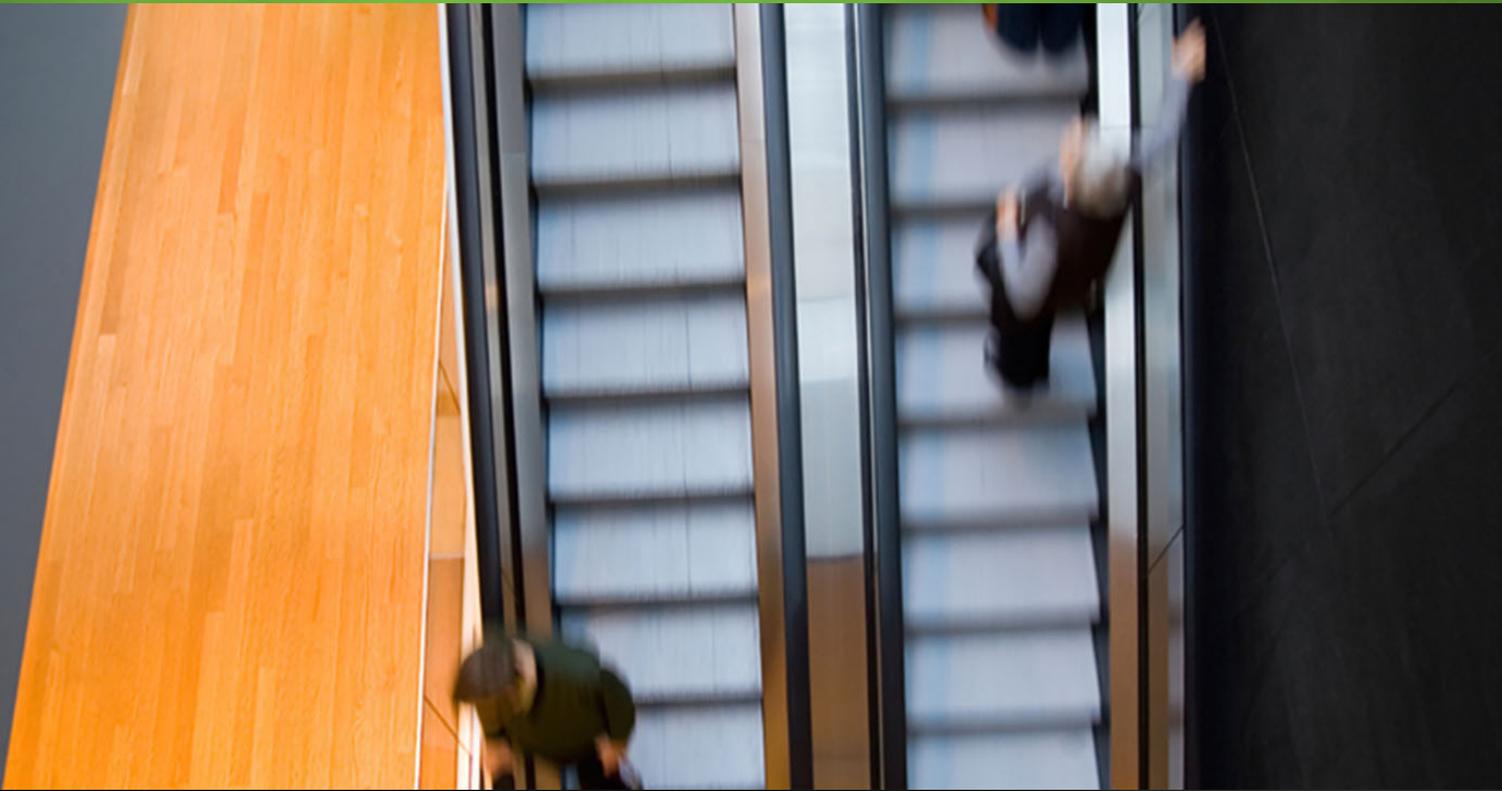


Finding Stability in Change: Establishing a Change Management Office (CMO)



The Business of Change

Change is a requirement in today's rapidly evolving marketplace. It's become ingrained in business within the past 25 years, and change management has emerged with its own theories, strategies, and metrics to support its value.

