

Thought Leadership Change Management



Organizational transformation is a hot topic today. But before you can achieve the benefits, you have to manage the change process effectively. Here are some of the critical success factors involved.

10 Keys to the Successful Management of Change in Outsourcing.

Expertise in the management of change can have a powerful impact on an outsourcing relationship.

It helps both partners work together effectively. It ensures that complex changes are made in the most efficient manner. It provides the necessary discipline to maintain progress long after the initial implementation. It generates widespread support for the outsourcing solution. And, most importantly, it helps people in both organizations successfully adapt to a new way of working.

For all these reasons, the skillful management of change is literally the engine of organizational transformation. But how do you get maximum value from this critical outsourcing discipline?

Based on my years of experience in working with both private and public sector clients, I believe that there are 10 keys to change management success.

1. **Understand the way people react to change.** When major change comes to the workplace, people often experience fears and anxieties that create resistance. If you carefully assess and address these causes of resistance, you can streamline the adaptation process and increase the pace of the transformation itself. *(For more on this important topic, see my previous e-newsletter.)*
2. **Recognize that transformation is a complex organizational process, not a one-off event.** According to the best-selling business author and leadership expert John P. Kotter, there are eight key steps involved in an organizational transformation. And they each take time. He also says that you can't skip steps if you really want to succeed. So it's important to be patient with the process.
3. **Manage complexity with discipline, data and continuous improvements.** Some outsourcing engagements today are more extensive in scale and scope than a merger or acquisition. And some involve multiple locations that cross national borders, bringing different languages, cultures and laws and regulations into play. To manage this kind of complexity, you have to have disciplined processes, data-driven decision making, and a firm commitment to continuous improvement. It also helps to have expertise in a proven management methodology like Lean Six Sigma.
4. **Get change management experts involved at the earliest opportunity.** The best time to begin planning for a smooth transition is during the initial development of the contract itself. Early engagement helps change management professionals clearly understand the client's culture, goals and challenges so they can develop a comprehensive strategy and targeted tactics



Louise Fisher,
European HR Director
Xerox Global Services
[www.xerox.com/
thoughtleadership](http://www.xerox.com/thoughtleadership)

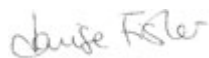
to help people successfully adapt to a transformed work environment.

5. **Forge an effective working relationship across the different cultures.** Cultural conflicts can interfere with the development of a successful outsourcing partnership. That's why it's important to carefully analyze the cultures of both organizations and develop action plans to engineer a successful convergence.
6. **Build strong partnerships at every level of the relationship.** A successful outsourcing partnership involves senior leaders and managers, end users, members of the service delivery team, representatives of partner organizations like IT, and other stakeholders. Change management professionals can help build strong relationships and a sense of teamwork at every level. They should also make sure that the right people from both organizations are involved.
7. **Launch an intensive ongoing communication plan.** You can't help people adapt to change unless you communicate with them constantly and maintain an open, two-way dialogue. Effective communications help both partners explain the vision behind the outsourcing decision, overcome employee resistance, build broad-based support, and solicit the honest feedback that drives continuous improvements.
8. **Help people transfer to the new employer.** In some countries, regulations require that service providers offer employment to people who would otherwise be displaced in the outsourcing process. In other cases, providers may offer employment to members of the original in-house team to take advantage of their skills and familiarity with the client's internal processes. In both of these situations, the transfer process must be handled with great care and sensitivity to comply with all regulations, address gaps in experience and expertise, integrate people into the culture of their new employer, and ensure a smooth, effective transition.
9. **Design a high-performance work environment.** To deliver maximum value to the client, members of the service delivery team have to be customer-focused, highly motivated, and determined to keep raising the bar on their performance. That's why it's important for change management professionals to help design a dynamic work environment that combines an effective performance management system with opportunities for reward, recognition, learning, career development and mentoring. It's an effective way to set the stage for long-term outsourcing success.
10. **Maintain momentum long after Day One.** In the most successful partnerships, change management is woven into the service delivery process to help the outsourcing team bring best practices, improvements and innovations to the client on a continuous basis. It also ensures that the service delivery team maintains the ability to adapt quickly to changing business conditions and client needs.

If your approach to change management covers these 10 key points, you will be able to expedite the transformation process and reap the benefits in an efficient, orderly manner.

That's why more and more people today view change management as a vital contributor to outsourcing success in an age when constant change is the rule rather than the exception.

Sincerely,



Louise Fisher