Large-Company Internal Change Capabilities

A look at change management capabilities across 28 $1 Billion-Plus Companies

by **Jesse Jacoby**, Managing Principal at Emergent

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BACKGROUND

We interviewed **28 change leaders** at large companies to better understand their internal change management capabilities. While not a statistically significant sample, the insights provide valuable perspective on the evolving practice of enterprise change management within large companies.

The companies represented have revenues ranging from **$5** to **$137 billion** and employee bases ranging from **6,000** to **176,000**. With just one exception, all of the companies are headquartered in the United States.

They span a variety of industries: healthcare, financial services, technology, pharmaceuticals, automotive, retail, food production, transportation, and conglomerate.

For the most part, change leaders within these companies held one of three level designations - Director/Senior Director, Vice President, and Leader/Head – along with one of these functional titles:

- Change Management
- Transformational Change
- Organizational Change Management
- Enterprise Transformation
- Organizational Development

The following insights were discovered from conversations with these change leaders.

COMPANY SIZE DOES NOT DICTATE MATURITY

We asked questions to gauge the maturity of each company's change management capability, as defined by the following six key areas. Using a scale of **1-5** (where five equals the most mature), capability maturity took into account six areas:

- Demand for change management
- Integration with the project lifecycle
- Internal/external practitioner mix

- Change management methods
- How change management is valued
- How change resources are deployed

In the charts below we compared the maturity of a company's change capability to both its revenue and number of employees.

Change Capability Relative to Revenue (in US$ Billions)
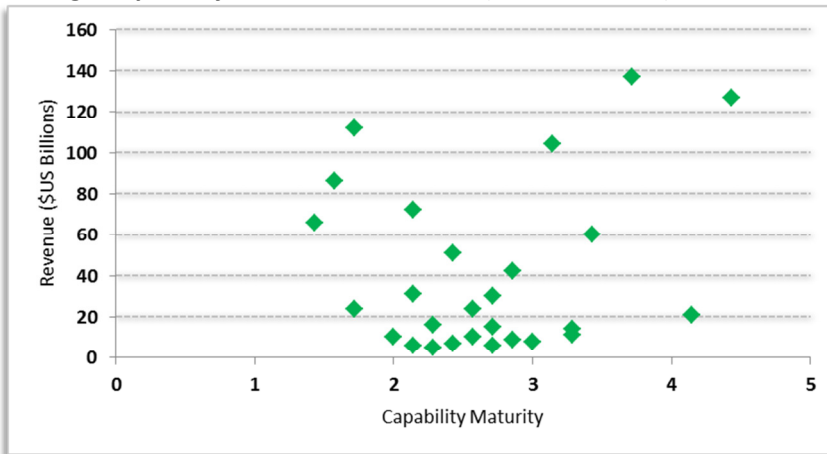
### *Change Capability Relative to Number of Employees*
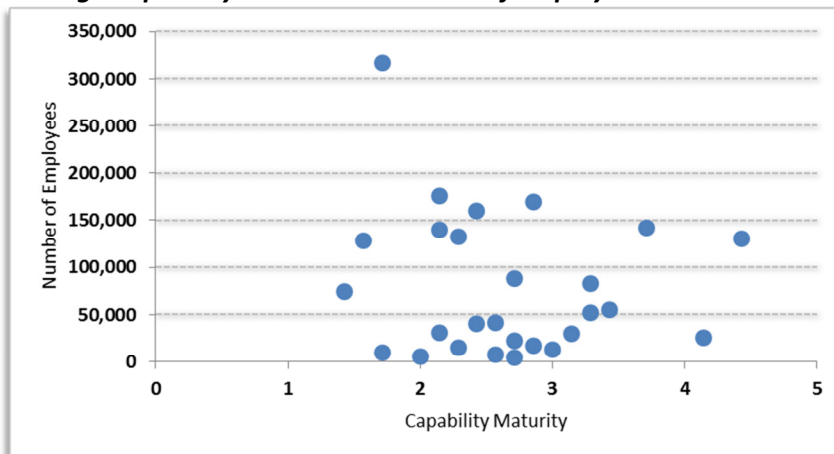
Aside from the two companies with the highest revenues, there is little correlation between a company's size and maturity of its change capability. An exception is the **$21 billion** financial services company with a **4.1** maturity rating.

