BUSINESS-CENTRIC CHANGE MANAGEMENT

HOW CHANGE MANAGEMENT PLAYED A KEY ROLE IN THE SUCCESSFUL IMPLEMENTATION OF A NEW SYSTEM AT YARRA VALLEY WATER

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INTRODUCTION

Yarra Valley Water is the largest of Melbourne's three metropolitan retail water utilities. It provides water and sewerage services to 1.8 million people, almost 700,000 residential properties and over 50,000 businesses.

Yarra Valley Water's asset management systems support the organisation's water and sewerage service delivery, asset maintenance and asset renewal. This includes the delivery of approximately 7,000 maintenance activities each month, $40-50 million in operational annual expenditure and $1 billion of capital investment programs over the next 10 years.

From 2012 to 2014, Yarra Valley Water implemented a new asset management system.

OUR ASSETS

9,391 km of sewer mains

9,729 km of water supply mains

137 water pressure reducing stations

104 sewage pumping stations

52 water supply tanks

75 water pumping stations

9 sewage treatment plants

Figure 1. Yarra Valley Water Asset statistics, YVW Annual Report 2014-15

Change management played a key role in transitioning the business towards a new way of working, and supporting the successful implementation of the new system.

CASE STUDY SUMMARY

When Yarra Valley Water implemented the new asset management system, there was an understanding from the beginning that getting people engaged and aligned was critical. While several change management activities were undertaken, an underlying principle was for the project to be owned and driven by the business.

How the business, and our people, related to the project was important. Users were not passive recipients of the new system, rather they were its driving force and ultimate benefactors.

With this underlying principle established, each of the change management activities was delivered with this subtle but powerful business-centric message. The objective of the change management activities was:

'To support the business to successfully transition to a new way of working, without negative impact to productivity, customer service or culture.'

This case study explores the challenges the organisation faced in achieving this. It seeks to identify the change management key success factors, as well as demonstrate how a business-centric change

management approach can deliver positive project outcomes.

CASE STUDY DETAIL
Context

In 2012, Yarra Valley Water's asset management system was no longer effectively delivering on business requirements. After 12 years, it had reached the end of its operational life.

In response, the Improving Infrastructure Management Systems (I2MS) project was initiated to deliver a new asset management system.

The asset management system supported the organisation's primary purpose – the provision of water and santitation services to the community. Additionally, the new system would impact 500+ individuals across the business (including external maintenance contractors), and encompass the management, maintenance and planning of assets worth $3 billion.

The new asset management system would replace the existing core application, as well as decommission or modify more than 80 secondary applications. These secondary applications ranged in complexity and size, but mostly comprised Microsoft Access databases and Excel spreadsheets. The impact of the implementation would not only result in a technology change, but would significantly change how staff worked and interacted with each other.
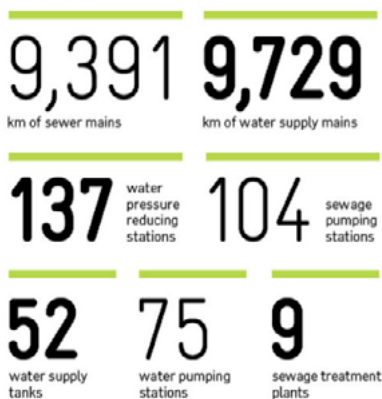
This was a daunting undertaking for Yarra Valley Water. The business was aware that large technology projects in any organisation are notorious for running significantly over budget and over time.

Additionally, while end users were frustrated with existing systems, they had a high level of familiarity and knowledge with them. Over time, they had developed comfortable system workarounds to compensate for gaps in system functionality.

As the organisation had been through several significant change programs over the last few years, another key challenge was the potential for change fatigue and information overload. Overcoming these challenges would be crucial in delivering a successful project.

Vision

At project initiation, an aligned vision was developed by the key impacted business leaders. This vision clearly defined the organisation's reason for initiating the project.

