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**Strategic change: Taking charge
in a complex Federal operating
environment**
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Strategic change

Taking charge in a complex Federal operating environment

Change is constant for Federal government agencies as they operate in an evolving environment with new regulations and laws to implement while working to address the ever-shifting concerns of American citizens. Responses to changes in administrations, regulations, public expectations, talent, and budgets differ, but the same core challenge applies: How can Federal agencies build momentum for change in a highly complex, rapidly evolving operating environment? It begins with leaders. But where do leaders start?

- Leaders should reach agreement on priorities, direction and organizational goals, creating a compelling vision for change.
- Leaders should engage with employees and other stakeholders, listening to their concerns and adopting their input in iterative approach.
- And, leaders should keep their plans on the front burner, while building incremental momentum for change, as well as enabling the behaviors required to make it a reality, clearing away the barriers that could derail it.

Easy to overlook. Hard to redo.

Even if an organization acknowledges the "soft" change management needs that accompany a "hard" change in strategic direction, technology, process, or structure, it is easy to lose focus on them. When an organization is consumed with getting the technical aspects of the change right, the change management agenda may be the first thing to fall off the radar screen—or the budget. But it is often the first thing to come up in a post-project accounting of activities that should have been done better.

Managing the communication and transition process proactively is crucial to upholding the organization's mission. Loss of control is a major fear of employees when organizations go through large-scale change. Strategic change management, a multi-faceted approach to transitioning an organization and their workforce to the new work environment, can help retain top performers, ease employees' concerns, and while minimizing disruption to "business as usual."

How we can help

Deloitte realizes the importance of combining deep strategic change experience with a practical, client-customized strategy. We have an array of tools and resources that help us deliver strategic change, and we approach each project as a unique situation with no precast solutions. We believe that the most effective change strategy is the one that meshes leading practices with our clients' specific needs.

To better understand those needs, we leverage our Analytics Driven Change methodology to gain insights into each agency's unique context. We provide both qualitative and quantitative insights into how best to enable change and achieve strategic priorities. We support change efforts by bringing our scientifically developed approaches such as CulturePath, a data-driven approach used to assess and understand an organization's current culture, define the desired future state, measure the gaps, and provide impactful and feasible solutions that align to strategy. Our extensive experience, methodologies and tools have enabled us to assist government clients in many areas, including:

- Stakeholder analysis
- Leadership alignment and engagement
- Communications and stakeholder engagement
- Culture transformation
- Building a change champion network
- Training and education
- Success metrics and reinforcement

Potential Bottom-line benefits

An effective change strategy and plan can help a Federal agency or organization in its efforts to:

- Reduce the learning curve associated with a major transformation to achieve full productivity sooner
- Retain top performers through strategic engagement and a managed change experience

- Recoup the initial investment in the technology investment by fostering effective employee adoption
- Avoid organizational barriers in carrying out the agency mission
- Identify risks (such as decreased morale, low productivity, and employee turnover) associated with an organizational transformation ahead of time and address them prior to implementation
- Realize greater success in achieving strategic, mission goals and outcomes

Eight ways to get more value now

Whether the starting point is a crisis or an opportunity, people drive successful transformations. Here are some principles we have learned after helping Federal agencies and organizations effectively manage complex change:

- **Appoint executive-level sponsor(s) who will demonstrate sustained, visible commitment.** Identify the most appropriate SES-level leader or leaders who will visibly and actively demonstrate commitment and champion the change over the entire course of the transformation.
- **Influence the influencers.** Identify enthusiastic people within each stakeholder group, regardless of title, tenure or rank, who command respect, and get them involved as champions for the organizational/transformational change.
- **Listen to stakeholders.** If communications is the "mouth" of a transformation effort, change management can be seen as the "ears". Pay attention to the risks and concerns raised by stakeholders, and be responsive to those concerns while not wavering from the goals of the initiative
- **Demonstrate incremental progress and successes.** Set expectations throughout the process, and communicate critical milestones and project successes throughout implementation.
- **Let people know how change will affect them.** As soon as you can answer this question, share the answer—tell people what is going to happen, good or bad, so they can be prepared. Recognize that past experiences with change will affect their perceptions about what you are trying to accomplish.
- **Culture either enables or prevents.** Culture and organization strategy should reflect each other and should foster the behaviors that lead to successful change. Metrics and incentives must measure and motivate the desired behaviors.
- **Recognize that there may be winners and losers.** The impact of organizational changes varies from one stakeholder group to the next, and some may not be happy with the outcome. Communications should focus on the positives, if applicable, and needs to be transparent.
- **Establish governance.** To ensure a strong project management culture, project decision making and governance processes must be clearly defined and involve key leaders (identified influencers; SES-level sponsor(s); organizational change champions).

Strategic Change in action

Effective strategic change management can help a Federal agency or organization more successfully and efficiently achieve critical mission outcomes. Here are a few recent examples of Strategic Change in action.

- A national security agency was moving from a paper-based operational environment to an electronic system as part of a five-year initiative to modernize business operations. We used a comprehensive, data-driven approach to address the people aspect of this large-scale system implementation, encompassing stakeholder engagement and outreach, transformation leadership, transition impact management, and training. Our change management planning successfully enabled the client to build awareness and momentum for the transformation, and provided a playbook for furthering the transition effort. As a result, the agency was better able to integrate, support, and lead workforce transition efforts in support of its modernization efforts.
- An office within a highly decentralized federal agency was struggling to deploy enterprise resource planning software trainings that were effective in developing users' knowledge and skills to meet the demands of their jobs. We successfully helped to measure and identify gaps in training needs, redesign and communicate the training program, and develop a sustainable, performance data-driven program for adapting the training program moving forward. As a result of improved communications and training, users' knowledge and skills increased, and performance metrics indicated increased satisfaction with training services.

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Contacts
John Forsythe
+1 571 882 7994
joforsythe@deloitte.com

Elisa Marmol
+1 571 858 1046
emarmol@deloitte.com