

Change Management Handbook

- Handle change management projects more effectively

INFORMATION

Change Management Handbook

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COMPANY CHANGE

Executive Summary

Modern companies are in a state of cultural change. From working more or less alone to solving specific tasks, we are now required to work in an interdependent way. Teamwork is vital. The work way we do is also changing. Most tasks, even everyday task, needs to be solved as if it where a project. Our daily lives are becoming project oriented.

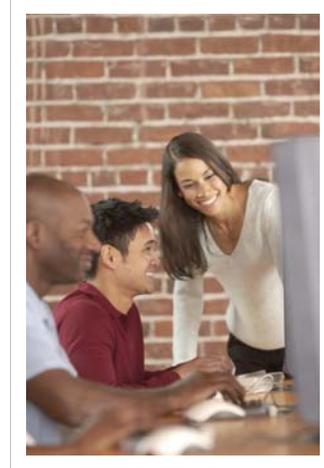
These changes require that we alter what we expect from the people we work with. We have to change the values we live by. Values like awareness, teamwork, tolerance, responsibility and information are paramount – just as flexibility and change readiness.

We need a new way to handle our jobs, we need to work project oriented. This poses a problem to many companies as they realize that there is a big difference in working project oriented to solve specific tasks vs. working project oriented all the time.

Traditional project management focuses on solving specific and limited jobs, whereas everyday project management is a continual process. Traditional project methods focus on creating a specific outcome, result or product, where the new approach focuses on improving the process.

We also live in a world the market and the competition has become fiercer. Many companies either have moved or will move their production to cheaper countries. This result in a drastic change in the type projects that we deal with. An ever increasing number projects will be about changing ourselves - how to make us better, faster, more efficient, more competitive, more on the leading edge and more interdependent.

Change management deviates from traditional projects in the way that it is more about people. Higher efficiency comes not from working harder, but from within. Higher efficiency comes from inner-energy, self-motivation, self-worth, and complete understanding for the entire process. We need to focus on this if we want to change or improve the company.



The Change Management model in this handbook is created to solve this situation – focusing on change management projects and its processes.

The model has 3 major phases.

- 01 **Start phase**, engage, and motivate your team, and create understanding for the process as a whole. This we call the “**Unfreeze phase**”
- 02 **Action phase**, where we solving the project. This is called “the **Move Phase**”
- 03 **End phase**, finishing the job and celebrating – called “The Freeze Phase”

The model comes in 5 variations, to support different kind of projects

- 01 **Light** projects
- 02 **Normal** projects
- 03 **Complex** projects
- 04 **Quick projects** (time is the most important element)
- 05 **Day-by-day tasks**

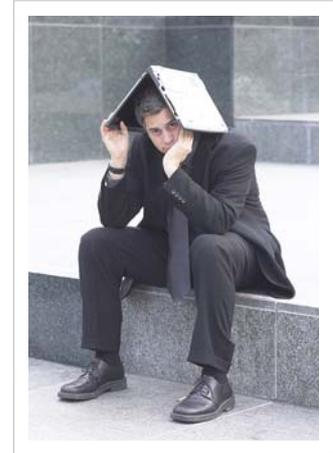
All variations are fundamentally built on the same concept.

Things do not change,
We change

THE CHANGE MANAGEMENT PROCESS

Habits are a normal part of every person's lives, but it is often counterproductive when dealing with change. As humans we are not very good at changing. We see changes as a negative thing, something that creates instability and insecurity. A normal change management process often evolves through number of mental phases:

- 01 **Denial**
Where we fight the change and protect status quo.
- 02 **Frustration and anger**
When we realize that we cannot avoid the change and we become insecure because of lack of awareness.
- 03 **Negotiation and bargaining**
Where we try to save what we can.
- 04 **Depression**
When we realize that none of the old ways can be incorporated into the new.
- 05 **Acceptance**
When we accept the change, and start to mentally prepare ourselves.
- 06 **Experimentation**
Where we try to find new ways, and gradually remove the old barriers.
- 07 **Discovery and Delight**
When we realize that the change will improve our future possibilities.
- 08 **Integration**
Where we implement the change.



