

Effective Operational Change Strategies

Setting Yourself Up For Success

Introduction

In a world where costs are constantly under pressure and all the low-hanging fruit in terms of operational downsizing and cost cutting have already been handled, effective operational change that creates real and sustainable value is key. While financial institutions are largely familiar with concepts such as Lean and SMART working, elements of effective operational change are consistently overlooked.






When operational change is managed thoughtfully and efficiently, the results can help to ensure that the business doesn't experience any setbacks and are better prepared for ongoing commercial sustainability.

If your organisation's success is heavily reliant on effective operational change over the coming months and years, this paper provides a useful consolidation of tips and advice to enhance your chances of a successful outcome.

Pre-Requisites for Operational Change

While the principles of effective change management apply just as equally to operational change as they do elsewhere, ticking the boxes on a change model alone will be insufficient to ensure that changes are embraced and adopted quickly within an operational environment.

Before embarking on your change, there are a number of essentials that must be in place. Tackling these essentials upfront will ensure that the ongoing process of engaging the operation in the change is smooth. If you fail to cover each of these points adequately at the outset, you risk alienating your operational counterparts and may lose credibility quickly.

-  ***Make the case for change, what's in it for the operation.***
-  ***Ensure the change is clearly defined/ unambiguous, and specify what is out of scope upfront.***
-  ***Gain an understanding of the likely processes affected, including hand-in/off points and the teams involved.***
-  ***Secure senior operational sponsorship and buy-in.***
-  ***Investigate tried and failed initiatives to avoid likely pitfalls.***

With each of these points covered, you are in a good position to progress your change programme.

Specific Considerations When Engaging Operations

The earlier you engage with the operation, the more they will feel a part of the change and its success or failure. It is important that the operation become part of the team developing and delivering the change. As you build your change team and progress through the change management stages, it is important to ensure that the following aspects specific to operational change are considered adequately.

Considerations
1. Subject Matter Experts (SMEs) – From what areas will you need SMEs? How much of their time are you likely to need? What questions will you need them to answer? Are there specific deliverables the SMEs will need to support?
2. Culture – What capacity for change does the operation have? What other changes have recently been implemented or are in progress? Is the culture inherently accepting of change or resistant to change?
3. Change Curve – How is the emotional change curve likely to play out based on your cultural assessment? Who will support the operation through the change curve? Is management training required to handle this?
4. Having a Voice – Who are the most influential individuals within the operation? Do individuals in the operation feel empowered to speak freely about impacts to them and their roles? Are there any learned experiences from prior projects that could be applied to ensure that feedback is gathered early rather than post delivery?
5. Communication - How are communications normally delivered, are there standing communication channels that could be leveraged? What additional communication channels could be considered given the nature of the change?
6. Training – How will training be delivered and who will do this? What pre- and post-training support will be provided? How will trainers/on-site support be engaged to ensure they have the level of understanding needed to ground staff in the change?
7. Change Advocates – Do change advocates exist in the operation? How can additional change advocates be created? Are there natural supporters in the business for the specific change you are considering – how can they be engaged?
8. Impact Assessment – Who needs to assess potential impacts from the change? What information will they need to do a thorough assessment? How will potential impacts be collated and integrated into the change process?
9. Embedding – How will success be tracked and what measures will be used? Who will have ownership for tracking these measures and providing insight into how well the change has been embedded? What is the best way to influence embedding after delivery?

Strategies for Success

Communication is at the heart of your success or failure when managing change into an operation. Your stakeholder plan should clearly denote which operational stakeholders and SMEs you are engaging as well as the methodology for maintaining high levels of engagement and communication throughout. Adhering to this irrespective of the challenges you face when managing the change will help you keep all parties on board.

The following list provides best practices for each of the consideration topics outlined previously. While not all will be applicable in all instances, this provides an efficient tasklist for use in your project work.

