WHITE PAPER

Change Management Top Tips for Membership and Non-Profit Organisations

What is Change Management?

Effective change is about developing a culture of empowerment, ownership and accountability within your organisation.

The challenge is getting the change management right. Most organisations are great at incremental change – it's the lifeblood of an organisation. Transformational change is a different proposition.

- A study by the Boston Consulting Group in 2021 highlights that lack of an employee-centric approach will massively impact your chances of success. If you do not focus on culture change, and your employees, you are increasing the risks of your project failing to deliver results
- The same study also highlights that the lack of a holistic-change-management approach will massively impact your chances of success. If you do not have a framework for change that is accepted and understood across your organisation, you are again increasing the risk to your project
- TechTarget in Oct 2023 pointed out the lack of a collaborative culture, and if organisations work in silos, as many not-for-profit organisations do, this can break your transformation initiatives
- Culture change is at the heart of digital transformation. Cultures that succeed with digital transformation place people at its heart - embracing change and driving collaboration

The three key questions arising from this are:

1. How do you ensure you have lasting success rather than people reverting to what they have always done?

2. Do you have an approach that recognises the importance of bringing people along with you?
3. Is people-centred change management built into your approach?

The three main reasons why many technology projects fail are:

1. Because organisations don't have the necessary talent and/or capacity to deliver.
2. Because senior leadership fails to support big technology projects.
3. Because most organisational cultures are actually anti-technology.

It is not because:

- Organisations cannot define the problems they're trying to solve,
- Or cannot identify the right requirements or manage scope creep,
- Or cannot do project or crisis management.

But I already have a "strategy"

In many ways, the strategy is the easy part. You most likely will want to grow your membership, non-membership income, reduce costs, drive member engagement and so on. But what Intercloud9 often sees is:

- There is insufficient detail on the "how". Translating your strategy (the "what") into the how - what must happen in the project to get the outcomes you want - is difficult.
- Project goals and strategic outcomes are not aligned. There is insufficient detail on how project deliverables underpin your strategy, which can lead to a disconnect between the project and the overall goals and objectives of your organisation.
- Alignment requires experienced oversight to join the dots and fill in the white spaces between your technology partner, internal project team and wider organisation, as well as engaging broader stakeholders. Whilst a project will have checks, measures and controls inbuilt, oversight of all elements including where there are conflicts can be more difficult. Each team member has clear roles and responsibilities, but at a higher level, how are you connecting everyone and everything? Without expertise and experience of the role of each team member, it is difficult to know what to look for and where the pitfalls are.

Translating the "what" into the "how" is vital.

All change(s) should be reviewed and agreed based on how they support your organisation in achieving its long-term goals. Without this structure, change will be opportunistic, and priorities will not be clear.

Getting the culture “right”

The “Cultural Web” was developed by Gerry Johnson and Kevan Scholes in 1992 and provides a useful framework for understanding the components of organisational culture. In the context of membership-based organisational change, it further underpins the need for a “whole systems” approach to development and change. Johnson and Scholes defined organisational culture as being evidenced within six primary areas.

1. Stories: The past events and people talked about inside and outside of the company.
2. Rituals and routines: The daily behaviour and actions of people that signal acceptable behaviour.
3. Symbols: The visual representations of the company including logos, office design and the formality of dress codes.
4. Organisational structure: This includes both the structure defined by your organisation chart and the unwritten lines of power and influence that indicate whose contributions are most valued.
5. Control systems: The ways that your organisation is controlled, including financial systems, quality systems and rewards (i.e., the way these control systems are measured and distributed within your organisation).
6. Power structures: The pockets of real power in your organisation. This may involve one or two senior leaders, an entire group of executives, or even a department. The key is that these people have the greatest amount of influence on decisions, operations, and strategic direction.

Affecting cultural change, the right way

Changing the culture of an organisation can be a challenging process. Success demands a systemic approach to organisational change rather than tackling people, process and technological change as separate strands. It also demands that people be supported by a method that allows them to affect change that simultaneously benefits themselves, the customer and your organisation.

This win-win approach is obvious, but the steps to achieving it are far more complex. To adopt the correct systematic approach, you need to:

- Ensure you fully leverage technology as an enabler of change to drive the desired outcomes.
- Put change management skills and tools at the heart of the programme, to ensure success and sustainability.

- Provide a flexible model to help you identify capacity and specialist skill gaps and address them before they impact your change programme.
- Align all of your change project activities with your membership-based organisation's goals and objectives.