Notice: These phases are usually referred to as the Change Curve. It is described and visualized in many varieties.

The change management model is built to optimize these phases – making the process more effective. The first four phases are very negative and counterproductive. The model solves this by quickly focusing on understanding (what's and why's) and the potential possibilities the change will bring with it. It tries to create energy from start to finish and ensure that everyone is committed.

CHANGE MANAGEMENT MODEL

A simple model

Introduction

Unfreeze

Ensures a good project start and focuses on:

- 01 **Analysis**, and the cost/benefit
- 02 **Mark the end**, ensuring that the team can concentrate on the new, instead of the old.
- 03 **Making a plan**

Move

Ensures a successful foundation for the work at hand and focuses on:

- 01 **Create complete understanding** for each individual tasks
- 02 **Acting**
- 03 **Follow-up** upon the completion of each task
- 04 **Ensure accept** for finished tasks and close any loose ends

The move phase is special. It is repeated for each of the major tasks and phases. You should repeat this phase for any phase/task on your project plan – repeating it x number of times, depending on the number of tasks.

Freeze

Ensures a proper ending and focuses on:

- 01 **Mark the beginning** of the new, and create new “rules and policies”.
- 02 **Celebrate**, and ensure energy for the daily work ahead and future projects
- 03 **Evaluate** the final result and the project as a whole.

On the following pages, you will find the 5 variations of the Change Management Model – all based on this concept. You will find:

- 01 Light model, for small projects
- 02 Medium-sized model, for the majority of projects
- 03 Complex model, for very complicated projects
- 04 Quick model, for projects where time is the most important element
- 05 Day by day model, for your everyday needs.

You can also find detailed information about each individual step of the model, on page 18.

Notice:

All models are guidelines. You should always evaluate the relevance of each individual step vs. your situation and your project. Large projects often demands detailed analysis and documentation, while small projects can be finished with much lesser work.

You should also evaluate the knowledge level of each team member. It would be a waste of time to explain things that are known to everyone, while it is important for those who know very little.

Unfreeze

- 01 What is going on – and why
Analysis
- 02 "Need-for-Change" Cost/Benefit
Analysis
- 03 Define your goals
Action
- 04 Know you target group
Analysis
- 05 Identify problems
Analysis
- 06 Create a plan
Notice: With short term goals and changes
Analysis / Action

Move

- 01 Act!
Action
- 02 Adjust your plan
Slow down is necessary
Action
- 03 Ensure accept for the next step
Action
- 04 Repeat
Action

Freeze

- 01 Celebrate - create energy
Action
- 02 Evaluate the result
Analysis
- 03 (Unfreeze - and start the next project)
Action

THE MEDIUM-SIZED MODEL

The medium-sized model is the most popular model for change management projects. It covers changes in projects with a **limited group of people and processes**. The project duration is usually **between 1-12 months**. The project might be complex but only **for a specific topic**. There will also be a significant amount of unknowns that needs to be scrutinized.

The work needed for analysis is more in-depth. You should consider creating an analysis group, which looks into specific elements of the change management process. You should also spend more time on the cost/benefit analysis.

The time needed analysis usually covers 40%-70% of the total project time.

You should create a “**Power Team**” – a dedicated project group that takes care of the project during the entire process.

Communication and information is essential in medium-sized projects. Change management project is primarily about people. An open information policy ensures motivation and better understanding.

You should also “mark the end”. Change management projects are about creating new processes. Actively saying “from this day, all existing rules and attitudes no longer applies” ensures that new ideas and progress is kept free of wrongdoings of the past.

