

# MANAGING CHANGE DURING UNCERTAINTY

Learn why human-centric strategies are key for managing change and navigating uncertainty



## Inside:

- > Why successful change management supports business growth
- > The importance of creating a solid change management strategy to support new processes and technology
- > How putting the focus on change champions is essential to successful change management

Brought to you by

For the past two years, change management has been the top methodology businesses invest in to support their operational excellence projects, according to both PEX Network's annual state-of-the-industry surveys it topped. Some 57 per cent of respondents cited change management as their top methodology in *PEX Report 2020*, with 56 per cent doing so in *PEX Report 2021*.

While change management is a constant requirement for organizations undergoing transformation, the Covid-19 pandemic has highlighted its importance for businesses dealing with sudden change. Many businesses that were not prepared to send their employees home had to reengineer internal processes to ensure business continuity and maintain deliveries to customers in the remote-working era. To navigate another year full of uncertainty surrounding vaccine effectiveness and potential hybrid work models, successfully managing change will allow organizations to remain competitive and support growth.

Through management buy-in, the empowerment of change champions throughout an organization and the use of technology, organizations will be able to adapt to sudden disruption for years to come.

This exclusive PEX Network report features insights from experts at Telia Company, Carglass Belux and Equilibrium Financial Planning on how critical change management has been this past year. They also share key recommendations for ensuring success in managing change across an organization and for navigating another year of uncertainty on the employee and customer front. Featuring real-life case studies, this report aims to provide concrete advice for organizations to leverage change management as a key agent in business stability and growth in uncertain times.

## Contents

- 3 Change was a critical asset for organizations to survive in 2020
- 5 Change as a support strategy for business growth in uncertain times
- 7 Effective change management throughout an organization

**"If you have to manage resistance, you have not communicated, involved and worked with the proposed change well enough."**

**Jonas Hernkrantz**

Head of change management at Telia Company



# Change was a critical asset for organizations to survive in 2020

Transforming proved essential for organizations in 2020, as demonstrated by PEX Network's global annual state-of-the-industry survey in which digital transformation was the top solution respondents were looking to invest in (44 per cent). Organizations primarily saw their business transformation strategy as being the optimization of internal processes on the departmental or business-unit level, followed by enterprise-wide business reengineering for operational and customer excellence.

To succeed in their transformation initiatives, businesses put change management at the forefront of their strategies. In PEX Network's survey, the top two types of process improvement work that were the focus of respondents' business transformation programs were creating a culture of transformation (36 per cent) and a change management strategy (35 per cent).

As [Aimee Reid](#), a global organizational change management expert boasting more than 15 years of experience in the industry explains, managing change in 2020 was essential for organizations to address immediate changes and stay nimble and responsive to employee and client needs.

"Managing change means recognizing the impact of changes on employees, stakeholders and clients, and more systematically understanding it in order to put together programs to address them," she says.

A number of large companies have created remote-work policies as a direct result of the pandemic. Japanese IT giant Fujitsu launched a permanent remote-working plan for 80,000 of its employees based in Japan in July 2020. The plan encompasses a hot-desking system to achieve a "borderless office" vision, along with a culture change program to equip the workforce with one-to-one communication skills training and enhanced support.

Meanwhile, German industrial conglomerate Siemens launched its "new normal" working model, which allows employees to work remotely two or three days every week on a permanent basis. Roland Busch, deputy CEO and labor director said in July 2020 that the basis for this new working model is the further development of its corporate culture. Busch added that "these changes will also be associated with a different leadership style, one that focuses on outcomes rather than on time spent at the office".



At Swedish multinational telecommunications business and mobile network Telia Company, the pandemic and subsequent forced remote-work model has not negatively affected the overall efficiency and productivity of the workforce. It has even helped the organization move forward in its digital journey, as its head of change management Jonas Hernkrantz who works closely with the company's leadership group development, explains.

**"Managing change means recognizing the impact of changes on employees, stakeholders and clients, and more systematically understanding it in order to put together programs to address them."**

**Aimee Reid**

Global organizational change management expert

"We have been doing projects we did not think we were going to do virtually," Hernkrantz says. "We are currently finishing the pilot of an entirely virtual new leadership program, which would not have been done had the pandemic not happened."

