

Establishing change management as a value service to the business

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Introduction

Change management faces a critical challenge: being recognized as an essential and value-creating service. Despite its potential to drive organizational success, it is often viewed as optional, relegated to project management, or sidelined during economic constraints. This write-up summarises the discussion with members of the [Change Capability Community](#) exploring the core challenges and outlines actionable strategies for demonstrating the commercial value of change management, fostering leadership engagement, and embedding change capabilities across organizations.

The challenge

Melanie began the session by sharing her concern that in many organizations, change management is considered expendable when cost-cutting becomes a priority. Common misconceptions include:

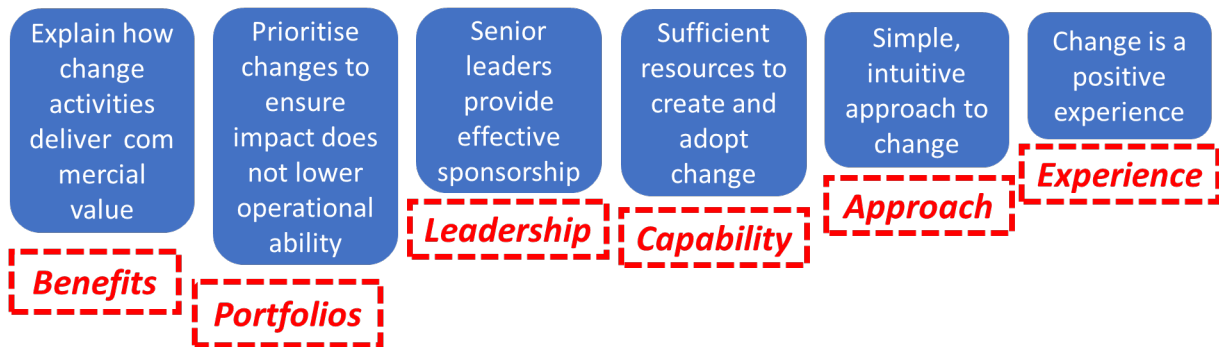
- **It's unnecessary:** Seen as a "nice to have" rather than a critical enabler of business outcomes.
- **It's project-bound:** Misunderstood as the responsibility of project managers, with little regard for behavioural and emotional transitions.

This undervaluation is exacerbated during economic downturns, where change teams are often the first to face layoffs.

Factors decreasing the perceived value of change management

Melanie presented this visual to help provide structure to our discussion on the factors that are negatively impacting the organisational value of change management:

Change management as a valued service



Failure to establish benefits of change management as commercially viable value

The inability to clearly link change management activities to tangible benefits—such as cost reductions, revenue growth, or enhanced employee engagement—further erodes its perceived value. Key contributing factors include:

- **Insufficient data:** Lack of systematic tracking and measurement to demonstrate impact.
- **Fragmented communication:** Poor articulation of how change management drives benefits realization.

Lack of portfolio management

- **Overload of initiatives:** Proliferation of changes without assessing their cumulative impact on operational efficiency and benefits.

Limited Senior Leadership Engagement

Senior leaders often fail to see the strategic importance of change management. Without data-driven evidence of its contribution to business goals, sponsorship and resource allocation are minimal. As a result:

- Change management efforts are conducted on a “best efforts” basis, often as side tasks.
- Capability-building initiatives, such as change agent networks, are underfunded and undervalued.

Absence of a Scalable, Intuitive Framework

Change management frameworks are often complex and inaccessible to non-specialists. Without simple, intuitive tools, organizations struggle to engage local managers as “volunteer armies” for change, as envisioned by thought leaders like John Kotter.

Strategic Priorities

1. Articulating Commercial Value

To elevate the status of change management, its impact must be expressed in terms that resonate with business leaders:

- **Link activities to outcomes:** Clearly demonstrate how change management contributes to financial and operational goals, such as cost savings, revenue growth, or improved customer satisfaction.
- **Data-driven storytelling:** Develop mechanisms to track, measure, and report on key metrics, such as adoption rates, employee readiness, and benefits realization.

2. Engaging Senior Leaders

Leadership buy-in is critical to legitimizing and institutionalizing change management practices. To achieve this:

- **Position change as a risk mitigator:** Highlight the dangers of change fatigue, operational disruptions, or failed initiatives without proper change management.
- **Embed change in leadership performance metrics:** Link sponsorship behaviors to measurable business outcomes.
- **Facilitate consistent dialogue:** Use relatable metaphors, such as “building the runway for the plane,” to emphasize the behavioral and operational readiness needed for successful transformations.

