Leading Change & Transition –
Managing the Human Side of Portfolio & Project Management Delivery Enhancements

Eric Foss, PMP
Director of Consulting Services, North America
Pcubed

Abstract

Leading organizational change is recognized as a critical component of successful transformation programs. A key element of driving sustainable change is to understand the individual transition that accompanies the change and integrate appropriate communications and engagement mechanisms into transformation activities.

This paper describes organizational change and transition fundamentals and explores the execution of communications and stakeholder engagement in the context of a portfolio and program management transformation program. Techniques and their contribution to driving change and transition are discussed with a focus on targeted outcomes of each component.

Leading Organization Change and Transition must be an integral part of transformation—tightly integrated with all activities. Every interaction with a stakeholder is an opportunity to manage change and lead them through their transition to achieve change targets and realize the true business benefits from transformation efforts.

Introduction

Leading the change and transition associated with Portfolio & Project Management (PPM) transformation is a common challenge being addressed by executives and their organizations around the world. We’ll address key concepts and principles in organizational change and transition and best practices in applying these principles throughout the lifecycle of a Portfolio & Project Management Transformation program. Key areas addressed include: aligning and engaging the organization to achieve targeted outcomes; integrating effective organizational change and transition strategies into a comprehensive implementation approach; stakeholder engagement and communications techniques to help accelerate implementation results; and driving delivery of short-term results while creating a foundation for long-term sustainable change. These concepts and techniques are discussed in the context of a holistic transformation program focused on driving enhancements of portfolio and project delivery across the organization, as depicted in Figure 1: Portfolio & Project Transformation Framework.
Fundamentals & Guiding Principles
As a foundation for discussion of PPM transformation, it is helpful to understand organizational change and transition as defined by industry thought leaders. They are the building blocks of effective strategies, techniques, and mechanisms to drive organization and behavior shifts. Enhanced awareness and understanding helps progress beyond superficial change communications and reach deep into the organization to engage individuals – the ultimate agents of transformation.

What is required to Effectively Transform PPM Capabilities
At the very basic level, four elements determine whether the organization is ready for the change being addressed in the PPM transformation program. As defined by Richard Beckhard in his work on Organizational Development Strategies and Models in 1969, these four elements, include the following:

- **Dissatisfaction with Current State** – People must be unhappy with the current portfolio and project delivery.
- **Enticing Vision** – A compelling vision articulates a future state; defining benefits to the organization as well as to individuals involved in portfolio and project delivery.
- **First Steps** – It’s not sufficient to paint a nice picture of the future. Realistic and achievable first steps must be defined and included in the PPM transformation roadmap.
- **Resistance to Change** – Resistance is a natural part of human nature. Being able to understand it fully is the only way to overcome it and create buy-in and support.

The equation depicted in Figure 2: *Beckhard’s Change Model* demonstrates the importance of each of these elements and how impactful this perspective can be when determining the readiness of an organization for transformation of portfolio and project delivery capabilities. If any one of the three elements – Dissatisfaction (D), Vision (V) and/or First Steps (F) – is not present, Resistance (R) will not be overcome.

Change & Transition
“Change Management” is a part of the lexicon of delivery terminology in many organizations. In these organizations, improvement recommendations of any type are met with a concern for the “change management” required for it to succeed. This can be a very effective best practice. However, even with a healthy awareness and understanding of effective change management strategies, some organizations hardly notice transition. Figure 3: *Change & Transition* William Bridges’ perspective of the difference between change and transition.
Without understanding how to manage transition so that people don't find it so distressing and disruptive – the odds that the change is going to work as desired are greatly reduced. Without transition, change becomes a superficial effort without impacting the underlying beliefs and day-to-day way of working across the organization.

Implementing a change may include developing or enhancing a PPM component – a new process, a new technology. Rollout of these enhancements is guided by change management best practices that call for communications and training. This is a great start, but will be limited if the transition required to drive behavioral shifts and embed the change is not considered and effectively facilitated. Using a transition model in Figure 4: Transition Phases, developed by William Bridges, transition readiness and progress can be evaluated and mapped across three phases:

- **Endings** – All transitions begin with an ending. All endings come with loss that must be recognized and addressed. Progressing through “Endings” result in leaving behind the way things were and move towards the way things will be.
- **Neutral Zone** – After letting go, the transition journey must navigate through a time when the old way of working no longer exists and the new way of working is not yet fully accepted and comfortable. Stakeholder engagement and communication strategies address the potential for confusion during this time and help lead to the “new beginning”.
- **The New Beginning** – With the “Neutral Zone in the past, “New Beginnings” continue to embed the new way of working and thinging and reinforce the behaviors necessary to embed the changes in the new way of working.