As for managing the remote workforce, collaboration tools have proven to work well, ensuring employees feel connected virtually and can continue business-as-usual.

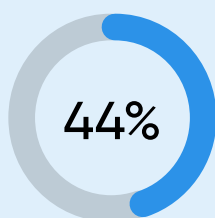
"Where we are now and where people are struggling due to the pandemic is the actual meeting between people, feeling the connection with others and knowing they are part of something greater," Hernkrantz asserts. "At Telia, we try and use these tools as innovatively as we can and we try to make work feel more human, as if we were in a room together."

The pandemic highlighted the value that change experts bring to organizations as they undergo process changes or implement new tools, according to Reid.

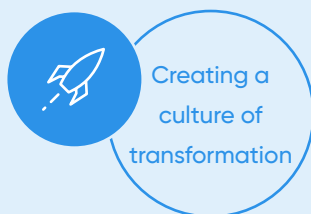
"With the pandemic causing changes to trickle down on the processes and tools utilized, the change management industry is getting some recognition for a need that has always been there," Reid says. "Organizations have relied on professionals and their expertise more so in the past year than ever before, and they will remain key advisors going forward."

A lot of uncertainty and changes in work and customer behaviors are expected to happen throughout 2021 and in future years as a result of the pandemic. The next section of this report looks at how change management can support business growth.

### PEX Network's research findings



of organizations surveyed picked digital transformation as the top solution to invest in



were the top two types of process improvement work organizations surveyed focused on



SOURCE: PEX Network, 2021 State of the Industry Survey for OPEX and Business Transformation, 2020

# Change as a support strategy for business growth in uncertain times

5

While vaccination campaigns are underway in many countries, new Covid-19 variants and economic concerns mean 2021 is set to be another year of uncertainty for businesses across the globe.

In many industries, it is difficult to see workforces return to the office for five days a week. Even if employees can go back, they might now expect more flexibility in their work life within a hybrid work. In PEX Network's *Trends in Process Excellence 2021* report, experts discussed the importance for businesses to re-think their strategy around remote working. They should discover ways to optimize remote work and the office of real estate together in their daily operations in a hybrid work model.

It is expected that the remote-working culture will also change expectations around employee productivity and the traditional work day in the long term.

Telia Company's Hernkrantz explains: "I think people will prefer to stay in a hybrid model once the acute situation of the pandemic is over and we are allowed to return to the office. I believe the office will be more used for human connection, customer meetings and workshops, whereas traditional work will be better done from home, with knock-off benefits such as not having to commute, environmental concerns, time spent in transit and the work-life balance."

The pandemic has also cast doubt on changing customer behaviors, needs and expectations as a result of the pandemic. After a year of changing lockdown measures and switching between digital channels and going to brick-and-mortar branches to interact with organizations, no one really knows how the post-pandemic consumer and customer behaviors will evolve.

Experts in PEX Network's *Trends in Process Excellence 2021* report recommended conducting outcome-driven experiments with consumer behavior needs, and adapting their offerings as rapidly as possible through agile methodologies and customer-centric design thinking, while managing the change within organizations.

To manage this, a strong focus on processes is needed to structure such endeavors and maintain reliable customer service. When UK-based wealth management firm *Equilibrium Financial Planning's* client base reached more than 1,200 managed accounts, the organization was quick to recognize the need for structured processes. The various approaches used by the organization's multiple financial advisors created the risk of an inconsistent customer service and costly mistakes, and the business needed to ensure the maintenance of its customer delivery.

Toby Ellington, head of systems and processes at the firm, explains: "We are heavily regulated and we have found that mistakes made through poor understanding of processes can cost the business a lot of money."

The company needed to document its processes to ensure they were managed appropriately and executed accurately. It required a business process management tool that would allow for the efficient control, managing and reviewing of processes that was adapted to the work styles of the financial advisor team. Equilibrium Financial Planning selected Nintex Promapp®, a business process management and mapping tool, which allowed the team to view processes in a visual and detailed outline format. This format created initial interest and helped the tool's adoption across the company.

