BUSINESS CHANGE WITHIN PROGRAMMES. ITS NOT ABOUT TRANSITION!

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Introduction

The past two decades have seen a significant development in project and programme management methodologies. Perhaps one of the most notable is the increasing distinction between the two disciplines and the definition of what exactly entails programme as opposed to project management.

Amongst the most distinguishing features of programme management are Benefit Management and Business Change Management which this paper is about. That is, the process of planning and controlling the necessary changes in the daily business both as an outcome of the programme and as a necessity towards achieving the objectives of the programme (deriving outcomes from outputs).

However, and as crucial as it is, business change management remains little understood and is often confused with other disciplines such as "transition" or "organisational" change management and as such, is often ignored or underrated to the detriment of the programme's objectives.

This paper aims to clearly illustrate what is business change within the programme management context and the roles and skills involved in managing it towards the realisation of the programme's objectives.

About Programmes and Programme Management

A major misunderstanding about programmes is the believe that they are defined as large complex projects or a group of projects.

Although a programme is most likely to contain a group of projects including large and complex ones, this is by no means what defines or distinguish it from a "project".

A programme is born directly out of a strategic need (i.e. the need to increase market share in a particular region, reduce staff turnover, improve connectivity between two cities, or help the local economy). Usually, when a programme is identified, the exact products or services to be later delivered are not yet known.

Once benefits relating to the strategic needs are defined and quantified, a number of projects and activities are initiated to help realise these benefits.

A programme is defined as "a temporary, flexible organization created to coordinate, direct, and oversee the implementation of a set of related projects and activities in order to deliver outcomes and benefits related to the organization's strategic objectives". **Managing Successful Programmes - OGC 2007**

Undoubtedly and by virtue of its scale and complexity, a programme will have an impact on the way "we-do-our-work". That is, some established operations will have to change temporarily or permanently as an outcome of the programme. At the same time, in order to render useful the products and/or services that the projects within the programme will deliver, certain preparations must be in place such as training, recruitment, system updates, etc. These types of changes are what we refer to as Business Change within the context of programmes.

Programme Management entails all the various management activities of the programme including its projects' control, alignment to strategy, benefit realisation and business change.

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CHANGE MANAGEMENT!!! Why the confusion?

Make a web search on "Change Management" and you will get a good number of varying definitions and understandings of the discipline on the very first results page. Yet it is a well established discipline frequently implemented in most medium and large organisation. Why the apparent confusion?

Actually, the "apparent" confusion is quite understandable. Change after all is a very elastic term and its meaning is present in almost all business and management activities.

The Cambridge Dictionary defines "*Change*" as:

"to make or become different, or to exchange one thing for another thing, especially of a similar type".

Need we say more? By such definition we undertake change management almost every day of our lives. A doctor's appointment during the week would require arranging absence from work without serious negative impact (e.g. re-scheduling of activities or asking a colleague to take over temporarily). This is by all means, Change Management.

Indeed, a rather popular definition of Change Management is *"the systematic approach to dealing with change, both from the perspective of an organization and on the individual level"* which goes on to rightly note that it is "*a somewhat ambiguous term*." !

Other popular definitions of Change Management are:

- *"is a broad spectrum of processes and professional specialties aimed at successfully introducing change."*
- *"the practice of administering changes with the help of tested methods and techniques in order to avoid new errors and minimize the impact of changes."*

Without a doubt, both project management and programme management fall under the broad definition of Change Management.

Focusing on some specific change applications however, most of us have heard or come across the following three types of change:

- **Organisational Change** entailing any change that will impact the way work is performed and has a significant effect on staff. This could include change to the structure or the organisation, change to the operations (i.e. implementing ERP), changing the size of the company, changing working hours, changing roles, etc.
- **Transformational Change** (or transitional change) is a radical change that usually involve a "reconceptualisation and discontinuity from the initial system" (Kindler, Herbert S.) . Transformational Change will surely involve Organisational Change but the opposite is not always true. Programme Management methodologies and standards are often used to manage this type of change.
- **Cultural Change** is where the shared beliefs, values and behaviour of the members of an organisation are permanently transformed. Cultural Change involves managing soft aspects including the overall psychology of the organisation.

