Change Management
You Must Do It -- You Can Do It

This paper describes the constancy of change, defines effective change management practices, recommends an infrastructure that facilitates change, and discusses the role of the Chief Information Officer (CIO) in change management.

Change is (a) Constant

The only constant in American enterprises is change. There are external changes in politics, climate, laws, markets, competition, and customer desires. External change in the information/Internet age happens suddenly, unexpectedly, and unpredictably. There are also internal changes of ownership, products, services, process, technology and measures of effectiveness.

Today's enterprise must be able to react quickly and correctly to external change, while managing internal change effectively. Even the most stable enterprise changes. For example, not too long ago, a manager was overheard telling his staff, "If we're going maintain the status quo around here, something has to change!"

External change is usually obvious and has immediate impact. We often have no choice and must deal with external change in order to survive, comply with new laws, meet customer requirements, remain competitive, etc. Everyone in an enterprise recognizes the necessity for reacting to external change.

The need for internal change is often less obvious, unless it is in response to external change. Also, internal change usually seems less immediate. This is partially because changes we make to improve products, services, and practices may not have short-term results. Radical, enterprise-wide change, sometimes called "culture change," may not achieve all desired results for years.

Because internal change is not necessarily forced upon an enterprise by outside factors, and because results are not immediate, it is usually given less emphasis and priority than external change. This is unfortunate, because only by carefully managing internal change can an enterprise uniformly meet the challenges of external change.

Change Management Practices

Managing internal change, particularly culture change, requires three things: management commitment, universal approval, and appropriate measures and rewards.

Management Commitment: In order for anything to happen in an enterprise, including change, executives and managers must be consistently committed to making it happen. Only enterprise leaders can ensure that resources necessary to effect the change are available. Consistent commitment means that the change becomes both an enterprise strategy and an enterprise goal that leaders continuously and obviously support. The visibility of leadership support is a primary factor in achieving universal approval for change.

Universal Approval: Internal change is successful only when the people involved approve of the change. They understand the need for the change. They believe the change is good for the enterprise and good for them. They agree that the change being undertaken is the right change. Peter Senge, in his book The Fifth Discipline, describes the need for universal approval in order to implement systemic change.

"People want change, they don't want to be changed."

Measures and Rewards: Getting everyone to want change is difficult. It requires a level and degree of communication and cooperation not found in most enterprises. Maintaining universal approval is even more difficult. The best way to achieve and maintain universal approval is to ensure that the processes and results of change are measured appropriately and accurately and communicated enterprise-wide. Good results and changed behavior must be rewarded. At the same time, unchanged behavior and poor results should not be rewarded. Employees will not work toward change if they continue to be rewarded for old practices.

Change Management Infrastructure

In addition to these three change management practices, there are two elements of enterprise infrastructure that are critical to effective change management: a strategic plan and an enterprise architecture.

Strategic Planning – A Process, Not an Event

An enterprise's strategic plan provides the guiding force for internal change and the guidelines for responding to external change. Through the strategic planning process, the enterprise defines and documents its purpose, goals, and objectives, along with strategies for achieving them. Included in the process is an assessment of external opportunities and threats as well as an assessment of internal strengths and weaknesses.

The most useful strategic plans are multi-dimensional, incorporating the enterprise's overall plan with the subordinate plans of every enterprise element, and including performance measures for every critical outcome.

To ensure that resources are being expended wisely, every internal change should be derived either from the strategies documented in the plan or from poor performance as indicated by enterprise measures of effectiveness. There are no other valid reasons for internal change. In addition, the enterprise needs to respond only to those external changes that have a direct impact on achieving its purpose, goals, and objectives as documented in its strategic plan. All other external factors can be ignored.

Enterprise Architecture – Blueprint for Change

Linking an enterprise's strategic plan (its business architecture) with its data architecture, application architecture and technical architecture results in an Enterprise Architecture – the alignment of Goals, Functions, and Information Requirements. When change is desired or necessary, the enterprise's architecture provides a means for determining the impact of the change and a blueprint for the implementation of change. A well-documented architecture is a logical organization of information pertaining to the following corporate-level, enterprise-wide elements.

- Strategic goals, objectives, and strategies
- Business rules and metrics

- Information requirements
- Function Definitions
- Application systems
- Relationships between Goals, Functions, Information, Applications, and Organizations
- Technology infrastructure

Enterprise architecture also establishes guidelines, standards, and operational services that define the enterprise's systems development environment. A well-documented enterprise architecture can help accomplish the following:

- Facilitate change management by linking strategic requirements to systems that support them and by linking the business model to application designs
- Enable strategic information to be consistently and accurately derived
- Promote data sharing, thus reducing data redundancy and reducing maintenance costs
- Improve productivity through application component development, management, and reuse
- Reduce software development cycle time

CIO Role in Change Management

The Chief Information Officer in a competitive, visionary, strategically managed enterprise has a key role in responding to external change and managing internal change. The CIO is the chief enterprise architect.

The CIO is, fundamentally, responsible for enterprise technology resource management. In addition to being the steward of one of the critical enterprise infrastructure elements, the CIO should also be key in the enterprise's strategic planning process. Only the Chief Financial Officer (CFO), and the Chief Strategy Officer (CSO) has an equally broad view of the activities in the enterprise.

The CIO, as part of the enterprise management team, helps make decisions concerning what changes to implement. The CIO also helps sustain approval for those changes. Most importantly, the CIO is ultimately responsible for translating enterprise goals, objectives, and performance measures into information systems.