



Who Moved the Finish Line?

Redefining Readiness in a World Obsessed with Go-Live



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Ready. Or Not.

It's easy to get excited about go-live after slogging away for months on a major technology or compliance project. However, getting systems and controls in place is only half the race. Real effectiveness depends on whether your company is ready to deal with the changes and adopt them as "the way we do things around here".

Are your people committed to using the new systems and processes? Do they understand how to do their jobs using the new systems and processes? Do they have the appropriate skills? Has your organisational structure been appropriately adjusted? Do incentives align with the new direction? Are labour unions and works councils on board?

Handling these types of issues — what we call organisational readiness — is essential for an effective go-live. But even more important, organisational readiness can provide the foundation you'll need for sustained improvement long



after the project is complete. Companies that focus on systems and procedures at the expense of readiness generally set themselves up to fail.

This booklet offers time-tested techniques to help companies prepare for change and increase the value of their investments in technology and compliance.

When the pace and volume of change are too high, people apply their own priorities in deciding what to do.

What's in the Way?

Resistance to change can be the most significant hurdle to deploying a new system or implementing a new compliance programme. But in most cases, people aren't actively opposed to changing — they just don't have the time or capacity to change. That's particularly true for companies that are being bombarded with change (and these days, who isn't?). When the pace and

volume of change are too high, people apply their own priorities in deciding what to do. And, their decisions don't always align with the priorities of the company.

To overcome this resistance, it's important to know where it is and what is causing it. But, that may not be as simple as it sounds. Employees might complain openly to their friends and family, but they tend to keep quiet when the boss is around. A change readiness assessment can help senior management see what's really going on. It can provide objective data about the barriers to

change, including which stakeholder groups are most resistant to change, what their specific



concerns are, and how those concerns can be addressed. It also can provide a quantitative measure that can be used to monitor readiness and alignment over time, helping a change initiative shed the image of being "soft and fluffy" and transforming it into something as tangible as system configuration or testing.

Gathering this insight can help executives and project champions understand the change barriers they are most likely to encounter, then arms them with the knowledge to lead effectively. It also can help them allocate the appropriate amount of time, money, and resources to effectively achieve organisational readiness.

Effective change doesn't happen by accident. It requires a focused and deliberate effort.

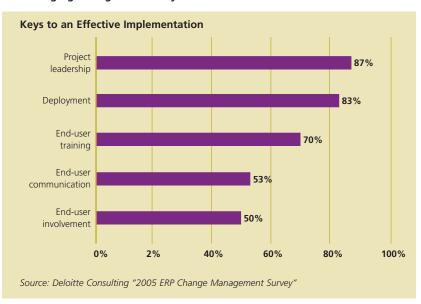
Effective Practices

Dig deeper. Identify employee issues and concerns, then tailor your efforts to address their unique needs. Don't assume you know what their issues will be. Simply asking helps to build support and credibility.

Use capacity planning. No matter how important your project might seem, remember that employees have "real jobs" and their time is limited. Acknowledge this reality when establishing new initiatives and priorities. Help your project get the attention and effort it needs.

Look outside. Many companies focus all their attention on employees, whilst keeping other key stakeholders — customers, suppliers, investors, and analysts — more or less in the dark. These outsiders can have a big impact on the final outcome and deserve a significant amount of attention.

Managing Change Effectively



Effective change doesn't happen by accident. It requires a focused and deliberate effort. A recent Deloitte Consulting LLP (Deloitte Consulting) survey of companies that had completed ERP implementations found that the two most important factors for an effective implementation are direct involvement from project leadership and a strong focus on deployment (rather than on technical development).

Today, more and more organisations are recognising that people readiness is the key to project effectiveness.

The Heart of Change

In addition to tools and methodologies — the tactical components of change — it's important to have a strategic view of what it takes to affect change. *The Heart of Change*, written by Deloitte Consulting Principal Dan S. Cohen and Harvard Professor John Kotter, provides this guiding, strategic view.