The I2MS vision was to enable end users to do their day-to-day job easily to free them up to create the Infrastructure Services (core group impacted) of the future, resulting in:

- Consistency
- Easy acess to reliable data and meaningful reporting

OUR PURPOSE IS TO PROVIDE EXEMPLARY WATER AND SANITATION SERVICES THAT CONTRIBUTE TO THE HEALTH AND WELLBEING OF CURRENT AND FUTURE GENERATIONS.

Figure 2. Yarra Valley Water's purpose statement

- Confidence in decisions
- Empowered staff

A key message was that the new system could not create change in itself. It was an enabler; it would become the platform the business had to leverage to create 'the future'.

Establishing an aligned vision early in the project meant that there was a consistent and stable anchor for communications, system design and overall project decision-making.

At several project decision points, those involved would refer back to the vision to ensure decisions were aligned to the original intent of the project. Additionally, it ensured that impacted stakeholders were hearing consistent messages, and that

expectations were being managed in regards to what the project would and would not deliver.

This vision ensured that all those involved in the project were moving in the same direction, and all those impacted knew the destination they were heading towards.

Change Management Approach

Prior to I2MS, change management on major IT implementations at Yarra Valley Water had been undertaken by external change management professionals.

Employed as a consultant, and engaged to deliver a distinct scope of work, the they would join Yarra Valley Water and deliver the change management component
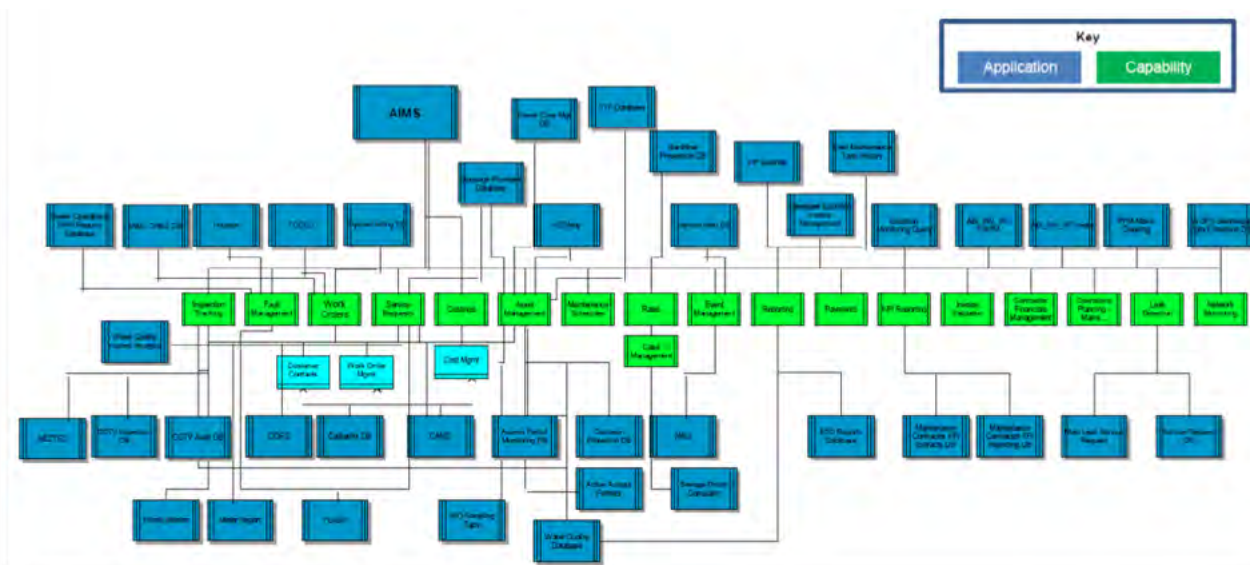

Figure 3. Visual representation of the information and applications architecture the new Asset Management System was replacing

of the project.

Then at implementation, they would move on to another project elsewhere.

However, when Yarra Valley Water implemented their asset management system, the organisation decided to do something different. It seconded one of its People and Culture employees to deliver the change management component of the project.