Unfreeze

- 01 What is going on – and why
Analysis
- 02 "Need-for-Change" Cost/Benefit
Analysis
- 03 (Establish analysis team)
Action
- 04 Explain the situation
Action
- 05 Invalidate present rules and policies
Action
- 06 Mark the end
Notice: from this day, all existing rules and attitudes no longer applies
Action
- 07 Define your goals
Action
- 08 Know you target group
Analysis
- 09 Identify problems
Analysis
- 10 Create your "Power Team" - Project team
Action
- 11 Create a plan
Notice: With short term goals and changes
Analysis / Action

Move

- 01 Explain your vision, goals and plan – in relation to the future outcome
Action
- 02 Ensure a sense of security
Action
- 03 Get everyone onboard
Action
- 04 Act!
Action
- 05 Encourage great work – coach bad performers
Action
- 06 Adjust your plan
Slow down is necessary
Action
- 07 Ensure accept for the next step
Action
- 08 Repeat
Action

Freeze

- 01 Define new rules and policies
Action
- 02 Celebrate - create energy
Action
- 03 Evaluate the result
Analysis
- 04 (Unfreeze - and start the next project)
Action

Unfreeze

- 01 What is going on – and why
Analysis
- 02 "Need-for-Change" Cost/Benefit
Analysis
- 03 Establish analysis team
Action
- 04 Explain the situation
Action
- 05 Discuss the change
Action
- 06 Listen
Action
- 07 Invalidate present rules and policies
Action
- 08 Mark the end
Notice: from this day, all existing rules and attitudes no longer applies
Action
- 09 Define your vision
Action
- 10 Define your goals
Action
- 11 Know you target group
Analysis
- 12 Identify problems
Analysis
- 13 Create your "Power Teams" - Project teams
Action
- 14 Create a plan
Notice: With short term goals and changes
Analysis / Action

Move

- 01 Explain your vision, goals and plan – in relation to the future outcome
Action
- 02 Ensure a sense of security
Action
- 03 Get everyone onboard
Action
- 04 Act!
Action
- 05 Evaluate, notice and present improvements/results – create energy
Analysis / Action
- 06 Encourage great work – coach bad performers
Action
- 07 Listen
Get the pulse of your team
Action
- 08 Adjust your plan
Slow down is necessary
Action
- 09 Ensure accept for the next step
Action
- 10 Close the current task - create energy for the next
Action
- 11 Repeat
Action

Freeze

- 01 Define new rules and policies
Action
- 02 Present the new "way of life"
Action
- 03 Celebrate - create energy
Action
- 04 Evaluate the result
Analysis
- 05 (Unfreeze - and start the next project)
Action

THE QUICK MODEL

The quick change management model is special. Here time is the most important factor. The light, medium-sized and complex models are built upon quality over quantity. This model focuses on finishing a project quickly, thus ensuring short-term wins.

The model has no analysis phase, except from a short action plan. Each task is focused on action and energy.

Quick projects can create increased energy, happiness and motivation.

-

You should, however, minimize the number of quick projects. The lack of long-term goals and overall understanding can create unfortunate results in the long run.

You can use this model to create extra energy prior to bigger projects.

Unfreeze

- 01 What is going on – and why
Analysis
- 02 Define your goals
Action
- 03 Create your "Power Team" - Project team
Action
- 04 Create a plan
Notice: With short term goals and changes
Analysis / Action

Move

- 01 Act!
Action
- 02 Encourage great work – coach bad performers
Action
- 03 Close the current task - create energy for the next
Action

Freeze

- 01 Celebrate - create energy
Action
- 02 (Unfreeze - and start the next project)
Action

Unfreeze

- 01 Define your goals
Action
- 02 Create a plan
Notice: With short term goals and changes
Analysis / Action

Move

- 01 Act!
Action
- 02 Encourage great work – coach bad performers
Action
- 03 Listen
Get the pulse of your team
Action
- 04 Adjust your plan
Slow down is necessary
Action
- 05 Ensure accept for the next step
Action
- 06 Repeat
Action

Freeze

- 01 Celebrate - create energy
Action
- 02 Evaluate the result
Analysis
- 03 (Unfreeze - and start the next project)
Action

THE MODELS EXPLAINED

What does each step mean?

Introduction

The following pages contain a detailed explanation of the individual steps. The guide is structured like this:

Step

Type: [Action / Analysis]

Phase: [Unfreeze, Move, Freeze]

Model: [Light, Medium-sized, Complex, Quick, Day-by-day]

Description...

List of helpful methods ▶

01 ...

02 ...

Some people change when they see the light,
others when they feel the heat.

UNFREEZE

What is going on – and why?