The Heart of Change provides a conceptual framework that emphasises creating and sustaining a sense of urgency around the desired change. This framework contains eight steps:

- 1. Increase Urgency
- 2. Build Guiding Teams
- 3. Get the Vision Right
- 4. Communicate for Buy-In
- 5. Enable Action
- 6. Create Short-Term Wins
- 7. Don't Let Up
- 8. Make It Stick



Until recently, many companies largely ignored these steps. In the years surrounding the Y2K crisis, the top priority was speed to completion. Project teams focused all their efforts on technical issues and go-live dates and assumed the "people stuff" would just fall into place. It rarely did.

Today, more and more companies are recognising that people readiness is the key to project effectiveness — particularly as the war for scarce talent heats up. *The Heart of Change* helps companies focus on the most important issues the first time by providing a set of practical yet sophisticated tools for change readiness assessment, role-to-position mapping, rewards alignment, and more. These tools can help enable project teams to address organisational readiness and people issues without losing focus on technical go-live.

Choose an approach that can accommodate different regions, personalities, and cultures.

One Size Fits None.

Every company faces unique challenges, which means the "right" approach to organisational readiness varies from one situation to the next. Companies in different geographic regions have different cultural norms and behaviours. So do companies of different sizes or in different industries. There can even be variations within a single company, especially in large global companies

composed of smaller, relatively autonomous local companies operating under a common brand.

Employees with different types of responsibilities can also react to change in different ways. For example, sales personnel and IT personnel often don't respond to the same motivators. In our experience, sales personnel generally don't like top-down imperatives, but respond well to competitive challenges and results-based incentives. IT personnel generally prefer a less competitive focus, with a greater emphasis on how their individual efforts contribute to team effectiveness.

An approach that can accommodate all these diverse requirements is a critical first step on the path to organisational readiness.



Effective Practices

Be flexible (and scalable). Choose an approach that can accommodate different regions, personalities, and cultures — and that can scale to handle everything from small, local projects to global implementations.

Don't reinvent the wheel. Being flexible doesn't mean starting every project from scratch. Because organisational readiness is generally a critical part of every technology implementation and compliance project, it should be built into the tools and methodology. Start with a structured, time-tested approach — then customise from there.

Be sure to allocate enough time and money for translation and localisation of critical documents and communication.

Adapting to Regional and Cultural Differences

Different countries and cultures can require different approaches for managing change.

For starters, there's the language issue. Although English is emerging as the universal language of business, most people still prefer to communicate in their native tongue — particularly for sensitive subjects related to transformation and change. It's not just a matter of comprehension; it's a matter of respect. Users in some countries are more sensitive than others, but nearly everyone appreciates it when you make the extra effort to accommodate their local language. Be sure to allocate enough time and money for translation and localisation of critical documents and communication.

Different cultures also can have different ways of communicating. For example, in the United States, e-mail is an effective way to reach people — in many cases, even at night and on weekends. But in our experience that's not the case in many other countries. In Japan, text messages on mobile phones often work most effectively for quick updates. And in South Africa, cultural norms and technology limitations often make face-to-face communication the most effective way to go.

Of course, communication issues aren't the only cultural differences that matter. Others include local holidays and customs, local infrastructure, and local business practices. For example, many U.S.-based companies have made the mistake of trying to schedule a major project milestone during August, when most of their European employees are on holiday. They have also underestimated the impact of European labour unions and works councils.

Failing to account for these regional and cultural differences can make a tough challenge even tougher.

Clearly articulate the reasons for change, and don't be afraid to over-communicate.

Driving Change in the Public Sector

There are two types of public sector projects. Internal projects are largely invisible to the public and can be managed with the standard techniques described throughout this book. External projects, on the other hand, are likely to receive intense scrutiny from the public and media and require special handling. We believe the following actions are key to effective change:

- 1. Tell your side of the story. Clearly articulate the reasons for change, and don't be afraid to over-communicate. Target key public interest groups and media channels, and be sure they understand the project and why it is needed. People get anxious when they are kept in the dark.
- **2. Don't oversell.** Set realistic expectations about cost, timeline, service levels, and possible service disruptions then strive to over-deliver.
- 3. Educate, educate, educate. Be absolutely certain your people are ready to go-live and to face the public. That wasn't the case when the U.S. federal government recently revised its Medicare prescription programmes, and the result was widespread confusion and chaos.