Having an internal Change Manager influenced the overall change management approach.

They already had existing relationships and credibility with stakeholders, intimately understood the organisational context and culture, and had a personal commitment in the project succeeding because of ongoing relationships (post-implementation) with end users.

The outcome was a Change Manager who genuinely represented the business when on-project, while also being able to represent the project when interacting with the business. They ensured that all impacted stakeholders were taken into account when making project
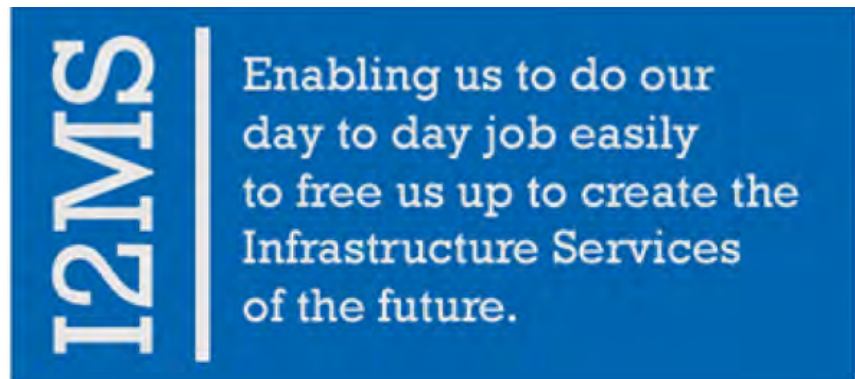
Figure 4. I2MS logo representing the organisation's vision for the project

decisions, often playing the role of advocate for those stakeholders not represented on-project.

The role became as much about being a business-to-project voice and translator as it did about managing change.

KEY SUCCESS FACTORS

While several change management activities were implemented, four key factors had the most sucessful impact:

- Creating business ownership (business-driven, not project-driven)

- Building a positive project culture that aligned with the organisational culture

- Communicating to engage

end users

- Focusing on business outcomes

Business Ownership

Historically, Yarra Valley Water staff were 'recipients' of completed systems. With the I2MS project, it was clearly positioned that the business owned the system and key project decisions. As the ultimate benefactors of the end product, they had to be its driving force. The project was delivering the system for the business.

A committed, available and visible Executive Sponsor demonstrated that the business was driving project outcomes. They regularly met with each of the Project Stream Leads, and had an intimate knowledge of the key project decisions, achievements, risks and challenges.

This meant they were able to guide critical project decisions, as well as confidently advocate for and discuss the project direction with interested stakeholders.

Internal Yarra Valley Water staff members were heavily involved in the project. This began early and was sustained consistently throughout the life of the project.

This varied from subject-matter experts providing valuable input into project decisions, to staff being seconded from their day-to-day jobs to work on-project.

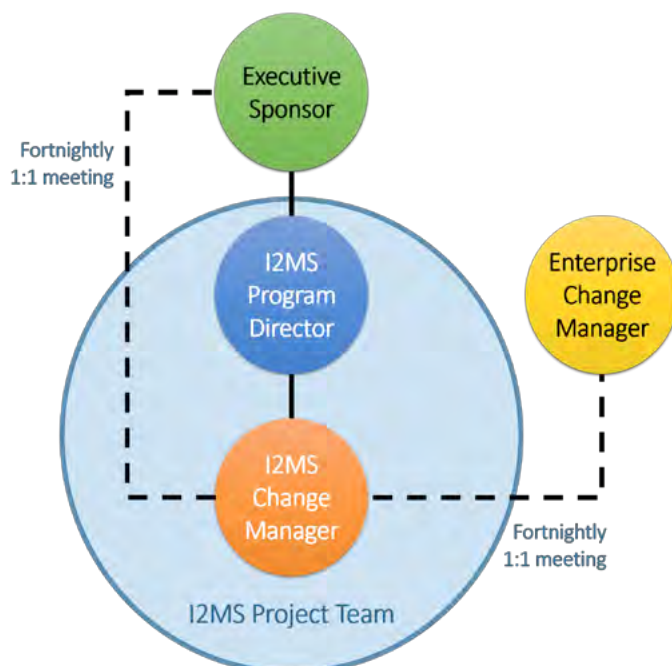Business Representatives were subject-matter experts of a particular process or function. They were

Figure 5. I2MS Change Manager reporting lines

involved throughout the project but added most value during the design phase. During this period, over 70 Business Representatives were involved in workshops.