Type: Analysis

Phase: Unfreeze

Model: Light, Medium-sized, Complex

Before anything else, you should get to know the background and the reasons for the change. What is going on, why does it happen and what will it mean for the people involved?

This is the basis for a better awareness for the rest of the tasks.

Helpful methods >

- 01 Market analysis
- 02 Competitor analysis
- 03 Market position analysis

"Need-for-Change" Cost/Benefit

Type: Analysis

Phase: Unfreeze

Model: Light, Medium-sized, Complex

Every project must be financial sound, which is why this model includes a "need-for-change" cost/benefit formula. This formula is slightly different from regular cost/benefit analysis, as it is specifically designed to handle change management projects.

Change Management Formula:

Need change = [DMREV] > X

Explanation:

D = Dissatisfaction with the current situation

M = Motivation

R = Realistic

E = Est. increased efficiency

V = Est. increased revenue

X = Est. resources to complete and support the change

Helpful methods >

- 01 Employee satisfaction analysis (satisfaction and motivation factor)
- 02 "Can-it-be-done" analysis (are you motivated, do you have enough resources, cash).
- 03 Economic feasibility study
- 04 Budget

Establish analysis team

Type: Action
Phase: Unfreeze
Model: Complex

Analysis is mostly done by the project team or the people who started the project. Sometimes a number of people are brought in to estimate bigger issues, and at times the analysis is done by the management team.

But the analysis in complex project is significantly bigger, and takes much longer. In these situations it will often be a good idea to create a dedicated group for the overall analysis.

Helpful methods ▶

- 01 Team plan
 - 02 Belbin / DiSC
-

Explain the situation

Type: Action
Phase: Unfreeze
Model: Medium-sized, Complex, Quick

Everyone involved must have a good understanding for the change management project and its processes. It is essential to ensure that each person understands the situation. Why do we need to change? The explanation phase is often the result of the “What is going on – and why” analysis. At this stage you need to actively communicate the results.

This is always done face-to-face

Helpful methods ▶

- 01 Introduction seminar
 - 02 Information event
 - 03 Storytelling or case stories (consider inviting energetic speakers, especially in large projects)
 - 04 Communication plan
-

Discuss the change

Type: Action
Phase: Unfreeze
Model: Complex

It is essential to discuss the change before you define the project. You need this because:

- 01 It ensures motivation and engagement.
- 02 It ensures free flow of ideas (which cannot be done after the project has been defined)
- 03 It ensures a good foundation for future planning

Helpful methods ▶

- 01 Brainstorming (positive, negative)

Listen

Type: Action
Phase: Unfreeze
Model: Complex

This is a summation of the previous activities. This is the point where you actively listen to how people reacted. This is where you “read-between-the-lines”.

You use this phase to evaluate the obstacles ahead - the level of resistant.

Invalidate present rules and policies

Type: Action
Phase: Unfreeze
Model: Medium-sized, Complex

Past and present rules are one of the biggest obstacles to success in change management projects. We cannot change if you keep working like we used to.

Because of this, it is essential to invalidate past and present rules and policies – in terms of rules; you need a state of anarchy during the project. This will allow the project member to act free, to be innovative and to experiment with new ideas and work methods – getting the best result possible.

BTW: You redefine new rules and policies when the project nears completion. We do not want anarchy during daily operations. The new rules and policies are built upon the new and changed situation.

Helpful methods >

01 Paper shredder

Mark the end

Type: Action
Phase: Unfreeze
Model: Medium-sized, Complex

“Invalidating the present rules and policies” ensures an innovative work environment. Marking the end set the point in time where the old way stops. From these point old habits, work methods, flows, thoughts are secondary – and usually wrong. They no longer apply.

This phase ensure that expressions like “we use to do ...”, “that is how we usually work” is no longer valid.

Helpful methods >

02 Paper shredder

Define your vision

Type: *Action*
Phase: *Unfreeze*
Model: *Complex*

What do we want to achieve. What should our life be like when the project is completed? The project vision is usually a smaller part of many change management projects – and the overall strategy and vision for the company.

Helpful methods ▶

01 Strategy plan

Define your goal

Type: *Action*
Phase: *Unfreeze*
Model: *Light, Medium-sized, complex, quick, Day-by-day*

What do you specifically want to achieve. What is the specific effect, workflow, state-of-mind you want to get?