Most public sector projects are implemented to improve products and services "for the good of the people", which can raise expectations among constituents and media. Do everything you can to get in front of this challenge, and don't underestimate the need to actively manage change.



Decoding Double Talk			
What You Say	What They Think	What They Really Want to Know	
Mission-critical	Another one? Oh, great.	How does this affect me?	
Create value	More money for rich guys	How does this affect me?	
Improved efficiency	Firing my friends	How does this affect me?	
Better accountability	Keep the boss out of trouble	How does this affect me?	
More transparency	Big Brother is watching	How does this affect me?	
Change is difficult	Another nightmare	How does this affect me?	

Blah, Blah, Blah.

Most leaders understand that communicating internally early and often is critical to an effective change effort. But knowing it's important and doing it effectively are two different things. Because all too often, internal communications are perceived as nothing but corporate double talk that's easy to tune out. In an age when people are deluged with more information than they can handle, they delete voicemail messages after listening to just the first few seconds. And they treat broadcast e-mails like spam.

To rise above the noise, treat project communications like a marketing campaign. Identify the needs and preferences of your audience segment. Deliver a powerful stream of targeted messages that increase awareness and stimulate interest. Engage people in an ongoing dialogue. And solicit feedback to measure and improve the programme's effectiveness.

Effective Practices

Fill a need. The starting point for effective communication is to focus on what the audience wants to know — not what you want to say. Segment the audience based on their issues and concerns, and then deliver targeted messages that address their specific needs.

Get to the point. Assume most readers will only glance at the material. Format messages so the key points are impossible to miss. Provide the essential information up front. (Imagine that people will be viewing the message on a BlackBerry or mobile phone, because many will be doing just that.)

Repeat and reuse key messages. People raised in an era of video games and 15-second TV ads often have a very short attention span. Leaders need to repeat key messages across a variety of times, settings, locations, and media.

Require action. Active participation increases retention. So give people something to do — even if it's just answering a question or providing an opinion.

Say it straight. The business world is plagued by jargon and double talk. Don't make your audience the next victim. (See chart on page 18.)

If you don't get the managers on board, nothing will likely stick with the employees.

With Them. Not to Them.

Communication is important. But the real key to building support is getting people *involved*. This is particularly true for middle managers, who lack the authority to dictate project direction, yet must convince their employees to go along with the changes. If you don't get the managers on board, nothing will likely stick with the employees.

Involvement can take many forms, from interviews and focus groups to review committees, internal change "networks", and direct participation on the project team. Also, we have found that a hands-on pilot test or demonstration can be used effectively to build excitement. These interactive sessions can generate valuable feedback to help improve the final product, and also can give people a glimpse of their future — which is something everyone is interested in.

Widespread involvement generally produces two key benefits. First, it can give you access to the company's full range of knowledge, skills, and experience. Second, it can give people a sense of personal ownership — making the project seem like something they are doing, instead of something being done to them. The result can be a broad base of employees committed to driving the project forward.

Effective Practices

Lead from the top. Organisational readiness requires visible and sustained support from the top. Senior executives should show strong support for the improvement effort through their everyday words and actions. And they can't let up, particularly when the initial excitement starts to wane. Similarly, board members who are being briefed on a project should ask pointed questions about people issues and organisational readiness, rather than settling for the usual updates on budgets and technical milestones.

Influence the influencers. Engage "super users" from the outset by getting them involved in system and process design, training development and delivery, and organisational readiness. Have them champion the project within their respective business areas as part of the company's "change network". Super users and early adopters can be a trusted and valuable resource to help others in the company overcome their own resistance to change.

