Executing • Monitoring and controlling • Closing <p>* From PMBOK® Guide, Third Edition</p>	<ul style="list-style-type: none"> • Statement of work, Project charter, Business case • Work breakdown structure, Budget estimations, Resource allocation, Schedule • Tracking, Risk identification and mitigation, Reports on performance and compliance
Change management	<ul style="list-style-type: none"> • Planning for change • Managing change • Reinforcing change <p>* From Prosci's methodology</p>	<ul style="list-style-type: none"> • Individual change model • Communications • Sponsorship • Coaching • Training • Resistance management

Thinking about what each tool is trying to achieve

So, project management outlines the specific activities for defining and prescribing how to move from point A to point B (by changing processes, systems, organization structures or job roles). Change management outlines the steps needed to help the individuals impacted by the change adopt it and do their jobs in the new way (for example, people transitioning from fulfilling function 'a' to function 'b' as shown in Figure 2).

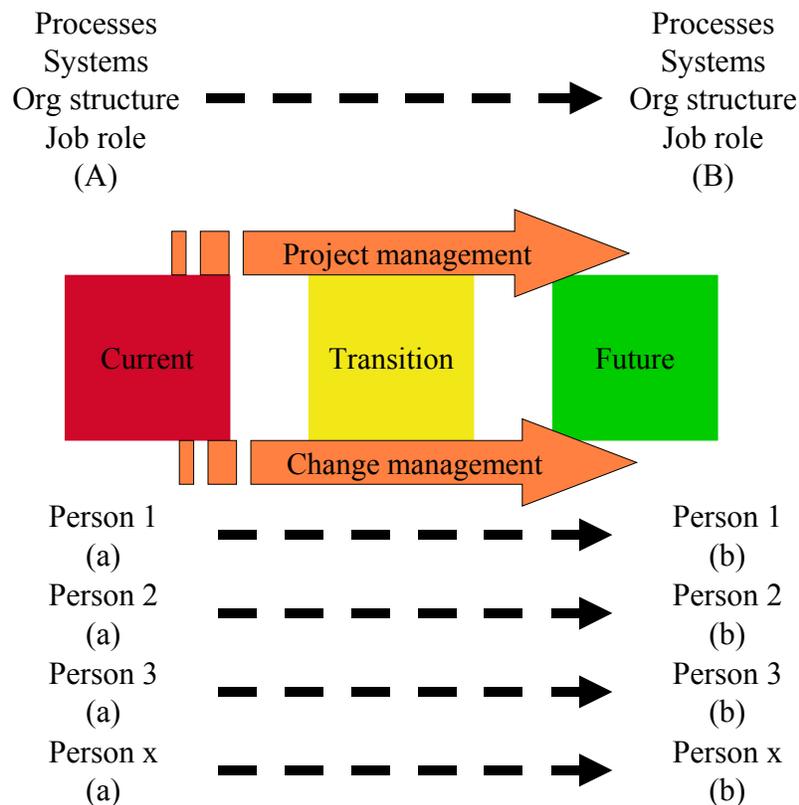


Figure 2

The goal of project management is to effectively deploy resources in a structured manner to develop and implement the solution - in terms of what needs to be done to processes, systems, organization structure and job roles. The goal of change management is to help each individual impacted by the change to make a successful transition, given what is required by the solution.

Using the right amount

Each initiative or project you undertake requires **some level** of project management and change management. These two disciplines are tools used to support the implementation of a variety of changes that you may be undertaking. For example, think about the simplistic but illustrative table below:

Project:	Needs PM?	Needs CM?
Deploying an ERP solution across the entire organization	Yes	Yes
Reengineering the work processes and contact scripts of your call center agents	Yes	Yes
Integrating two organizations and their information systems following a merger or acquisition	Yes	Yes
Redesigning the physical layout of an office space	Yes	Yes
Developing a new sales channel	Yes	Yes

Note: All of the projects mentioned above need both project management and change management. There are very few instances where you will not need both disciplines.

Change management and project management are tools that need to be applied **independent** of the actual *change* that you are undertaking. Anytime you alter processes, systems, organization structures or job roles, you need a structured approach to manage both the 'technical' side and the 'people' side of the pending change.

Do project management and change management look the same for every initiative? Typically not. While the right amount of project management and change management is at least *some*, each of these tools are at their best when they are **customized** for the unique situation that you are facing and are fully **integrated**. Your organization, its culture and history, and the *specific* change that you are implementing all influence the right amount of project management and change management.

How much project management is needed?	How much change management is needed?
Depends on the complexity and degree of change to processes, systems, organization structure and job roles	Depends on the amount of disruption created in individual employee's day-to-day work and the organization attributes like culture, value system and history with past changes

Separate but integrated in practice

So far in this tutorial, project management and change management have been discussed as two distinct disciplines. While separate as fields of study, on a real project change management and project management are integrated. The steps and activities move in **unison** as teams work to move from the current state to a desired future state.

As an example, think about what activities occur during the planning phase of a project. On the project management side, teams are identifying the milestones and activities that must be completed. They are outlining the resources needed and how they will work together. They are defining the scope of what will be part of the project and what will not be. From a change management side, teams begin crafting key messages that must be communicated. They work with project sponsors to build strong and active coalitions of senior leaders. They begin making the case of why the change is needed to employees throughout the organization, even before the specific details of the solution are complete. The most effective projects integrate these activities into a **single project plan**.

Summary

It can sometimes be hard to separate out 'the *change*', project management, and change management. In practice, these three components are intertwined in order to deliver a positive outcome to the organization. However, there is value in separating out the components. First, thinking about the three components separately makes it easier to **define** and help others **understand** these distinct elements. Second, separating out these three components is a solid first step when **troubleshooting** on a particular project that may not be moving ahead as expected. For instance, are our challenges coming from issues around designing 'the *change*'? Are the issues related to the 'technical' steps, activities or resources (project management)? Or are concerns coming from how individuals are accepting or resisting the change (change management)?

Think about what each component is trying to achieve (see the table below) - this is the best way to tell someone else what change management is, and how it is related to 'the *change*' and project management.

Element:	Goal or objective:
"The change"	To improve the organization in some fashion - for instance reducing costs, improving revenues, solving problems, seizing opportunities, aligning work and strategy, streamlining information flow within the organization
Project management	To develop a set of specific plans and actions to achieve "the change" given time, cost and scope constraints and to utilize resources effectively (managing the 'technical' side of the change)
Change management	To apply a systematic approach to helping the individuals impacted by "the change" to be successful by building support, addressing resistance and developing the required knowledge and ability to implement the change (managing the 'people' side of the change)

Want to learn more? Become certified in change management by attending Prosci's 3-day training program in the Colorado Rocky Mountains. The training teaches you the principles, processes and tools for managing change. During the session, you bring a *change* you are working on and apply the templates and assessments to that change as you learn them. <http://www.change-management.com/change-management-training.htm>

If you are looking for a reference guide, Prosci has several products you can use to apply a structured approach to managing change and to meet your project objectives: The hardcopy Change Management Toolkit or the online Change Management Pilot present Prosci's organizational change management methodology - an easy-to-use, research-based and holistic approach to managing change. Each product includes assessments, templates, guidelines and tips for immediate application. <http://www.change-management.com/bookstore.htm>

Email a Prosci analyst at changemanagement@prosci.com or call 970-203-9332 for more information.