The Solution Implementation Project Manager, Ian Armstrong from IBM, noted at the time of the Design workshops:

"The level and nature of participation from the Business Representatives is excellent. The workshops have been characterised by discussion that is both vigorous and constructive. It is clear that the participants are aware that we are all working towards the same goal."

Seconded on-project Yarra Valley Water staff made up approximately 50 per cent of the project team, undertaking roles in change management, project management, IT operational support, system design, process design, system configuration, testing, data, training and post Go Live system support. This enabled knowledge transfer, developed internal capability, empowered business ownership, enabled a smoother change transition and significantly reduced project costs.

The power of having a high number of staff involved on-project was demonstrated when they interacted with their colleagues. In everyday language and with real-life examples, they reassured and demystified what the future-state would look like. They naturally became the change agents for the project.

The conscious effort to position the I2MS project as a business-driven initiative resulted in positive outcomes that, with certainty, contributed to the overall success of the project. Throughout the project lifespan, the business took accountability for the success of the project. In turn, the project team clearly knew they existed to provide a service for the business. Together, they were both committed to delivering a fit-for-purpose end product that would achieve the intended benefits for the business.

PROJECT CULTURE

Figure 6. Business Representatives at a Design Workshop

Building a project culture that aligned with the organisational culture was extremely important. A core Yarra Valley Water value is: 'how we achieve is as important as what we achieve'.

While technical expertise was important, we also believed that the culture and approach of our partners would significantly influence project success. For this reason, when selecting implementation partners, culture-fit was a key criterion. A People and Culture (Change Management) representative was part of the tender selection panel. Once the project team was established, a one-day alignment workshop was run with senior business stakeholders, project leaders and system partners. The purpose of this workshop was to bring together the key players that would impact the success of the project, and together define what an exceptional outcome for the project would look like.

The workshop revealed an unspoken expectation that the project would run over budget and over time.

This 'default future' was challenged by the group and a new collective commitment was created to change this narrative – to deliver the project on time, on budget and within scope.

This underlying principle became a purposeful driver that the project team could connect with and work towards.

Due to the nature of the work, project teams can often develop unique sub-cultures in the organisation. For I2MS, a constructive and achievement-oriented culture was deliberately fostered.

This included adopting a 'one team'

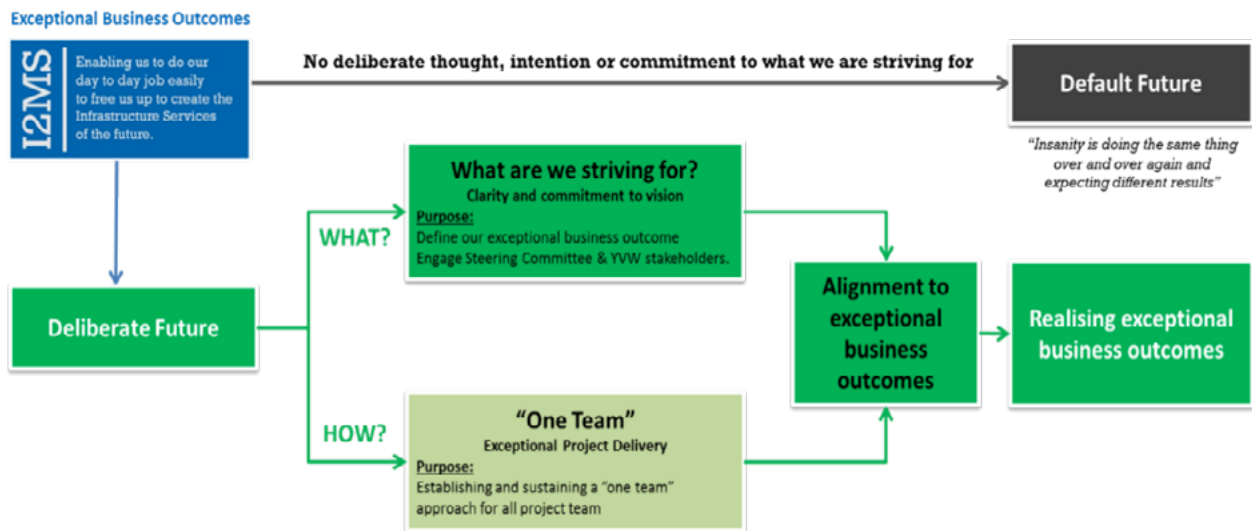Figure 7. One of Yarra Valley Water's six 2020 strategic commitments