One key to effectiveness is finding creative ways to get employees involved and engaged.

Assemble the "A" team. Many companies staff their improvement projects with people who are sitting on the bench. That's a sure-fire recipe for disappointment. Consult with senior executives to identify the most effective players for the team. Then work with Human Resources to develop programmes and incentives that will help attract and retain them.

Deploying a Clinical Information System (CIS)

When your users make daily decisions about life and death, it can be difficult to get their attention for other things. That's one reason implementing a Clinical Information System in a hospital is such a significant challenge. Manual processes are still very common on the clinical side of the health care industry, largely because doctors and nurses haven't had the time or technology to help automate them.

Helping doctors change can be a real challenge because they are autonomous specialists used to doing things their own way. If a new system doesn't suit their work style, they can simply refuse to use it. Yet they generally don't have time to help with system design. One way around this paradox is through short "design appointments". These 10- to 20-minute sessions are generally easier to schedule and can usually fit smoothly into the daily work flow, so they don't seem like an interruption. And because doctors are used to making quick and accurate decisions, they can often provide a lot of useful input in a very short time.

With nurses, one of the main challenges is training. In most clinics, nurses are in desperately short supply, making it virtually impossible to pull them off their jobs to get trained. In our experience, the most effective way around this problem is to provide only minimal formal training, and then to allocate extra resources for on-the-job support after implementation.

Every business environment presents unique challenges and change barriers. One key to effectiveness is finding creative ways to get employees involved and engaged. When it comes to changing behaviour, even simple things can be surprisingly difficult.

Strength Training

Companies that focus on technical readiness tend to put a lot of faith in procedures and systems. Yet noticeable improvements can be achieved only by changing the way people behave. No amount of documentation and technology will make any difference unless people actually change what they do.

We have found that changing the way people behave involves five steps:

- **1.** Provide **training** so they know what to do and how to do it
- **2.** Define **roles and access rights** so they can do what they are supposed to do
- **3.** Establish **performance measures** so they know exactly what is expected
- **4.** Monitor **progress and results** so they don't go back to the old way
- **5.** Offer **incentives and rewards** when they do things correctly



When it comes to changing behaviour, even simple things can be surprisingly difficult. For example, a significant challenge for any system deployment is figuring out the appropriate access rights for each user. Fortunately, automated tools have been created to keep track of shifting roles and access rights, thereby providing for a smooth transition without a breach of controls and security or a dip in productivity.

One of the main ways to shape behaviour is through training — and there are two kinds that matter most. "Launch" training focuses on the basic skills and knowledge employees will need to operate in the new environment. "Post go-live" training is a longer-term programme that focuses on more sophisticated techniques and less common transactions. Launch training requires examples, simulations, exercises, and discussions and should be delivered just in time. Post go-live training requires deep knowledge and insights from super users and project champions and should be continuously delivered and reinforced.

We have found that active, hands-on participation with immediate feedback is a very effective way to learn.

Effective Practices

Think long term. Training isn't a one-time task to check off your to-do list — it's a prime opportunity to improve long-term efficiency, performance, and competitiveness. Strive for skill development and behavioural change, not just "how to" knowledge. Develop a long-term plan to accommodate new users, job transfers, upgrades, and ongoing improvement.

Target your audience. Training should be practical and targeted to the needs of each group of users (functions, departments, levels, sites, etc.).

Learn by doing. We have found that active, hands-on participation with immediate feedback is a very effective way to learn. Demonstrate the new systems and processes in action, using real data and real-life situations that everyone can relate to

Mix and match. Supplement traditional employee training with other techniques such as e-learning and podcasting, creating a blended approach that improves learning whilst reducing costs.



Consolidate your knowledge, skills, and experience. Increase efficiency and continuous improvement by establishing competency centers and centers of excellence that centralise your company's resources with specialised knowledge, skills, and experience to create critical mass and economies of scale

To change employee behaviour and discourage misconduct, companies should also consider an ongoing education programme to help keep the issue in the spotlight.