Business Change within programmes however, is distinct from the above. It is the change that we consciously implement to manage the "side-effects" due to the extent and scope of the programme; and the "preparations" that we must make to render the deliverables within the programme useful (turning outputs into outcomes).

It can be argued that Business Change forms part of the Transitional Change for which the programme was initiated. This would not be incorrect although for effective management purposes, a distinction through the subtleties should be made clear since as we shall later see, a Business Change Manager with *particular hands-on* competences will be needed for each business area affected by the programme.

Personally, I would like to define **Business Change** within programmes as *"the change that must happen as preparation or as counter-side-effect of the programme; in order to render the newly delivered capabilities useful."*

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Lets look at an example:

A large European street and sportswear retailer (lets call it Cool Street Wear (CSW)) has over 150 outlets in Europe. Given the high running costs of the outlets and the increasing popularity of e-commerce, CSW decides to shrink the number of its outlets to 50, covering most major European cities, and use part of the proceeds to implement a very sophisticated e-commerce system. CSW expects that the move will reduce their overall costs while retaining the same level of sales and revenues (i.e. net profit to increase).

A Programme is therefore born to deliver the above ***Transitional (or Transformational) Change*** (shrink from 150 to 50 outlets and become an e-commerce retailer).

This programmes has many projects and sub-programmes within it. The IT sub-programme alone contains over 30 projects including updating the operating systems, the integration of various client management systems, the implementation of the e-commerce platform, etc.

Alongside all the projects, there are various initiatives to recruit and redefine the roles and responsibilities of much of CSW employees and provide them with the appropriate trainings to render the organisation capable of efficiently handling the transition. This ***preparation*** is a ***Business Change***.

However, there is an issue. The Global Inventory Management System (GIMS) is not fully compatible with the new e-commerce system. Although some integrations can be built (which already form a project under the IT programme), the present system will not come to fully automatically communicate with the e-commerce system, and changing GIMS is not within the scope of the programme. To address this ***side-effect***, CSW decides on setting-up a small department to perform a manual interface between GIMS and the e-commerce system until a future project is approved and implemented to modernise or change GIMS. This is another ***Business Change***.

For each project to be successful, it must deliver its output (product or service) within time, budget and to specifications. For the programme to be successful, the outputs should be translated into a useful outcomes delivering the expected benefits, and this requires effective Business Change.

Managing Business Change and the Business Change Manager (BCM)

Noting the above and understanding what may entail Business Change, it is clear that managing it requires a specific hands-on experience in the very area where the Business Change is to take place. This is provided by the Business Change Manager (BCM).

The BCM is therefore a strong member of the "business" and although knowledge of programme management is helpful, the higher emphasis is on his/her knowledge of the business processes and the organisation's strategic objectives.

The BCM is also responsible for defining and delivering the benefits and ensuring business continuity during the change.

Where there maybe more than one business area impacted by the programme, a BCM for each of these areas should be appointed, one of which will act as the Senior BCM.

Responsibilities of the Business Change Manager:

- Defining the benefits that will realise the strategic objectives of the programme
- Developing the benefit realisation plan
- Maintaining overall focus on benefit realisation
- Defining and tracking the Key Performance Indicators for benefit realisation
- Defining and implementing the business change that will ensure the benefit realisation
- Managing "business continuity" during the change

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- Advising the programme manager on whether the outputs and outcomes will lead to the realisation of the benefits
- Preparing affected business areas for transition to the new way of working. Potentially implementing new business processes
- Optimising the timing of the release of new deliverables into business operations

Skills and Attributes of the Business Change Manager

The BCM must have a strong background and ongoing operational responsibilities in the relevant business areas affected by the programme. He/she should have a good understanding of the management structure, politics and culture of the organisation, and possess good change management skills and enough experience to manage very complex situations while maintaining focus on the programme's objectives.