The starting point for any change is knowing where we are now and understanding exactly where we need to get to. We must also precisely understand our readiness for change. But this, in itself, is a complex challenge. We recommend you ensure that:

1. There is a clear plan for change and time is taken to ensure that there is a shared understanding of what this means at all levels of your organisation.
2. People understand and recognise that maintaining the status quo is actively detrimental to the future of your organisation.
3. Your organisation has a strong change culture that is embedded into business-as-usual activities.
4. Motivation and morale are high, and there is widespread support for change. Every department is involved in identifying and defining change projects. Teams and individuals are encouraged to participate in change projects. They are enthusiastic and engaged, and there are lots of positive suggestions for improvements with empowerment at all levels.

Putting people at the centre

Change is difficult because it is people that drive or block change. So, to answer the question as to why change is difficult, you need to understand why people find change difficult.

- People are resistant to change. This is because change almost always = a degree of uncertainty, and humans hate uncertainty.
- When we feel uncertain, we cling even more fiercely to what we know - to what is familiar and therefore safe.
- Mostly this is unconscious.
- Ways of working often evolve organically over a long period of time and are habitual. This provides certainty, which is what we humans crave.
- Behaviour by itself is very difficult to change. Even if we can establish some change, often people will quickly revert to old habits and change becomes unsustainable. This is especially true of any kind of change that is perceived to be imposed. This is because it is our beliefs that drive our behaviours. If we don't change the belief we cannot change the behaviours.

When there is uncertainty, people will fill in the blanks:

- This is rooted in the lack of clarity on what the future or "target state" looks like and how this affects each and every individual.
- Whilst we are often down in the weeds talking about features and functions, people are worried about what their job will look like after the changes, or if their job will even exist.
- Critical to addressing the uncertainty is being crystal clear on what the target state is and what this means for the people and teams impacted.

Helping your teams to co-design the target state drives certainty, gives people agency over their work, reduces uncertainty and therefore secures buy-in.

Resistance is natural

Most change practitioners report "management resistance" as one of the top three reasons that organisations fail to embed change. Again, this is a somewhat simplistic reading of the situation, and blaming managers for improvement failures is rarely fair or helpful.

When a manager remains in an organisation over time, this represents a tacit approval of their management approach. And if they are led to believe that they are managing the right way, it is not surprising to see push-back when asked to change.

For the same reason, imposing a new way of working is unlikely to motivate them. As managers are also responsible for encouraging and supporting the people that report to them, this approach can be doomed to failure from the outset.

Listening to leaders and managers to properly understand their thinking is a crucial first step. You must request and value their contribution and provide them with the knowledge to understand why and how the processes need to change. Help them to become advocates for your project rather than merely targets of it.

As Albert Schweitzer (the German and French polymath who was a theologian, organist, musicologist, writer, humanitarian, philosopher and physician) said:

"Example is not the main thing in influencing others; it's the only thing"

Achieving change management success with our 3-step process

Organisations that deliver successful transformation programmes share these characteristics:

- Your organisation has great experience in successfully driving significant changes in process, people, culture and supporting technology.
- There is a robust, effective and well-established change management methodology that is used to deliver change. This is supported by associated tools, training, coaching and skills development.
- Teamwork and collaboration are at the heart of the culture and central to all change initiatives. People are seen as intrinsic to the change process.
- Experience, knowledge and a framework for change will help teams to feel supported. It removes uncertainty (the main reason that people resist change) and therefore increases energy and motivation for change. These are foundational and, if missing, will impact the individual's and team's confidence and ability to drive change. Change is also cross-functional, requiring collaboration and teamwork. An organisation-wide approach to change management is essential to ensure consistency and effectiveness.
- After completing an organisational or technological change, there are two things that every membership-based organisation comes to understand. Firstly, regular change is essential to continuous improvement and to staying relevant in a competitive sector. Secondly, the process required to achieve this change is always far more challenging than expected.

If your organisation is about to embark on c change management journey, we recommend thinking of the approach in terms of a three-step process. Following this approach, whilst adhering to the guidelines below, will help to avoid common pitfalls and give you the best chance of a successful outcome.

Step 1: Define

In any journey, the first stage is always to know the destination. This is as true for a family road trip as for a change project. Properly understanding where you are right now, where you need to get to, and quantifying the gap between the two is the fundamental basis of any plan.

For not-for-profit organisations, this step helps you to recognise required change in four ways.

Define your purpose

What is the purpose of the services you deliver and what do they mean to your members? What does this mean to your organisation and the wider group of stakeholders? Defining this purpose as concisely as possible helps to ensure that every element is analysed

through the lens of member value. This also guarantees alignment with your organisation's broader business goals.