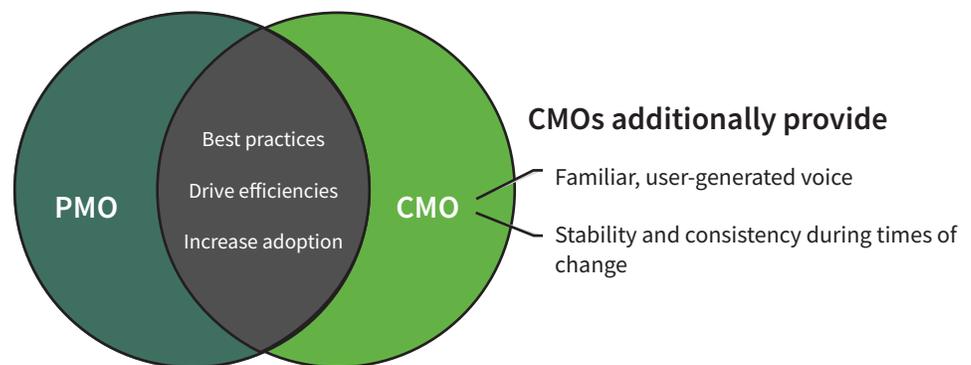
Prosci research cites successful change management increases project adoption rates sixfold. However, there is still a 60-70% failure rate in change management, per the *Harvard Business Review*.

The biggest risk of failure in change management is the way the change is delivered. And another layer emerged to provide additional structure and stability: the Change Management Office (CMO). A CMO defines an organization's practice of change and delivers a single source of truth that can be used by different groups.

Setting up a CMO for an organization may sound daunting, but it does not have to be. It runs in parallel to the business and ongoing programs. A CMO in an organization with change managers is much like a Project Management Office (PMO) that provides guidance to project managers.

CMOs and PMOs have similar objectives, they:

- Set the standard with best practices from vetted sources
- Streamline and drive efficiencies with well-defined outputs
- Increase adoption with consistency in methodology



The latter two promote trust within an organization. When the CMO executes well, it provides answers and becomes a positive part of an organization's culture.

Establishing a CMO is a change management project in itself. Throughout its lifecycle, the CMO must have the structure to provide change oversight and guidance, and educate at all levels of an organization. Sustaining itself is requisite.

For the CMO to be accepted and adopted, employees must buy into it. From it, they must get a sense of how the organization approaches change and how the changes will benefit them. Socializing the CMO build in a deliberate and considerate way promotes employee trust.

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Key Ingredients

Prioritizing a thoughtful approach to engaging with employees is an important concept to keep at the forefront as the CMO is constructed. However, there's more to it. There are five critical components that should be considered:

1. Executive champion

There must be support and executive sponsorship within the organization from the top, down. Leaders and managers set an example and impact culture.

2. The CMO team

Whether comprised of employees, external consultants, or a mix of both, identify who will establish and lead the CMO.

3. Organizational goals

Ask where the organization wants to be. How does change management align with its business objectives and strategies for the next few years? Consider leveraging a capability maturity model for change management in your organization.

