



From Discovery to Successful Implementation

Predicting Organizational Change Preparedness

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Decision Analysis Affinity Group Meeting

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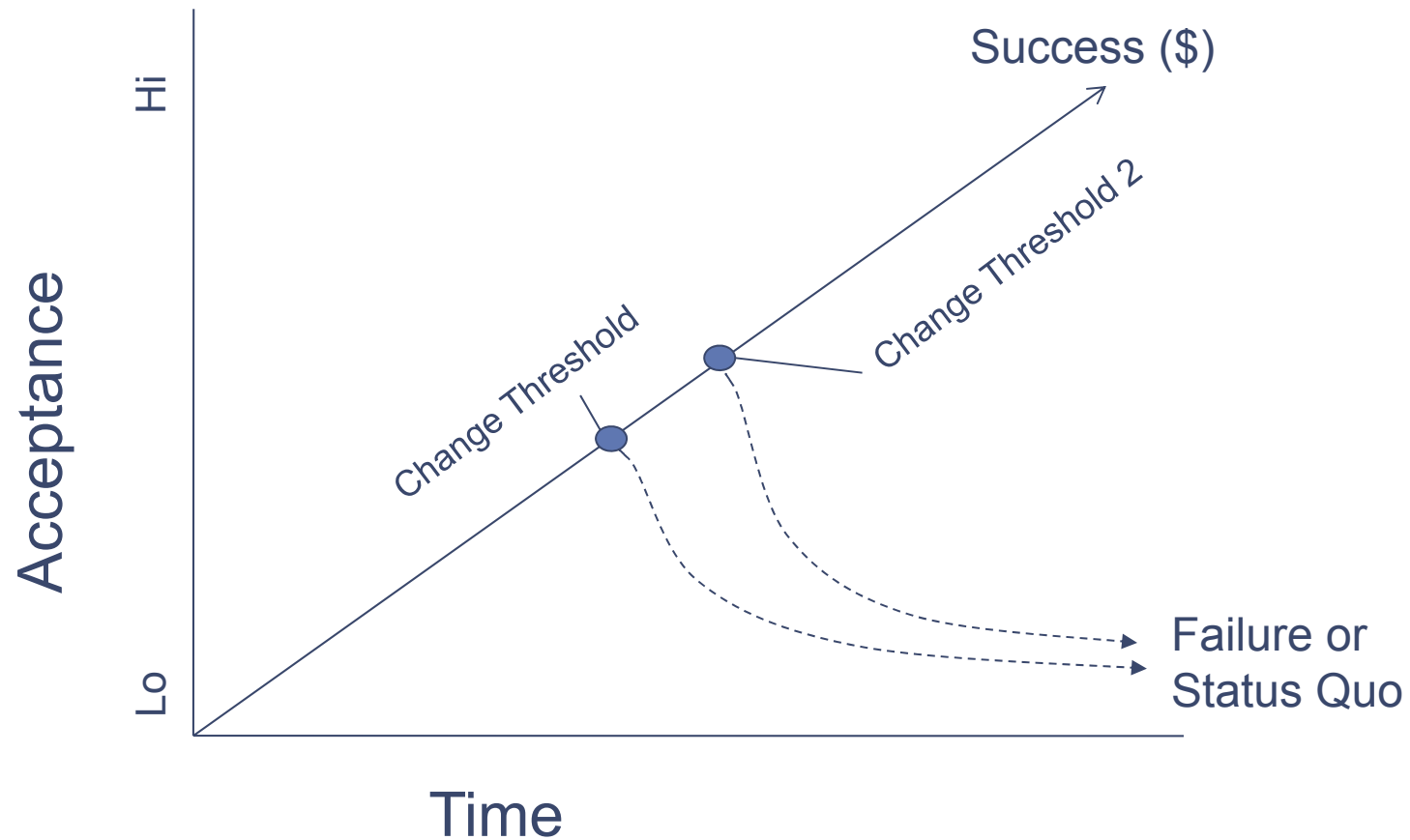
The Problem

- Implementation is the lengthiest part of the DA process
- Failure of strategic implementations is rampant
 - Research shows 70% fail
 - Up to 80% never achieve predicted value
 - Unchanged in 60 yrs - Truly costly in \$ and havoc to people's lives
- Why they fail
 - Little readiness for change; resistance
 - Poor alignment
 - Poor planning
 - Poor change management
 - Etc.

