



DELIVERING CHANGE THAT WORKS IN TODAY'S CLIMATE

Continual service improvement, IT architecture, professional development programmes for employees and process improvement are all improvement initiatives: activities that increase the capability of IT functions and enable them to perform better. We know what happens in a recession. Organisations must reduce costs and target the IT 'overhead' as a source of savings. CIOs strip out 'non-core' activity from their budgets. IT retrenches to keeping the lights on and improvement initiatives are stopped. In a year it's obvious that the capability of the IT function has reduced. When the organisation starts to invest again IT cannot deliver the desired projects and customers leave because of poor service from IT. This can have a long term negative impact on the organisation, writes **Frank Johnstone**.

Today's paradox is that never has the need to improve business performance been greater but rarely has there been a time when it's harder to get investment for improvement initiatives. Because the world moves on an organisation must change just to maintain its existing position. IT must keep improving in a recession. But how?

In April this year, 30 people came together to share their experience and find a way. They represented many government departments and industries in France,

Germany, Norway, the UK and the US. They covered a gamut of roles, including head of operations, engineering director, programme manager and business improvement director. The consensus was that anyone wanting to deliver change today must adjust to the new context:

- the speculative future benefits traditionally promised by improvement initiatives will always lose out to making a cost saving today.

- an improvement initiative must deliver into an organisation that is stretched and has little capacity to improve while meeting operational demands.
- Any improvement initiative will be under constant threat of termination.

What follows are the pragmatic (cynical?) conclusions about how to deliver change that works in today's climate. The focus of the workshop was process improvement so most of the examples are

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drawn from that field. However the learning can be applied to any improvement initiative.

Getting the initiative approved

- *Demonstrate how the improvement initiative is core to the organisation's current priorities.* An organisation aggressively reducing headcount still invests in process improvement because this is seen as managing the risk created by a stretched workforce.
- *Target real specific issues.* A board approved an improvement initiative when asked to compare the small investment against the large cost incurred through missing two recent milestones.
- *Speak the right language.* Where the CEO believed that IT was inflexible and slow, the business case was for "bureaucracy busting" rather than "process improvement". It was approved.
- *Avoid the improvement initiative being a budget line* – it will be stripped out. Spread the improvement cost throughout operational budgets. Ensure that the breakeven point for every package of work in the initiative is within one year.

Keeping the initiative going

- *Integrate improvement fully with the management line.* Teams sitting outside the line will be seen as an overhead. The improvement initiative should assign tasks to the people who own the resources and budgets rather than taking on the work.
- *Focus short term.* Use "inchstones" – small near milestones – so that people see progress and you can arrest slippage early.
- *Use high visibility simple reporting.* Choose one basic metric for change (closure of actions or removal of gaps). Exploit competitiveness of top managers by reporting failures as well as successes. Enable management by exception: "better than not managing at all".
- *Get top managers on the record.* Public commitment to the improvement initiative is hard to revoke.
- *Build a coalition for change.* Allies used

by successful improvement initiatives included internal audit (compliance is always a must do), non executive directors and customers

Proving the initiative is succeeding

- *Focus on a vital few measures.* Invest the time in establishing the baseline, so that improvement can be demonstrated. The easiest and most meaningful measures are cost reduction, predictability (on time, to budget) and customer satisfaction.
- *Report the small steps.* Each week, set out a sample of the incremental business improvements made. This reminds people that each change is bettering the organisation.
- *Fix problems quickly.* Avoid tackling the biggest issues first unless you are sure you can fix them. Focus on the easy and obvious. Sort something that people complain about.
- *Don't get hung up on isolating the impact of improvement on better performance (causation).* Be content to prove association. When you get results everyone will claim credit and that's great.

Conclusion

When asked to justify improvement initiatives, the best CIO I ever worked for would say "happiness is a good thing". He meant "it's so obvious, you shouldn't ask the question". That was in 2006. In 2009 the way to deliver change that works is:

- get the improvement initiative approved by showing that change is core not overhead.
- keep the improvement initiative going through assertive and politically astute management.
- prove that the initiative is succeeding early and continuously.

Those IT functions that succeed will emerge from the recession with improved capability and position their organisations to thrive. Those IT organisations that fail will cause the organisation to miss opportunity when the recession is over.

**The full results of the workshop are published online in a practical checklist that can be used to review a planned or live improvement initiative.*

This article was developed by a workshop held at the 2009 CMMI Made Practical conference. One of the ingredients of the success was that participants built upon each others' ideas and used constructive challenge to elicit more insights. The workshop's whole was therefore greater than the sum of its high calibre parts.

Frank has mobilised, driven and delivered business improvement programmes in challenging environments. His talent is supporting highly pressurised/politicised organisations make the move from fire-fighting to managing delivery through "just enough" robust, pragmatic process. Frank is a proven senior manager who builds cost effective, disciplined and effective teams. Frank can be contacted on frank.johnstone@lamri.com