Beyond Compliance

Accounting scandals and other cases of corporate misconduct have been grabbing headlines in recent years, prompting regulators to dial up the pressure on ethics and compliance. Improved systems, processes, and internal controls can help keep illegal or unethical activity in check. But ultimately, people and behaviour are at the heart of the challenge.

There are generally two ways to approach regulatory adoption and compliance. One is to meet the letter of the law. The other is to meet the letter and *intent* of the law. The first approach might satisfy regulators, but it doesn't do much to improve performance and can leave the company dangerously exposed to misconduct. The second approach can change the company's behaviour and mindset, leading to sustained improvement with less risk.



For example, Sarbanes-Oxley requires a company to establish procedures for employees to report wrongdoing. An easy way to meet this requirement is to set up a confidential hotline. But simply setting up a hotline doesn't really address the underlying problem. To change employee behaviour and discourage misconduct, companies should also consider an ongoing education programme to help keep the issue in the spotlight. That's one way to help make a lasting impact on reducing long-term risk.

Is Your Company Ready for Readiness?

Here's a quick test to see if your project teams and team leaders are focusing enough attention on organisational readiness. (Check all that apply.)

When project teams report their status, they talk about:		
☐ User acceptance	☐ User preparedness	
☐ Broadcast communications	☐ Personalized communications	
☐ Project structure and governance	☐ Clear support from the top	
☐ System development milestones	☐ People development milestones	
☐ Project team challenges	☐ Employee and business partner	
☐ Application interfaces and	challenges	
technical dependencies	☐ People relationships	
☐ Required changes to systems,	Required changes to organisa-	
processes, forms, etc.	tional structures and skills	
☐ Basic "launch" training	☐ Ongoing education programmes	
☐ Project budgets and business	☐ Sustained improvement and	
cases	performance	
☐ "Pushing" solutions onto the	☐ Involving people in all aspects	
company	of the project	
☐ Site readiness and technical infrastructure	☐ Organisational readiness	
imastructure		

If you checked roughly the same number of boxes in each column, congratulations — you're ahead of the curve. But if your answers are heavily skewed to the left, watch out. You might not be as ready as you think.

In today's world, there is no finish line. And there's no such thing as *done*.

Life After Go-Live

Whilst organisational readiness is the one of the keys to an effective go-live, it isn't the end of the race. Because in today's world, there is no finish line. And there's no such thing as *done*. Stop running and you're dead.

A new system or compliance programme can give you an edge today, but what about tomorrow? To stay ahead, your performance should continue

to improve — using current improvements to drive future improvements. And the only way to do that is by creating a company that is ready and willing to change.

In the recent survey of companies that had implemented ERP, conducted by Deloitte Consulting, more than 75 percent defined "success" as "delivering on time, on budget, and meeting business objectives". These are important goals, but there's one thing missing — namely, the need for continuous improvement. An initial go-live date should be viewed as just the first of many, with each subsequent go-live delivering incremental improvements to people, processes, and



systems. Companies that treat go-live as a one-time event are missing out on a prime opportunity to boost their long-term value and results.

¹ Deloitte Consulting, "2005 ERP Change Management Survey"

Employees tend to be more receptive to changes during the roll-out of a new system or compliance programme. The way people issues are handled as part of a big improvement initiative sets a clear tone for the future. In fact, these types of projects can provide an effective opportunity to introduce new HR programmes and practices that can help sustain organisational adoption and change. Employees tend to be more receptive to such changes during the roll-out of a new system or compliance programme, because they are already expecting things to be different. Specific methods include:

- New roles and responsibilities
- New approaches to hiring, retention, and development
- Rewards, incentives, and promotions that align with new business objectives
- Continuous training and support through employee portals and corporate universities

Getting a system or compliance programme ready for go-live is only half the challenge — and it's generally the easy half. The bigger challenge is getting the company's employees ready for change, then using the changes as a springboard to future improvement. That's the real key to sustained performance and effectiveness.



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CHRO Strategist and Steward

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