The Problem (cont.)

- Key concept: Change Threshold (a “tipping point” in Gladwell-speak)
- What companies do in response to falling short:
 - Fail
 - Move to the next initiative
 - Keep adding change management
 - Accept less value
- *Can we predict implementation failure/problems in the DA process?*
 - Few documented attempts in the literature
 - No real model of the Key Failure Points (KFPs)

Getting Over the Change Threshold



Change Thresholds

- DA can help clients to *understand, predict & control* the Change Thresholds of their organizations
 - Critical to fully realizing the value of decisions
- How do we accomplish this?
 - *Integrate relevant factors into the decision-making process*
 - Help clients to quantify and understand the Change Threshold of their organizations *prior to strategy selection*
 - Show clients the value of targeted change management (CM) and risks associated with lack of CM
 - Assist clients with implementation and value realization through the use of change management tools and concepts

The DSI Organizational Change Preparedness Index (OCPI)[™]

- 42 KFPs in Implementation; 50 item survey (examples of areas measured below)

Process Characteristics

Aligned Metrics & Rewards

Roles not defined

Organizational Capability

Poor IT

Initiative Overload

Poor Flexibility

Processes in Place

Poor training

Organizational Characteristics

Organizational Flexibility

Too many silos

Transparency & Trust

Few “Go-To” people

Communication Culture

Long term goals not clear

Positive Community

Can't publically express doubt

Organizational Infrastructure

Structure does not match need

Individual Characteristics

Ability to Change

Poor Flexibility

Motivation to Change

“Care horizon” = f(age, time to retirement, etc.)