SMEs	<ul style="list-style-type: none"> • Ensure SMEs are from the front-line impacted business rather than local business small change teams to ensure they are embedded in the current day-to-day process • Set clear expectations with SMEs on the likely use of their time and the deliverables expected from them
Culture	<ul style="list-style-type: none"> • Complete a culture assessment to highlight any challenges you may face upfront so you can plan proactively for these • Identify what impact the change may have on culture so that this can also be proactively covered with staff
Change Curve	<ul style="list-style-type: none"> • Ensure operational management has a good understanding of the stages of the change curve and how to proactively identify and handle these to minimise the impacts • Ensure staff appreciate the emotions they are likely to feel so they are prepared for this
Having a Voice	<ul style="list-style-type: none"> • Consider the use of open forums to gather thoughts from staff as the change is being defined and impact assessed, as well as throughout implementation planning and final delivery • Create an open door policy for feedback on the change
Communication	<ul style="list-style-type: none"> • Communicate openly with staff throughout the process, using all channels of communication available to you • Assess your communication often in terms of effectiveness and responses from staff on the ground
Training	<ul style="list-style-type: none"> • Ensure trainers have been engaged in the change itself and are available after implementation to provide ongoing support • Assess understanding levels post training
Change Advocates	<ul style="list-style-type: none"> • Consider rolling the change out to a smaller population initially so that they can be advocates for the change and will be at the end of the change curve and support others moving through faster • Engage those who are most vocal in the business and actively seek their thoughts and views to create advocates in them – sometimes these seemingly disruptive staff can become your strongest advocates

<p>Impact Assessment</p>	<ul style="list-style-type: none"> • Ensure impact assessments are detailed and open discussions are facilitated throughout the impact assessment process so that questions can be raised and answered quickly • Ensure impact assessments are not completed in silos or by inexperienced individuals to avoid impacts being missed
<p>Embedding</p>	<ul style="list-style-type: none"> • Track benefits and measures of success closely and regularly, publishing results to all those engaged in the change • Celebrate key milestones, for example: 1st item completed end to end, 1st £x revenue generated/savings delivered • Have clear accountability for staff observations post-implementation and a process to address staff concerns/process regression

Conclusion

While operational change requires the same level of structured change management as other change types, there are additional considerations you must make to ensure it lands effectively. Too often operations staff feel disengaged from change activities and this consistently impacts the effectiveness of the change, often resulting in failure. With this in mind it is important to heed the best practices outlined in this paper to ensure you have healthy levels of engagement throughout the change process and set yourself up for success.

Bridgeforce has industry-wide insights and direct experience in planning and delivering change into operational environments. We work with financial institutions to develop and run change programmes side by side with you to achieve tangible and long lasting results for your business. Contact us if you would like to hear more about our experiences or discuss your specific challenges and goals.

Contact Us for More Information

We would be happy to talk freely about our experiences in this area and help you understand where our services would be most valuable.

Adam Thornber (Managing Director – UK Practice)

Phone: +44 0758 511 3067; athornber@bridgeforce.com

Andrew Domino (Chief Operating Officer)

Phone: +44 0758 796 5715; adomino@bridgeforce.com

Author

Lynne Cox (Senior Programme Manager)

About Bridgeforce

Bridgeforce, a specialised multi-national consulting firm, has been solving complex problems for companies involved in consumer and/or small business lending and payments for nearly 15 years.

Over 75 percent of Bridgeforce consultants come directly from client-side leadership positions across multiple parts of the credit lifecycle. Combined with subject matter expertise in operations, technology, strategy and regulatory issues, Bridgeforce brings a deep and practiced understanding of the lending and payment environment to each new client.

With market, regulatory and technological changes continually altering the risk landscape faced by sophisticated lenders, corresponding business changes require hard choices and the courage to make them. Bridgeforce has a strong record of helping clients make these choices by providing best-fit solutions that are achievable and provide meaningful change for each client.

The company operates in several regions with core markets and offices in the US and UK and additional operations in the Euro zone, North America and Latin America. The close working relationships between Bridgeforce with the US and European banks gives the company valuable insight into the interconnected regulatory movement and strategic trends across countries.

The Bridgeforce success can be attributed to a culture of collaboration, support and trust fostering innovation, thought leadership and evolving best practices recognised within the industry.