Since adopting the tool, the business has mapped nearly 300 processes with more than 200 published and in use. The process mapping tool has been widely adopted across the firm, improving in turn the client onboarding process and document management, while allowing for faster response times through increased communication across the company.

Through a strong focus on processes and outcome-driven experiments, organizations will be able to ensure business continuity, maintain customer delivery and even achieve growth in a year of uncertainty. The next section of this report will offer expert recommendations on the approach to take to ensure successful change management.

# PEX REPORT 2021



Capitalizing on change and innovation  
in an altered business environment

## Featuring:

- › Exclusive results and experts' commentary from the annual global state of process excellence survey
- › Coca-Cola European Partners' journey to process standardization
- › Hitachi Vantara's approach to business process excellence
- › LEGO's view on the current state of operational excellence
- › How continuous improvement is facilitating innovation at Maersk
- › Why HEXPOL embraced data-driven continuous improvement

DOWNLOAD HERE



# Effective change management throughout an organization

A change management strategy is key for success when it comes to involving new processes or implementing a new system or technology, even if it might change as it is implemented.

Reid explains: "Even in times of quick movement and deadlines that need to be addressed, having a solid fundamental change strategy involving oftentimes detailed communication and a training strategy is key."

Making sure that relevant stakeholders are engaging in the strategy and plan is essential, as they will provide the necessary feedback loop and input. While management buy-in is necessary, having change champion networks across the organization is key, Reid notes.

"Dedicated change individuals are the closest to the business, they really understand the needs and priorities and they provide necessary connection, support and feedback," she adds.

Telia Company's Hernkrantz also sees people as key to successful change management and believes organizations need to "work as much as they can with

individuals". His team has placed a lot of its focus on growing self-leaders across the entire organization, who are individuals leading themselves toward their own objectives, adding in turn to the success of the business. The telecommunications company defines self-leadership as "having a developed sense of who you are, what you can do and where you are going, and the ability to influence your communication, emotions and behavior". The organization has training sessions and room for reflection when it comes to self-leadership for professionals to know themselves better: who they are, where their values comes from, their purposes and how it aligns to the company's purpose.

"It is a way to create a more positive drive from below because the old way of working with change management, managing resistance, is all wrong," Hernkrantz says. "If you have to manage resistance, you have not communicated, involved and worked with the proposed change well enough."

His team puts a key focus on psychological safety which he believes is the essential pre-requisite for change management.

"I think people will prefer to stay in a hybrid model once the acute situation of the pandemic is over and we're allowed to return to the office."

**Jonas Hernkrantz**

Head of change management at Telia Company



"People need to feel safe to speak up and feel that they can be themselves," he remarks. "It will get you so far and is, in my opinion, one of the absolute vital ingredients of managing change."

Hernkrantz says he believes self-organization is the way forward through ensuring psychological safety and putting the emphasis on the individuals.

"We do not only need to empower people," he notes. "We need to distribute the leadership to the people and do whatever it takes for them to figure out themselves."

Throughout the roll out of the change management strategy, conducting surveys with employees is important. These can evaluate the potential effects of change before it happens; for example, when new processes or systems are being implemented. They can also be conducted post-change to discover how employees have adapted and how the systems are being used. To quantitatively measure the effects of change, KPIs and OKRs should be put in place. Technology that allows for organization-wide understanding of processes can also help show the value of change and even improve employee experience.

**"Dedicated change individuals are the closest to the business, they really understand the needs and priorities, and they provide necessary connection, support and feedback."**

### **Aimee Reid**

Global organizational change management expert

To further support the growth of Carglass Belux, the organization wanted to improve the speed to market for products and services and enable agile process innovation. Stefaan Hermans, the IT and digital technology director at the company decided along with the chief financial officer and the organization's steering

committee to create one internal platform to achieve its goal. It needed to have a simultaneous top-down and bottom-up structure to manage business processes, centralize the organization's knowledge and bring total transparency to the customer journey.