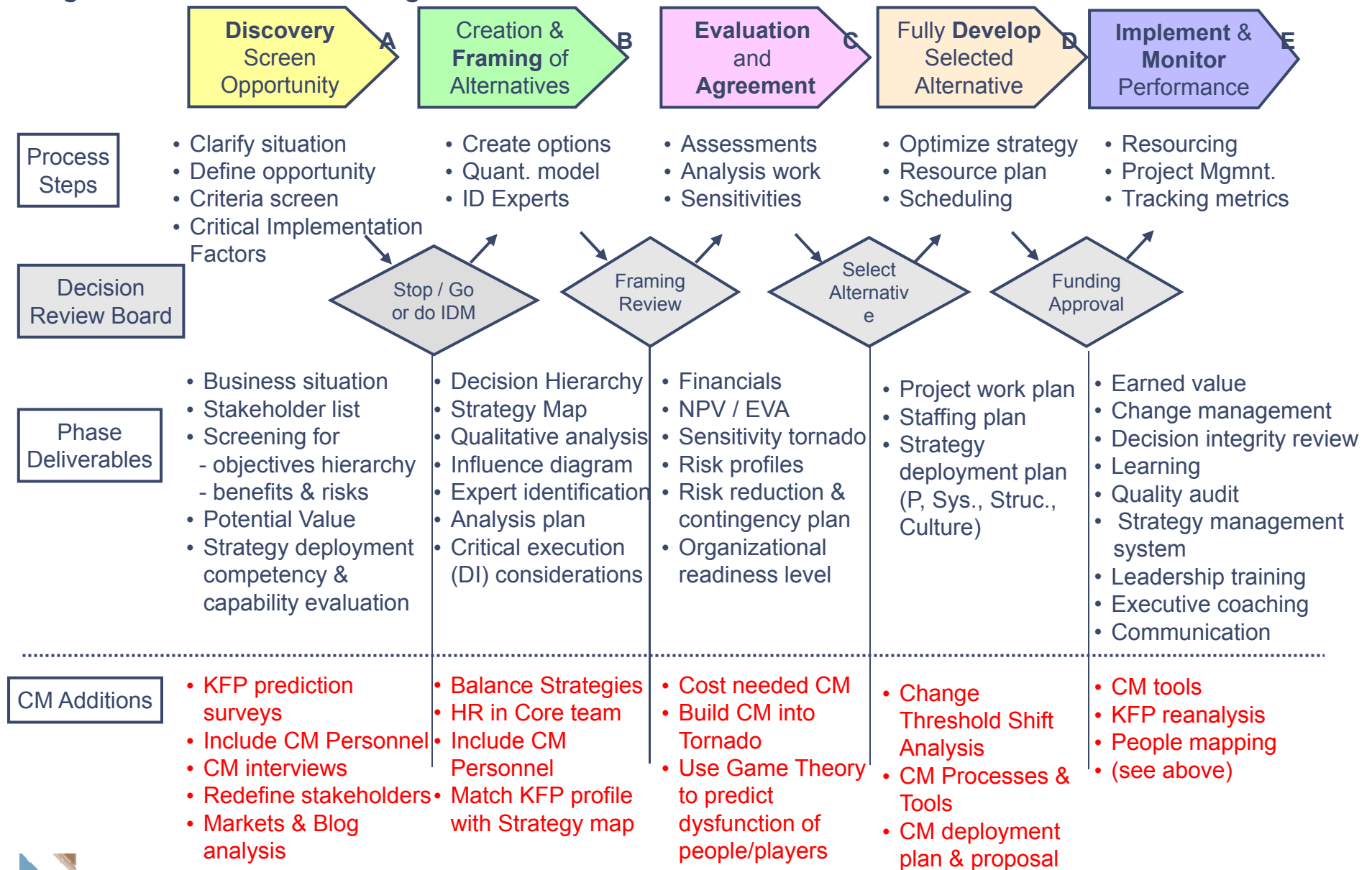


Increasing difficulty of CM

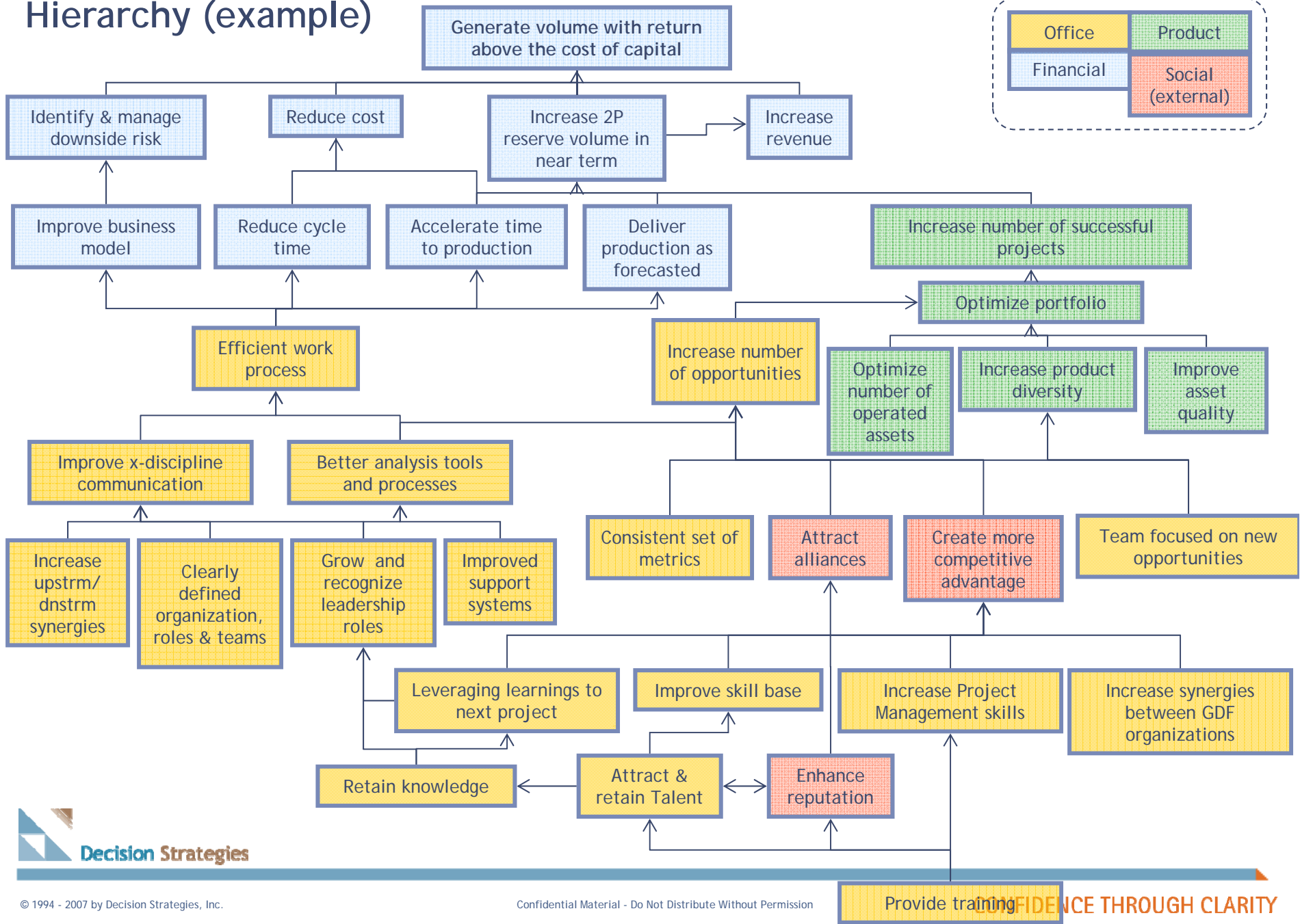
What we're doing

- Measuring the likelihood of implementation success for each strategic alternative
 - Identify key failure points (KFPs) in implementation
 - Develop measurement of KFPs
- Adding to the DA Process
 - Develop methodology to balance strategies in Framing
 - Estimate the value gained by doing targeted CM (value of control) - Add to Framing and Evaluation
- Formatting the components of a targeted CM program
 - Building the capability and tools to apply a highly targeted & effective CM program based on known KFPs