Everybody must progress through the three phases. Applying this understanding of where a stakeholder or stakeholder group is in this transition cycle with the help of change management leaders, tailored communications and stakeholder engagement strategies are the most effectively way to lead them through their transformation journey.
Building the Case for Change

“Why do we need this?” and “How do we achieve this?”
An essential part of defining a successful PPM transformation program is building alignment around a compelling case for change. It is critical to establish senior executive sponsorship for the PPM transformation mandate. This is followed by aligning senior leaders from across the organization and ensuring a consistent understanding of why the transformation is being implemented and how it will be achieved. A PPM transformation roadmap can then be developed that articulates targeted outcomes, workstreams, and phased delivery of benefits beginning with short-term delivery of incremental value (i.e. quick wins) to build momentum, engage, and pave the way for long-term successful delivery of benefits.

Alignment & Understanding – Current State
A collaboratively defined description of the current state of delivery capabilities is an essential element in transformation planning and reinforces why the organization is undertaking the initiative. When assessing the current state, common portfolio and project management delivery challenges to be aware of and explore include the following:

- Is there a set project intake process/annual planning process?
- Is the impact to strategic business drivers identified?
- Are future project demands balanced with existing project demands?
- Are project benefits quantified and managed through realization?
- Is there visibility and ability to analyze resource demand vs. capacity?
- Is project delivery consistent?
- Is there transparency in portfolio delivery and decision-making?
- Is demand for scarce resources (people, time, money) increasing?
- Are there enterprise-wide processes for project approval?
  - Understanding of project dependencies, impacts, benefits?
  - Awareness of tradeoffs/project choices?

It is important to make sure there is alignment around an accurate definition of the current state. This will be the starting point for the roadmap to the organization’s targeted future state. It is possible to have a perception of the portfolio and project delivery environment that paints a picture that is brighter than reality. This can often be attributed to visibility of stakeholders as depicted in Figure 5: Common Portfolio Delivery Challenges. Major projects are highly visible and get the most delivery attention so everything looks good on the surface. What is unseen by most are the many smaller projects that are tapping into the organization’s resources and impacting the PPM foundation – stretching scarce staff and funding beyond limits.
Alignment & Understanding – Future State

Collaborative envisioning of the targeted PPM state produces a shared vision for the leaders support. As shown in Figure 6: Maintaining a Holistic Perspective, balancing targeted improvements helps drive sustainable change by driving incremental improvements that support steady delivery enhancement progress. Too much focus on any one element can impact results. For example, realized benefits may be limited if deep process improvement is not supported with necessary organizational changes and enabled by the appropriate PPM technology.

When working with stakeholders to establish a shared vision for the future, common portfolio and project management future state elements include the following:

- Focus on strategic impact and financial value in determining which projects to do.
- Establish a process framework and technology to support decision-making and delivery (e.g., transparent, collaborative).
- Implement an annual portfolio planning cycle:
  - Avoid the continual flow of project requests.
  - Integrate with the budget planning process.
- Provide ongoing management and oversight of portfolio delivery, contingency management, and off-cycle investment considerations.
- Consistent portfolio selection and project delivery will come from establishing effective Portfolio and Project Management capabilities.
Stakeholder Engagement & Communications

Any transformation effort – and resulting success – is created by the stakeholders. Understanding who these stakeholders are and how they are brought into the transformation activities will determine the difference between marginal success versus big wins reinforced with a momentum that embeds targeted organizational, process, and behavioral shifts into the organization.

Stakeholder Identification

Stakeholder groups and key stakeholders are identified to drive the intake and governance process. Each group is engaged throughout the process at the appropriate time and level of effort. Communications must be managed to drive awareness across all stakeholder groups. As previously discussed, portfolio and project delivery transformation requires senior executive sponsorship. With support and alignment of senior leaders across the organization, the stakeholder community can then be identified, analyzed, and engaged appropriately to execute transformation activities. When identifying stakeholders consider the following as a starting point:

- **Executives and Senior Leaders** – Senior executives as well as senior leaders who will drive transformation of portfolio & project delivery capabilities
- **Change Agents and Organizational Representatives** – Change Agents represent groups within the enterprise that will be impacted as portfolio & project delivery capabilities are transformed. They are thought leaders in their areas and help provide a more personalized change and transition leadership experience to colleagues within their areas.
- **Subject Matter Experts** – Subject Matter Experts (SMEs) provide critical contribution to portfolio intake, and portfolio governance as well as project delivery and project governance. Involving stakeholders to represent critical areas of specialty (e.g., project classification, strategic business driver impact analysis, cost estimating, resource estimating, etc.) help ensure a sustainable framework and supporting processes are defined and rolled out.
- **Existing Roles** – Representatives of existing roles that will be impacted as portfolio & project delivery capabilities are transformed.
- **New Roles** – Representatives for new roles that will be required to drive enhanced portfolio & project delivery capabilities.

![Figure 7: Portfolio Delivery Organization (Example)](image)

As organization components are defined or enhanced, specific stakeholder roles can be operationalized. *Figure 7: Portfolio Delivery Organization* depicts an example of a portfolio delivery organization design to support a best practice portfolio delivery capability.
**Stakeholder Analysis**

After stakeholder groups are identified, the impact of transformation activities on each group or individual is assessed. This assessment allows the change management leader to document how they are impacted and determine why they need to be involved. This contributes to the development of a Stakeholder Engagement Strategy that defines the appropriate level of involvement, timing, and optimal mechanism for involving each stakeholder.