Figure 8. Project alignment workshop design

approach when establishing the project team. This approach clearly articulated how project team members were expected to behave and interact.

It demonstrated that, regardless of the organisation you worked for, everyone was working towards the same project outcomes.

ENGAGE END USERS

The I2MS Project was the last of a number of significant technology implementations under the Information Technology Strategic Plan.

The business had been experiencing unprecedented change over the preceding years. For this reason, there was an understanding that some staff could have change fatigue. Additionally, information overload during large IT implementations was always a risk. Being mindful of these challenges, the project employed the help of 'Max'.

Max - For end users to embrace a change, they need to understand 'the why'. To cut through the change fatigue and information overload, a fun and engaging comic strip with main character Max (named after the Maximo system) was used to convey this message.

The comic strip respected the existing system (it needed a much needed 'holiday') and positioned the new system as business-driven, modern, capable and with a friendly personality.

By giving the new system an identity, end users had an already established familiarity and a personal relationship with Max by the time implementation arrived.

BUSINESS OUTCOMES

We used a business-centric approach to project delivery and system implementation, which was emphasised throughout the project.

Rather than the typical project-centric 'Go Live' milestone (when the new system becomes operational), I2MS focused on a 'Fully Operational' milestone (when the business is operating at a capacity similar to the previous system).

This 'Fully Operational' milestone originated from an understanding that the business needed to work at an operational level as soon as possible, in order to undertake business as usual during seasonal peak workloads.

Figure 9. Posters with these images were placed around the workspace to remind team members of the 'One Team' approach

Figure 10. The first Max comic

It highlighted that, as a business, we were still required to deliver on service outcomes and minimise negative impact to productivity, customer service and culture.

This 'Fully Operational' milestone demonstrated the understanding that the 'hard work' would actually occur after Go Live.

Implementation plans included transitional activities such as training, super user support, change management help and readiness checkpoints two months after Go Live.

OUTCOMES

I2MS was delivered on time and within expected budget. For an IT project of its size and magnitude, this was an exceptional outcome for the organisation.

The organisation was able and prepared to cope with the peak summer period, a key success factor

for the organisation.

The new system now enables more efficient management of asset lifecyles and capital investment, resulting in more informed business decisions, extending the life of assets, ensuring safer work environments, and delivering productivity improvements that help us make every cent count for our customers.

Our Customer Contact Centre staff can also now access information on a single screen as they respond to customer calls.

This has increased the efficiency of interactions with customers, saving time and improving satisfaction levels.

Additionally, using internal staff on-project was significantly more cost-effective than external resources, while also providing the benefit of the development of an ongoing operational capability.

Yarra Valley Water is now in the process of sharing the lessons learnt from I2MS with other organisations in the water industry.

In 2015, the project was awarded the Smart Infrastructure Project Award (National Infrastructure Awards) recognising excellence in the design, delivery and use of smart infrastructure.