Integrated Decision Management™ Process



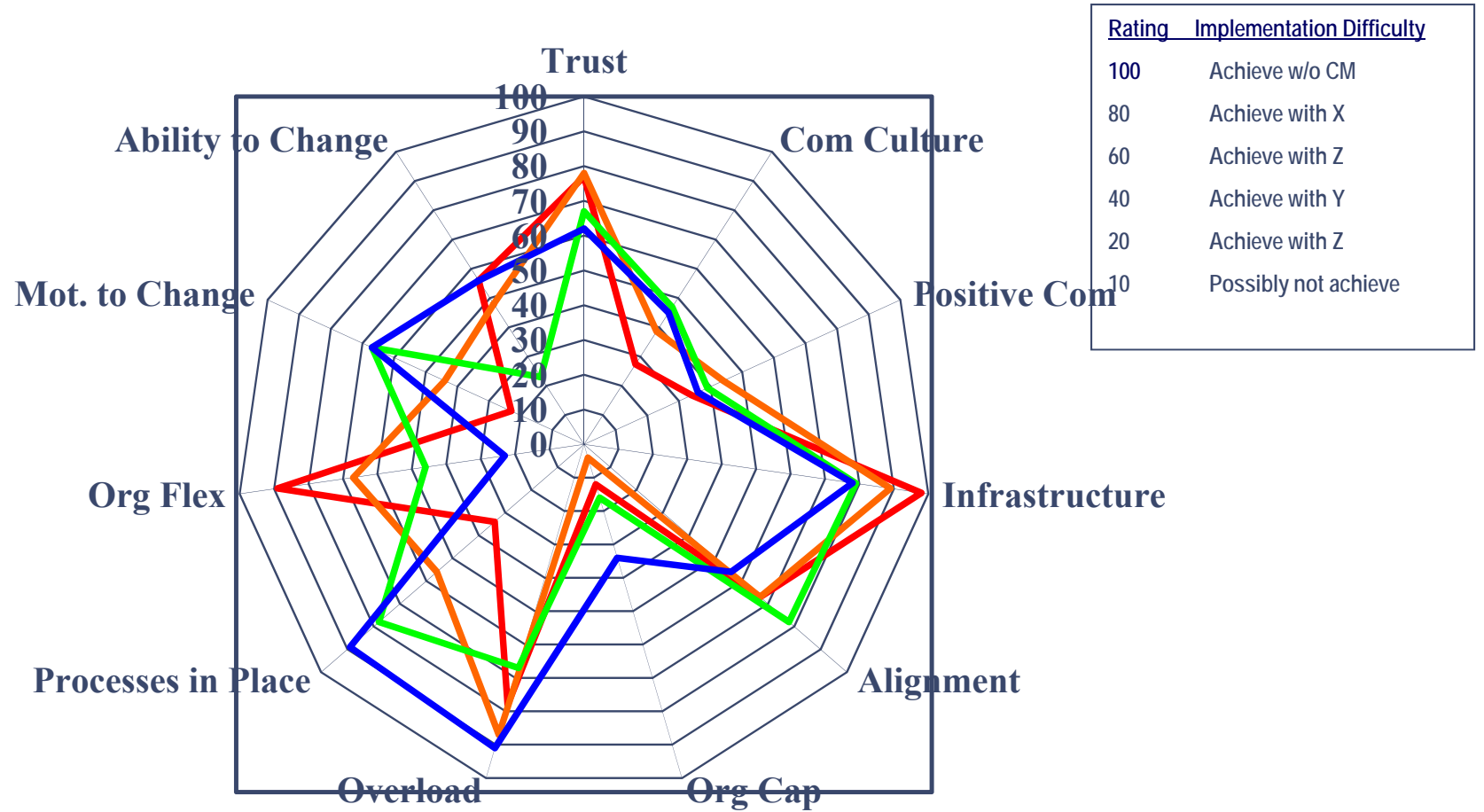
Balanced Objectives Hierarchy (example)



What we're doing (cont.)

- Developing simple, graphic presentation of the organization's key implementation hurdles
 - Radar charts and targeted CM
- The result:
 - Implementation factors are taken into account *as part of DA process*
 - Clear presentation to senior leaders when decision is made
 - Alternative selection includes quantified assessment of probability of implementation success and plans for focused CM
 - Fewer unpleasant surprises at implementation
 - Consultant has the context to build a highly focused CM program

Simple Graphic Presentation



The interface between the OCPI and DA

- Discovery
 - Conduct surveys; identify KFPs
 - Identify objectives vulnerable to KFPs; balance objectives hierarchy
- Framing
 - Include HR personnel in process
 - Incorporate CM decisions into strategies
 - Qualitative evaluation of strategies based on P(success)
- Evaluation
 - Incorporate quantitative survey results into analyses
 - Conduct new surveys, specific to strategies under evaluation?
 - Include CM issues on tornado charts; estimate VoC
 - Modify quantitative evaluations to incorporate CM issues (Game Theory)
- Alternative Development
 - Develop CM plan as part of chosen alternative, including contingency plans
- Implementation
 - Use surveys as monitoring/feedback device; determine if overall Change Threshold is likely to be overcome

Summary: The Current State of Affairs

- The OCPI is in its infancy - first pilot going on now
- The economy isn't helping
- Very few instruments have been developed to bring soft CM issues into the DA process
- *Might there be a CM issue around getting DA practitioners to accept a new concept/tool/approach?*
- Anyone interested in partnering with DSI to perfect this instrument and expand the DA process?
 - Contact Pat Leach at peleach@decisionstrategies.com



Questions?



Decision Strategies