The initial reaction to the project and new process-related demands following the launch of Mavim's platform Window on Processes (WoP) was one of doubt across the company.

Hermans explains: "This was due to previous attempts where employees were asked to deliver significant amounts of documentation without ever seeing the fruits of their labors managed centrally."

WoP fully documented all customer touchpoints, installing an organization-wide transformation structure that included the IT landscape, legislation and compliance, and people's roles and responsibilities. This prompted some employees to spontaneously apply for the role of business process analyst and even hesitant stakeholders gave positive feedback on the platform.

Processes also drove compliance, and the company developed a new ISO approach with a continuously updated ISO book containing the most recent information.

"That makes it no longer necessary to put in extra effort when preparing for an audit," notes Hermans. "The reason we were able to gain momentum is that the results were tangible for the whole organization."

As a result of the platform implementation, new projects and implementations can now be based on up-to-date processes that do not have to be documented, helping Carglass Belux save 10 per cent on the cost of any major implementation.

Hermans says: "What I was able to achieve within Carglass can provide a roadmap for other chief information officers (CIO) to achieve the desired level of impact and visibility within the organization. This visibility has in turn generated positive business outcomes



for Carglass as IT is able to take its rightful place as a business partner. If the CIO can realize process transparency, it will be a solid basis for ERP, RPA and all other types of digital transformation initiatives.”

At Telia Company, the focus on technology related to change management purposes is on connecting people rather than systems and creating interactions that are as real as possible.

Telia's Hernkrantz says: “Sharing whiteboards can be useful, for example. Technology is used to allow for personal connections, to make it safe to share fears, ambitions and have a straight dialogue.”

This is motivated by the fact that people overall are more worn out, more depressed and less engaged than ever despite all the novel tools and technologies organizations have access to today. Hernkrantz explains that this has to do with the way leadership and culture

affect employees as businesses are operating with ways of working and scientific management methods that were created a hundred years ago. He believes that self-leadership and self-organization will help companies unleash more engagement and motivation from their employees.

“We need to work in a different way and that can be done with self-organizations and through the support of human-connecting tools,” he says.

In the past year, there has been a lot of recognition to the formal process of change management and, according to Reid, this is a time where people are recognizing the value of change.

“It is not that it has not always been there, I think it is a time where well-run change organizations can shine and remind businesses of their value and importance,” she says.



In the future, she sees the need for organizations to integrate change individuals and teams into project management teams, not just on an ad hoc basis to address projects, implementations or unforeseen issues. "A lot of change individuals are becoming much more integrated in processes and methodologies such as Agile that are used across organizations – this trend is speeding up and I believe we will see that a lot more," Reid remarks.

As demonstrated by this report, many organizations have been able to weather the storm of the pandemic through their approach to change management and a focus on adapting to new ways of working. By implementing the approaches offered by experts in this report – all of which encompass strong change management strategies – a focus on processes and having change champions in place, businesses will be able to overcome unexpected challenges that could arise in the years to come.

### Top three takeaways from this report:



- > A focus on processes and the application of outcome-driven agile methodologies will help organizations maintain customer delivery to customer behaviors and expectations that are expecting to change as a result of the pandemic.
- > Having change champions that advocate for change throughout an organization will allow for the strategy to be fully adopted.
- > To navigate another year of uncertainty, technology that allows for human interactions will be more important than ever.

## About PEX Network

PEX Network is a leading process and operational excellence platform that provides premium content and insight from the world's foremost thought leaders online and across our industry-leading events.

With more than 160,000 members, PEX Network is the largest and most established community of process and operational excellence professionals in the world.

If you are interested in **becoming a PEX Network contributor**, please get in touch with our editor Alice Clochet at [alice@pexnetwork.com](mailto:alice@pexnetwork.com)

If you would like to be **positioned as a thought leader, promoting your offering to PEX Network's extensive database** of process and operational excellence experts and professionals through reports published throughout the year, please get in touch with our head of partnerships Ed Wells at [edward.wells@iqpc.co.uk](mailto:edward.wells@iqpc.co.uk)



@PEXNetwork\_Team



PEX Network