The Judging Panel noted:

"The new system will improve the existing asset lifecycle, ensuring downtime and maintenance costs are reduced, as well as minimising disruption in the provision of vital services."

Nine months post-implementation, the organisation administered the Human Synergistic's Organisational Cultural Inventory (OCI) survey. Results (Figure 12) indicated the area most impacted by the change showed significant cultural improvements from their 2013 results.

Figure 11. There was also a desktop Max. Staff would 'adopt' Max for the weekend or an event, and take photos of his adventures which were recorded in an online blog. Here's Max getting 'real' with safety, visiting a local football grand final and at the Social Club snow trip amongst things.

LESSONS & SUCCESSES

- Visible and active Executive Sponsor

- Selection of business partners on culture-fit, not just technical expertise

- Constant reinforcement that the project is business-driven

- Internal Change Manager supported by internal Enterprise Change Management function

- Use of internal staff on-project to enable knowledge transfer, develop internal capability, empower business ownership, facilitate smooth change transition and reduce project costs

- Yarra Valley Water staff (rather than project contractors) set up as the experts and used to convey project messages

- Establishment of a project team culture that aligns with the business and its culture

- Understanding of the end users' perspective and their appetite for change, and tailoring the engagement plan to break through communications barriers

THE AUTHOR

Mae-Lin Han, Project Manager, Enterprise Change & Capability

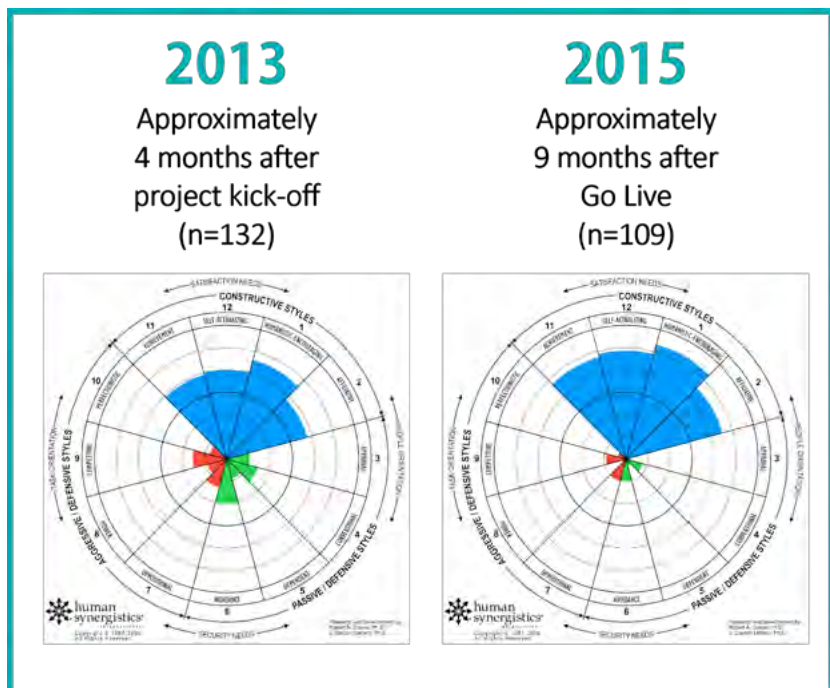Mae has worked the breadth of Human Resources – ranging from recruitment,

Figure 12. OCI Results for Infrastructure Services

employment and industrial relations, to learning and development.

At Yarra Valley Water (YVW), her role has been managing people-related projects, including cultural surveys, wellbeing, leadership programs and staff development programs.

Her first step outside of core Human Resources was a secondment to the role of Change Manager for the implementation of Yarra Valley Water asset management system.

Leveraging a people-focused approach and an ability to create meaningful connections, she led a change program that contributed towards a successful information technology implementation.

Having returned back to a People & Culture role as a Project Manager, Enterprise Change and Capability, she finds herself constantly leveraging her change management experiences in everyday life. Change management is part of everything we do.