Define and quantify the "as is state"

Aim to map and document all the current ways of working. The goal here is to acquire a shared understanding of current capability and expectations across the entire operation. Then you must review and quantify the business and customer impact of your current approach. How much does it cost? Is it delivering value? Where is the waste? What is the cost of risk mitigation?

Define the measurement criteria

Pulling together the findings so far allows you to identify the effectiveness of your current systems and processes. It also provides clues on how to more accurately measure future improvement. Having this information available places metrics around our programme, gives insight into its progress and provides indications as to whether any corrective action might be required.

Define the outcomes

The destination of any change management process is less about what your organisation wants, and much more about what it needs. Having a clear definition of this and using it to prioritise the competing elements of the project is mission critical.

Step 2: Empower

With definitions complete, your next step is to develop and embed self-sufficiency into your change management and continuous improvement processes. This matters because change programmes that really engage with people's hearts and minds always prove to be more successful that those that feel forced.

The key is to provide a simple, effective change management framework and toolkit that can be used by people across your organisation. A step-by-step process for defining and delivering change also helps people understand how to change, not just what to change.

You can harness the time and talents of your teams by involving them directly in four areas.

Identifying

Involve a multi-disciplined team to identify the opportunities for transformation by understanding what they believe your organisation needs.

Mapping

Get their help to bridge the gap between the “as-is state” and the “to be state” through their involvement in mapping and documenting current and desired ways of working.

Investigation

Work together to systematically break down problems as a team, exploring options and considering how to measure progress in achieving the optimal solution.

Outcome analysis

For incremental change, a wider group can be invaluable in surfacing, analysing and prioritising change elements. They are also excellently placed to discuss, develop and implement any necessary remedial action. For a more involved transformational change, the same group has all the experience necessary to accurately quantify opportunities against the cost of waste. The task of mapping future states to develop a technology roadmap and business case for investment also benefit from this wider input.

Step 3: Execute

The final stage focuses on delivering the transformational change that has been identified, quantified and agreed. A proven project implementation methodology is essential and has particular importance here in underpinning a multi-disciplined delivery team.

When working with a technology partner, it is important to understand and plug any resource gaps that exist in the membership-based organisation or in the project team. Regular stress testing of the technology project strategy is key to ensuring it continues to support the delivery of your wider organisational goals.

For your internal teams, you must always provide the support, skills, tools and framework to support each stage of your transformation. Without the requisite knowledge for each step, they will not be able to adopt and support effective transformational change.

Finally, when putting these concepts into practice, you should always implement any incremental changes in the priority order that you defined and agreed earlier. This not only ensures that the team can put their new learnings into practice quickly. It also delivers quick wins that build confidence early in the change process. Keeping your team engaged and motivated is a success multiplier in any strategy.

Our final top tips

Here are some key takeaways if you are thinking of investing in digital technologies such as a new CRM, website or member portal, or any technological investment or change management programme. Intercloud9 hopes these tips will provide some useful guidance to ensure successful implementation of your project.

1. First of all, start with the end objectives in mind – be clear about what you want to achieve. Where are you trying to get to? Think about this from a business perspective and not from a technology perspective.
2. Remember, technology should be the “enabler” and not the “driver”. You are not investing in a technology, or simply an IT project, you are embarking on a change management project.
3. And because of this, do not underestimate change management – this is your responsibility, not the responsibility of your technology partner.
4. Do not scrimp on the resources and support you need. You will only pay the price later on.
5. Make sure you understand total cost of ownership – this can be really opaque, with a need to consider not only platform costs such as licenses, onboarding, support and maintenance (the obvious things), but in addition to this, consumption costs (often driven by database size - so really important to rationalise data pre migration)! As well as the costs of upgrades (often tagged as “free of charge” but excludes the professional services you need to actually implement the upgrade). Plus, the cost of further enhancements to the solution, which are inevitable if you want your digital solutions to evolve alongside your organisation’s growth.
6. Leading on from this is your business case, which can often be hard to define because it has many facets: cost, income generation, risk reduction, customer acquisition cost, etc. Be really clear with your Board on what the investment opportunity is and quantify it.
7. In terms of solution due diligence, as a customer, it can be really hard to tell which vendors can truly deliver what you need as most will say they can do everything specified in your requirements.

It is likely that the vendor will think they can deliver all of your requirements - but can they deliver it in a way that works for your organisation?

The key here is to define a set of critical business scenarios that the solution will need to support, and rather than opting for a standard demo from the vendors during the selection process, ask them to demonstrate the scenarios you have set down. This will give you a much better idea of the level of fit for your organisation.