The BCM should also have good negotiation skills, interpersonal skills, managing chaos skills and prioritisation skills.

The Business Change Manager (BCM) vs The Programme Manager

The roles of the Business Change Manager and the Programme Manger are very different yet quite complementary. Below are some of the key difference between the two roles:

The Programme Manager	The Business Change Manager (BCM)
Must have a deep knowledge and practical experience of programme management and programme management standards and/or methodologies.	Must have a deep knowledge and practical experience of the industry and the very business area that is affected by the change.
Can be an external consultant or borrowed from a different business area (which is often the case).	Must be a senior long-time member of the affected business.
Is responsible for creating and managing the governance for the programme.	Is responsible for creating the new business structures, operations and working practices.
Responsible for the planning, coordination and communications.	Responsible for the practical implementation of change.
Assists the BCM in planning the realisation of the benefits.	Defines the benefits and assesses the progress towards its realisation.
Delivers the new capabilities.	Realises the benefits by embedding the capabilities into the business operations.
There is only one programme manager for one programme	There maybe multiple BCMs. One for each affected area in the programme

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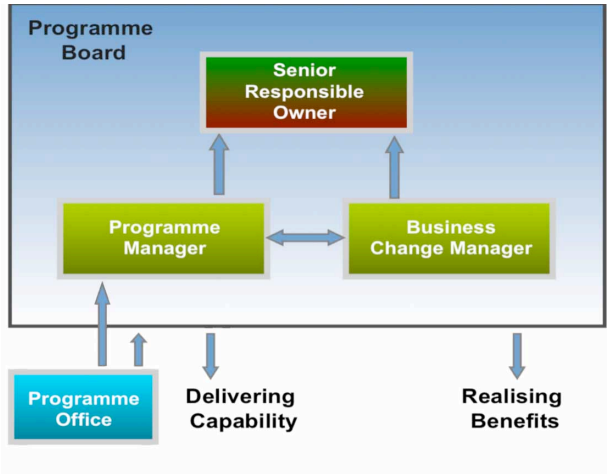

Senior Responsible Owner and the Programme Board (OGC, MSP© 2007, page 30)

It is important to note that although in a stand-alone project (as opposed to a programme) there is no Business Change Manager, this does not necessarily mean that no business change is required to render the project beneficial. Indeed, most project do entail some business change, for example, a simple implementation of a document management database would require that relevant staff be *trained* on the use of the database. This *training* in itself is a business change. However, it does not merit the formal assignment of a BCM with formal business change procedures and authorities. It can efficiently be coordinated by the project manger and the related department manager.

In summary, Business Change is almost always there when we undertake either an independent project or a large programmes (just as there must be a benefit to make the business case for event the smallest of independent projects).

The key difference between its implementation in projects and programmes is that in programmes, it needs to be formally defined and managed by an allocated Business Change Manager.

Conclusions

There are various types of change and change managements, each with many industry definitions that don't necessarily say the same thing. It is therefore important to clearly enquire and define the "change" under discussion and unless clearly stated, not to assume that there is a common understanding for the term.

Business Change within programmes is the change that must happen as preparation or as counter-side-effect of the programme; in order to render the newly delivered capabilities useful. That is, in order to realise the benefits.

The role of the Business Change Manager is complementary to the programme manager in that the BCM represents and facilitates the business's move towards the new organisation while the Programme Manager ensure the timely delivery of the capabilities into the business.

Whereby the programme manager may be a consultant or a new entrant to the organisation, the BCM must be a senior member of the organisation with an operational role within the affected area.

Business Change is present whenever we undertake a programme or a project. Even the smallest initiative would require some business change. However, whereas in most projects the business change can be managed by the project manager, in programmes where the change is more complex, formal business change management and the role the Business Change Manager are essential to success.

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