In some cases, a company's large size was actually a hindrance to developing change capability. The very complexities inherent to a large organization made it difficult for change leaders to organize disparate teams performing change management and to build awareness for the change management service offerings among executive sponsors and project teams.

Many change capabilities were relatively new or recently revamped and so demonstrating tangible value was a top priority for those change leaders.

VARIOUS HOMES WITHIN THE COMPANY

For half the companies, the primary change management capability resides within HR. The other half have their primary change capability embedded in one of three locations: an Operations group (e.g., Operational Excellence), IT, or an enterprise PMO.
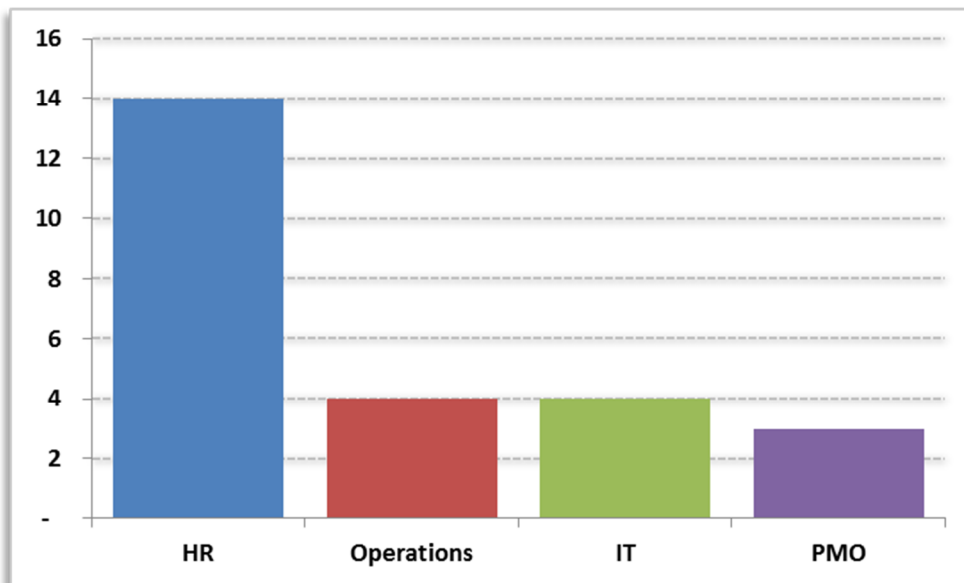
Competing Resources Internally

The term "primary" above refers to where the majority of change management resources are located. This is to distinguish the primary location from other change teams and resources that typically dot the enterprise landscape of larger organizations.

For example, one company had a primary change team of 12 resources within HR, but there was also an IT change team of three as well as several external change consultants who had been procured by various business leaders to support their specific business

initiatives. Some version of this scenario – to a greater or lesser extent – exists at most of the companies.

Consequently, there is a proliferation of change management methodologies and tools as well as resources working on uncoordinated efforts. This presents challenges for enterprise change leaders attempting to grow a centrally-coordinated function.

DEPLOYING RESOURCES & PRIORITIZING PROJECTS

Change management teams varied drastically in size, ranging from **one** to **80** change practitioners. The majority used outside consultants to augment teams and support the portfolio of change projects.

Most companies used some form of formal assessment to evaluate potential initiatives in need of change management support. Assessments typically took into account a project's strategic importance, number of stakeholders impacted, and magnitude of the changes.

Many utilized a tiered approach, where the highest priority initiatives have a change resource embedded on the project team. Project managers working on initiatives of lesser priority receive some coaching and a basic set of do-it-yourself change management tools (e.g., stakeholder analysis and communications planning templates).