3. Simplifying Frameworks and Tools

A simplified, user-friendly approach can empower a wider range of employees to contribute to change efforts:

- **Intuitive tools:** Develop accessible versions of impact assessments and readiness checks for local managers.
- **Scalable training:** Create modular, practical training sessions for a broad audience, focusing on practical application rather than theoretical concepts.
- **Iterative improvement:** Regularly update frameworks based on lessons learned and track adherence across the organization.

4. Building a Positive Change Experience

The experience of change is as important as its outcomes. A positive experience fosters engagement and commitment, even in long-term transformations:

- **Respect and empowerment:** Involve employees in shaping the change process, valuing their insights and contributions.
- **Focus on short-term wins:** Highlight incremental improvements that employees can experience directly, reinforcing their efforts.
- **Cultural integration:** Position change as an ongoing, empowering process rather than a disruptive series of events.

Action Plan for 2025

At this point, community members broke off into discussion groups to formulate their ideas for addressing this challenge. The discussions emphasized that change management must evolve from being perceived as a "soft skill" to a measurable, essential business function. Clear communication, data-driven arguments, and proactive risk framing emerged as the top strategies to make change management a valuable service.

This is a summary of the ideas:

1. Clear Elevator Pitch (Defining and Selling Change Management)

- A succinct and compelling pitch is crucial to capture attention within the first 30 seconds, particularly with senior leaders.
- Avoid jargon and waffling; instead, focus on delivering a precise message about the value and relevance of change management.
- Present the role of change managers as enablers who ensure people are ready and able to adopt change.
- Most participants agreed that a weak pitch undermines the perception of change management, leading to it being sidelined.

2. Value Through Tangible Metrics

- Use numbers to articulate the value of change management, such as:
 - Costs of change failing (e.g., project costs + lost opportunities) – use the McKinsey research that 70% of change initiatives fail to highlight the likelihood of this loss occurring.
 - Industry statistics on failed initiatives due to poor change management.
 - Correlations between employee engagement, customer satisfaction, and financial benefits. For example, Melanie quoted a survey result which indicated that a 1% increase in employee engagement (which is achieved via change management) leads to a 1.9% increase in customer satisfaction.
- Back up claims with credible research, like ROI studies or risk mitigation examples.
- Senior leaders prioritize numbers and return on investment, so presenting the financial implications of success and failure is essential.

3. Risk Mitigation as a Selling Point

- Frame the absence of change management as a risk: operational chaos, staff churn, project delays, and under-utilization of new systems.
- Link these risks to tangible losses, such as reduced productivity or missed revenue opportunities.
- Examples:
 - Fallow periods where projects are delayed due to low user adoption.
 - Supply chain disruptions caused by disengaged suppliers.

- A shift from focusing on the "value of what we do" to "the cost of our absence" resonates with leadership.

4. Use of Project Metrics

- Leverage existing project benefits in the business case and link change management directly to their realization.
- Quantify potential losses if people are not engaged or trained to use new tools or processes effectively.
- Emphasize that change management costs are a small fraction of the total project but critical for benefit realization.
- Anchoring change management in the broader project context makes its value clearer and harder to dismiss.

5. Tailoring Solutions to People Dependency

- Highlight the human dependency of successful change initiatives, such as user adoption of new systems or processes.
- Example: Training mid-level managers as change champions to build internal capacity.
- By focusing on people-centric strategies, change management demonstrates how it bridges technical and human success factors.

6. Return on Investment (ROI)

- Build ROI cases showing how change management increases project success rates.
- Use formulas or tools to calculate ROI, making change management appear scientific and credible.
- Leaders respond positively to ROI-driven narratives, especially when aligned with organizational goals.

7. Pre-Sales Involvement

- Advocate for change management's inclusion in pre-sales or initial project discussions to position it as essential from the start.
- Early involvement enhances the perceived importance of change management in project success.

8. Creating Custom Frameworks

- Develop a consistent formula to link change management activities to business outcomes.
- Examples: Calculate impact of delayed adoption or staff disengagement in financial terms.
- Tailored frameworks create a standardized approach to demonstrating value across projects.

Conclusion

The undervaluation of change management is not merely a perception problem; it stems from a lack of clear evidence and communication about its role in delivering business outcomes. By aligning change management practices with commercial value, fostering leadership engagement, and creating scalable tools, organizations can reposition change management as an indispensable service.

The journey to elevating change management's status is challenging but essential. By addressing these barriers, organizations can unlock the full potential of change, ensuring sustained success and resilience in a dynamic business environment.

Next sessions

Survey results

- <https://capabilityforchange.com/event/capability-for-change-survey-results-2024/>

Describing your achievements

- <https://capabilityforchange.com/event/change-capability-community-describing-your-achievements/>