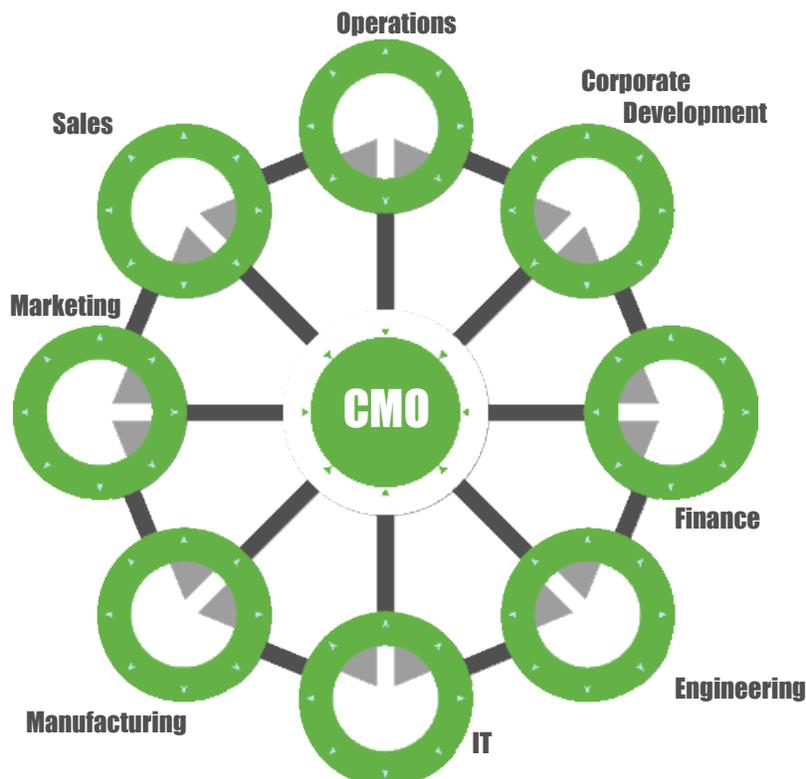
4. Starting point

Consider the organization's culture and existing tolerance of change ideals. Perform a change readiness assessment to measure willingness to change.

5. Transparency

A communication strategy is critical before, during, and after establishing a CMO. After all, it is another change in the organization and employee acceptance is a measure of success.

When these pieces are identified, there is some idea of "where we are" and "where we want to be." And the task at hand is to close that gap.



The CMO team will touch all other areas of an organization in order to become fully functional. As a new entity, the team must recognize the existing relationships and dynamics in the organization.

Building healthy relationships with other individuals and departments needs to be a priority. Forming partnerships allows information to be shared openly, and solidifies a "by and with" approach, instead of "us vs. them."

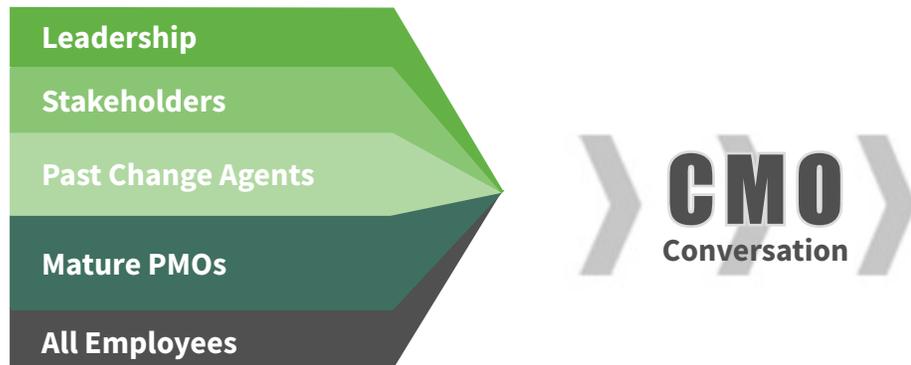
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Beginning the CMO Conversation

There are five populations critical to partner with when establishing discussions around forming the CMO to ensure success.

The top of the list is leadership – these advocates will support the CMO when folded into the process at each step.



The conversation must start at the top – literally and figuratively.

1. Leadership

The top of the list is leadership. These advocates will support the CMO at each step and help remove obstacles.

2. Stakeholders

As with any project, know who owns the program and who to be accountable to, and then meet their needs.

3. Past change agents

Before the formal establishment of the CMO team, other teams may have laid groundwork to get the organization to a point where it is open to standardizing the process of change. These individuals may hold valuable historical insights.

4. Existing PMOs

Leveraging established processes and structure by different departments can eliminate the feeling of starting from zero. For example, if there are existing PMOs – no matter if they're new or mature – often they can provide guidance on best practices and lessons learned from setting up a governing group.