*Ensures the right groups are represented and the right people are involved at the right time and in the right way throughout implementation of PPM enhancements.*

**Targeting Communications and Stakeholder Engagement**

Communications and engagement planning allows the transformation to achieve targeted engagement strategies for each stakeholder group. Communications mechanisms are identified and included in the Stakeholder Communications & Engagement Plan with an awareness of the desired intent of each communication event. The communication spectrum in Figure 8: Communication Intent draws from change management best practices to provide a simple guide that helps ensure each stakeholder communication and engagement event has the appropriate focus. Some stakeholders may only require general awareness messaging while others require more personal interaction to be led to action and commitment.

![Figure 8: Stakeholder Communication & Engagement Intent](image)

Complementing the communications plan, planning stakeholder engagement events is also an essential part of making sure all stakeholders are optimally involve in PPM transformation activities. Common stakeholder engagement events include the following:

- Kickoff
- Stakeholder Group Sessions
- Development Sessions
- Training
- Portfolio Delivery-focused Coaching –

Each event is discussed in more detail below.
Ensures each stakeholder gets the right information and is involved at the right level and at the right time.

**Kickoff**

Formally kicking off a project or program is a best practice. However, the effectiveness of kickoff activities in achieving their true intent varies. Effective kickoff activities reinforce senior executive sponsorship and commitment. Vision and direction are clarified and participants are aligned around targeted outcomes/benefits as defined from the senior executive perspective. Key messaging includes (but is not limited to) the following:

- Mandate for change
- Approach and timing
- Expectations for contribution
- Benefits to the organization

**Stakeholder Group Sessions**

Stakeholder groups provide critical input to transformation activities. To enable their participation, it is important to bring together stakeholders and focus them on their contribution to the transformation. Initial stakeholder group kickoff sessions build on consistent messaging introduced in formal kickoff communications, create an environment for productive stakeholder involvement, and reinforce expectations for approach and outcomes (e.g., specific actions, defined goals/metrics, follow-on communications and/or working sessions, etc.). Working sessions are then tailored to each stakeholder group’s needs to enable their contribution. These sessions ensure the stakeholders are ready to participate by providing the knowledge and tools required to effectively contribute. These sessions reinforce an understanding of the short-term vs. long-term involvement by stakeholder groups or individual stakeholders necessary to achieve the business benefits targeted by the transformation program.

Prepares stakeholders for their contribution to transformation success.

**Development Sessions**

Components of the PPM delivery environment are collaboratively developed or enhanced in facilitated group sessions and 1:1 working sessions. Stakeholders are actively engaged to create specific elements of the PPM delivery solution, representing their area and influencing the direction of portfolio delivery across the organization. Figure 9: PPM Delivery Framework includes common elements that require stakeholder expertise to develop or enhance as part of PPM transformation activities.
Engages stakeholders to collaboratively develop their future state and accelerates speed of implementation.

Training

Training is conducted to address the needs of each role in the PPM delivery environment. Training materials are tailored in both content and level of detail to help each participant attain a solid awareness of the total environment and understand how they fit into that environment. This is the initial step towards adoption. Short-term focus drives initial shifts and teaches new skills and/or new way of doing things. Long-term focus builds and embeds new behaviors and capabilities.

Creates an environment that can sustain the changes.

PPM Delivery-focused Coaching

Leading organizational change and transition requires more than just well planned and executed communications. Stakeholders in the delivery environment often need personal interaction to help them through their transition and become effective in the new environment. Situational coaching, focused on their role in the delivery environment, is an important compliment other organizational change and transition strategies and mechanisms. These personalized relationships help lead required shifts in thinking, understanding, behaviors, and capabilities. Relationships include both formal longer-term coaching relationships with identified goals as well informal relationships that arise on a more just-in time basis as the coach is working with a coachee and his/her team.

PPM delivery coaching includes all levels in the organization.

Ongoing Communication & Engagement

Driving stakeholders along the path to adoption requires a short-term and long-term focus to reinforce the change drive adoption, and embed new behaviors. Through the rollout, a balanced mix of communication types is required to ensure stakeholders are receiving messaging at the optimal time and in the optimal format. Balancing push or pull communications, broad-reaching corporate communications, tailored messaging, as well as integrating messaging into group events can all be balanced to achieve specific organizational change and transition objectives and drive stakeholders towards adoption and continuous improvement.

Just in time information and stakeholder interaction to lead stakeholders to adoption.
Conclusion

Leading Organization Change and Transition must be an integral part of transformation—tightly integrated with all activities. To optimize impact it needs to be more than a workstream running through the program, it needs to guide how stakeholders are engaged daily. Every interaction with a stakeholder is an opportunity to manage change and lead them through their transition to achieve change targets and realize the true business benefits from transformation efforts.
References

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