You should set primary and secondary goals for your project.

Know your target group

Type: *Analysis*
Phase: *Unfreeze*
Model: *Light, Medium-sized, Complex*

This is the people affected by the project. What are their opinions, their background, competence and knowledge? Do they embrace change, where are they located etc?

It is also a good idea to look at people outside the project – anyone that can have an impact on the project.

This is the basis for “identify problems” (next phase)

Helpful methods ▶

01 Situation analysis
02 Target analysis
03 Knowledge and competence analysis

Identify problems

Type: Action

Phase: Unfreeze

Model: Light, Medium-sized, Complex

No project is free of problems, but you can minimize the worst of them. Identify problems involves two elements:

- 01 People
- 02 Surroundings

People cover internal problems – i.e. resistance to change, old habits, insecurity etc. It also covers how much information you need to give, how to involve and influence people.

Surroundings cover everything else. External problems, legal issues, market issues etc.

Identifying problems help create a better understanding, and a better awareness to problems and the risks involved.

Helpful methods >

- 01 SWOT
- 02 Risk analysis

Create your Power Teams – project groups

Type: Action

Phase: Unfreeze

Model: Light, Medium-sized, Complex

A Power Team is the group of people who is specifically a part of the project team. In many case it includes many of the people who started the project.

A Power Team should always consist of people with a good understanding for the whole. The group should consist of people with different skill-sets (like Belbin's personality types: coordinators, implementers, completers, etc.)

Helpful methods >

- 01 Team plan
- 02 Roles
- 03 Project organization diagram
- 04 Belbin / DiSC

Create a plan

Type: Action / Analysis

Phase: Unfreeze

Model: Light, Medium-sized, Complex, Quick, Day-by-day

Creating a project plan is the last step of “Unfreeze”, and forms the foundation for the work in “Move”.

A plan should contain:

- 01 The actual work (tasks)
- 02 By whom
- 03 When (deadlines)
- 04 I relation to what
- 05 How each task is connected
- 06 The needed result for each task
- 07 Evaluation

The plan should be divided in phases to split the project in smaller – easier – chunks. The move phase is specifically designed handle these chunks.

Helpful methods ▶

- 01 Action plan / Activity
- 02 Game plan

MOVE

“Move” is special. You repeat the process for every phase on your project plan. In traditional projects you create energy, work and complete and finally evaluate the result. This is however not a good way to handling project. It is not unusual that the energy is drained and changes in the project plan yields serious complications.

To solve this, the change management models ensure understanding and energy for each phase. All phases need to be evaluated and changes worked out.

Explain your vision, goals and plan

Type: Action

Phase: Move

Model: Medium-sized, Complex

You need to ensure that everyone understands how each phase fits into the overall vision and goal for the project. This ensures motivation and a good foundation for the work ahead.

Helpful methods >

01 Communication strategy

Ensure a sense of security

Type: Action

Phase: Move

Model: Medium-sized, Complex

Often change management projects make people insecure about their future. You will often be changing how people work – and in some case the change means fewer people will be needed. This insecurity creates resistance, a direct threat to your project.

Because of this, it is vital that you change how people perceive the change. Both your power team and people outside the project need to see it as a positive thing.

Helpful methods >

01 Storytelling

Get everyone onboard

Type: *Action*
Phase: *Move*
Model: *Medium-sized, Complex*

The special thing about change management projects is that it is mostly about people, and these people need to be motivated and engaged.

All phases should be kicked off with a pep talk or other activities that motivates and inspires. You also need to ensure that the step “Explain your vision, goal and plan” is something that everyone accepts.

Helpful methods >

- 01 Communication plan
 - 02 Event
 - 03 Team meeting
-

Act!

Type: *Action*
Phase: *Move*
Model: *Light, Medium-sized, Complex, Quick, Day-by-day*

The actual work needed to complete all tasks in this phase.

Evaluate, notice and present improvements/results – create energy

Type: *Action / Analysis*
Phase: *Move*
Model: *Complex*

You should evaluate the phase upon its completion. This ensures that later phases can be completed effectively and with fewer problems.