Most companies aligned resources to initiatives, with a change resource sitting on the project team with a dotted line to the initiative's project manager. A few companies chose to primarily align change resources to functional leaders (e.g., CIO has four change resources, store operations has five, etc.) and secondarily to initiatives, as directed by that functional leader.

Common challenges to prioritizing and deploying are getting visibility to all of the change projects across the enterprise and providing the right level of support to project teams.

METHODOLOGIES: BUILT & BOUGHT

Change management methodologies fell into one of three categories:

- – Off-the-shelf (OTS)
- – Homegrown
- – Hybrid

Prosci's ADKAR was the most common OTS methodology, which should come as no surprise since Prosci claims to have **80%** of the Fortune 100 as their clients. Other off-the-shelf methodologies used included Kotter's *8-Step Process for Leading Change*, LaMarsh's *Managed Change* Approach, and GE's *Change Acceleration Process*.
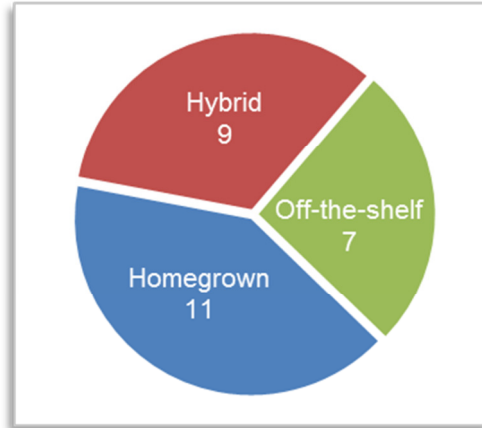
Most homegrown methodologies were inspired by approaches used by large management consulting firms and Bridges' Transition Model.

Hybrid refers to the combination of two or more methodologies – for example, blending two OTS methodologies or adding homegrown elements to an OTS methodology. Companies were split fairly evenly among the three categories.

These are just a few of the insights from our interviews. To learn more and discuss your organization's change management needs, contact:

> Jesse Jacoby
> Managing Principal
> jesse@emergentconsultants.com
> 303-883-5941

ABOUT EMERGENT

Emergent helps clients build internal change capability and implement strategic change initiatives. We partner with executive sponsors and project teams at Fortune 500 and mid-market companies across North America. We are also the developers of Change Accelerator, an enterprise-wide change management solution. For more information, visit www.EmergentConsultants.com and www.ChangeAccelerator.com.

Change Accelerator – Enterprise License

Support all of your organization's change management needs, now and in the future!

Change Accelerator–Enterprise License is ideal for organizations that wish to build and strengthen their own internal change capability. It enables you to purchase Change Accelerator once, own it forever, host it on your organization's network, and customize the content and tools.

Get all of the Change Accelerator features:

- 60+ change management tools mapped to the Accelerating Change & Transformation (ACT)™ model
- Instructions and facilitation tips for using each tool
- Ability to edit and customize tools to your unique needs
- Implementation checklists to guide your change activities
- Dashboard for monitoring the progress of your change effort

Plus, additional Enterprise License benefits:

- ✓ Own the solution **forever** with **no recurring fees**
- ✓ Use it internally **without restriction**
- ✓ Change the name, logo, look and feel to **match your branding**
- ✓ **Customize content and tools** that come with Change Accelerator
- ✓ **Introduce your own** content and tools and **customize the methodology**
- ✓ Give access to an **unlimited # of users** through username/password accounts that you administer
- ✓ Even create **multiple versions** (e.g., one for change agents, one for project managers)

Implementation
After a contract is signed, Emergent's technical team will deploy Change Accelerator to your organization's network, help with initial configuration/customization, and train your designated administrator(s). Implementation can take anywhere from a few days to a few weeks, depending on your organization's level of technical and the complexity of your environment.

Pricing
Our affordable pricing is based on the number of potential users as well as the overall size of your organization. It includes implementation support and a period of technical support. Contact us for a custom price quote.