5. All employees

Thoughtful communication and engagement with all employees in all phases of constructing a CMO increases their sense of ownership in its success or failure.

With more input, historical knowledge, and already vetted processes feeding into it, the CMO will more deeply reflect a culture of integration. When the CMO represents the voice of the organization, adoption rates increase.



Taking Change to the Next Level

Acknowledging and embracing change, and knowing there would be even more of it to come, motivated a 3,000 employee, \$2 billion company to tackle the task of establishing a CMO.

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The organization lacked a unified approach to implementing change. Working independently, change managers supported different areas of the organization. There was a need to establish a central office to provide oversight, guidance, and education to overall process improvement and organizational change management efforts.

Learning the style and values of the client fostered a healthy dynamic.

From the beginning, expectations were set around an iterative roll out. We started by taking time to listen to the client and understand their organization's complexity. Learning the client's style and values fostered a healthy dynamic.

There was a great deal of collaboration, and a "by and with" approach led to a customized solution and plan. We quickly earned trust by setting the client up for success early on.

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The first iteration of framework was broad in structure. We leveraged Loft9's change management framework and pooled all of the client tools and resources at our disposal. We partnered with other departments within the client's company to obtain documentation and leverage best practices from the client PMO. We evaluated the work flow and began matching existing change management processes to project management phases. This allowed us to time CMO activities with key stage gates in the PMO.

Most important, we prioritized partnering with the organization's people at each step.

Most important, we prioritized partnering with the organization's people at each step. Loft9 provided a team to support development and implementation from the initial planning phase, to accomplishing milestones and through the deployment. Then we were able to help lead the change management for several inflight and new initiatives, allowing us the chance to live to the standards we helped set. Plans and iterations throughout were documented and shared, with best practices highlighted.

We factored in the state of the organization's business, its culture and people, opportunities and limitations, and have created a solution that has been integrated into the organization. The CMO is now up and running with a systematic and repeatable approach to deploying change.



Coming into Focus

From its onset, the CMO is required to be adaptable to the organization's cadence and priorities. Team members must be persistent and push the program forward – yet with a collaborative mindset.

The actual process of constructing a CMO is iterative, and expectations should be managed accordingly. At first, all parts and processes will not fit into the neat phases of initiation, planning, design, execution, and close. Sometimes there are gaps and less than 100% alignment. That's ok to start, remember it is a bit of a journey.

Structure forms as standards are applied consistently. Crisp record keeping promotes transparency and shows progress. When the same processes and integration are applied, outputs are more defined. It becomes clear what is working and what is not, and processes are refined.

The program begins to move through phases. Milestones are completed. Progress is made and successes are shared. The CMO creates stability for itself and the organization. As the CMO matures, it enhances how the organization runs and allows change management leads to deliver change.

No matter if an organization is starting from scratch, or already a champion of change management, a thoughtful approach to setting up a CMO will help employees realize the experience of change in a positive way.



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The Loft9 Story

Loft9 is a management consulting firm that guides clients through organizational, operational, and business technology transformations. We provide the strategic planning, execution, and ongoing operational support required across, and within, business functions for a practical solution that demystifies the transformation journey.

Our clients see the value of a practical transformation model that is not shrouded in industry jargon, but built upon a shared understanding of their culture and unique business needs.

For years, Loft9 has helped our clients achieve successful transformative changes through our unique collaboration of **Consulting Services** and **Managed Services**.

We started our journey to create a different kind of consulting firm – one that is steeped in a rich culture of collaboration, learning, and growth. Those are the things that get us up every morning, invigorated and ready to take on new challenges.

Our culture is brought to life by every associate. Loft9 is the only consulting firm that combines a **Co-Delivery** model with the best available talent, enabling us to provide customized teams to address our clients' unique needs.

We are in an intensely competitive industry where many firms strip out organizational values. Not at Loft9. Not when we started. And not now.

If you like what you've read, we invite you to meet with us. We'd like to tell you more about how we help our clients transform their businesses.

And we want to hear your story.