You also need to visually present the improvements and results from each phase. This yields a positive energy (vital for the next phase). It also helps to inform people outside the project group – in turn creating understanding and security.

Helpful methods >

- 01 Evaluation form
- 02 Communication plan

Encourage great work – coach bad

Type: Action

Phase: Move

Model: Medium-sized, Complex, Quick, Day-by-day

In connection with evaluating the phase you need to actively help your team members to move forward. The best way is to encourage and praise great work. If a person has done a lousy job it is very effective to use coaching techniques to help them do a better job in the future.

Direct help and guidance may also be needed.

Helpful methods >

- 01 Modern management methods
 - 02 Coaching
-

Listen

Type: Action

Phase: Move

Model: Complex, Day-by-day

This is a summation of the previous activities. This is the point where you actively listen to how people react. This is where you “read-between-the-lines”.

You use this phase to evaluate the obstacles ahead, and will help to determine if changes is needed.

Adjust your plan

Type: [Action / Analysis]

Phase: Move

Model: Light, Medium-sized, complex, Day-by-day

Project plans are never a constant, but changes to a project plan is usually seen a negative thing – poor management etc.

If that was true, we would never need change management projects – the world would be in a state of status quo. Changes are a natural thing, something that will always happen. But it is also something we need to keep under control.

After each phase you need to look at the situation and adjust your plan accordingly.

Note: The change management models focuses primarily on quality over time.

Helpful methods >

- 01 Action plan

Ensure acceptance

Type: Action

Phase: Move

Model: Light, Medium-sized, Complex, Day-by-day

It is very important that you ensure the result is accepted during the final part of each phase. Without this, you risk the old tasks is reopened and takes away valuable time. But, acceptance is not about making people agree that the task is finished. It is about making sure that the work so far has solved what it was supposed to.

Acceptance must come from the power team and other people involved.

Helpful methods >

01 Action plan

Close the task – create energy for the next

Type: Action

Phase: Move

Model: Complex, Quick

You can get into problems if old issues resurface. You can prevent this by actively closing each phase and visually marking the end.

At the same time, you use this step to create happiness for a job well done, which in turn create motivation and energy for the next.

Helpful methods >

01 Communication plan

02 Event

Repeat

Type: Action

Phase: Move

Model: Light, Medium-sized, Complex, Day-by-day

Repeat “Move” for each phase in your action plan.

FREEZE

Define new rules and policies

Type: Action

Phase: Freeze

Model: Medium-sized, Complex

We removed old rules and policies in “Unfreeze” to create the foundation for free spirit and innovation – a state of anarchy. However, this is not a good foundation on a daily bases and new rules and policies must be created.

The new rules and policies must be based on the new situation, compared with our vision and goals.

Present the new “way of life”

Type: Action

Phase: Freeze

Model: Complex

At the end of the project, you need to present the change – your “new way of life”. This helps ensure that the change stays permanent, preventing people to go back to their old habits.

It also provides clarity and understanding for future work – for the entire organization.

Notice: It is usually important to do several follow-ups at a later date.

Helpful methods ▶

- 01 Communication plan
- 02 Storytelling
- 03 Event

Celebrate – create energy

Type: Action

Phase: Freeze

Model: Light, Medium-sized, Complex, Quick, Day-by-day

Yeah! We made it!

All projects, big and small, needs to be celebrated. Its purpose is to create motivation, happiness and energy for the future.

The project's size should be mirrored by the size of the celebrations. A big project should end with a big celebration, while small projects may be celebrated with something as simple as saying “congratulation, well done!”

You should create motivation and energy even if a project fails. It is vital that every project is closed with a positive attitude and motivation. Without it you will face even bigger problems with your next project.

Helpful methods >

- 01 Event
 - 02 Rewards
 - 03 A smile!
 - 04 ...
-

Evaluate the result

Type: Analysis

Phase: Freeze

Model: Light, Medium-sized, Complex, Day-by-day

This is a total evaluation for the entire project. Here you summarize your learning points and things you need to be aware of in future projects.

Helpful methods >

- 01 Project manager evaluation
- 02 Project team evaluation
- 03 Project evaluation