

Are your change initiatives delivering your strategy?

Ensuring that your change assurance addresses the right risks



Change is the only constant - can you keep up?



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The corporate environment is constantly evolving. Customers and regulators are demanding more - and demanding it sooner. Is your business responsive enough? Do you know how to manage and deliver those changes? Do you have the assurance that your change portfolios and initiatives are delivering the things that you need in order to deliver your strategies?

It doesn't take long for an unresponsive business to lose market share or face compliance failures. With a higher pace of change, there is further to fall and greater consequences for not keeping up. To counter this, firms need an agile change environment that is able to adapt and deliver the change required to keep up with and beat the competition.

All changes should be initiated with specific deliverables and benefits in mind that align to a strategic requirement. Delivered via projects, programmes, portfolios or business as usual initiatives, managing change can be complex and it's easy to lose track of what you are trying to achieve. It is important to keep a clear line of sight between the proposed change and the final benefit, and from the final benefit to the strategic requirement driving the change. This is easier said than done, especially when there is a high volume of changes being constantly delivered. Effective governance processes are essential to effective change management and is important that the processes are agile enough to support and enable, rather than impair change.

If you're working on or planning change within your organisation, it's worth taking a step back and reassessing how you are set up to deliver it. Do you have the line of sight from all of your initiatives to strategy? Do you have the right resources? Are your governance processes strong enough and agile enough to be effective? Do you have the organisational infrastructure to succeed? Are your plans adequate and dependencies identified? Are communication processes good enough? Will your quality control and assurance processes ensure there is no disruption to the business when the initiative goes live?

Solid change assurance processes across all lines of defence will give you the insight that you need to answer these questions and the comfort that you need to know that your change and strategies are being delivered.

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Maintaining the line of sight

All change programmes should be driven by your strategy. Staying on track means keeping the line of sight to strategy at every level of the change organisation – from small changes to business as usual, up to oversight of the entire change portfolio. Keeping a line of sight to strategic outcomes as a primary focus will help you achieve your aims, on time, in budget, and to a high quality – which is after all, the end goal.

Strategy

It's about strategy

Strategy is the basic driver for all organisational change. Having clear alignment between strategy, change portfolios and initiatives is imperative to make sure there is no disconnect. You should regularly reassess the degree of alignment and work to remain focused on meeting strategic goals - optimising and prioritising initiatives to make sure you get there as quickly and efficiently as possible.

Portfolio

Balancing a portfolio of change programmes

Strategy is usually delivered through a number of initiatives that evolve as the strategy evolves. It is important to effectively manage the overall portfolio and recognise that the initiatives will interact. Are there dependencies between them? How will the resources be allocated? How will the benefits from one affect another? To govern the portfolio effectively, you must be responsive to what's working and what isn't, and be agile in your approach.

Programme

Being agile in your programme delivery

Delivering a programme of change doesn't happen overnight and a sudden change in strategy may alter the required outcomes. Should this happen, your change programmes must be able to respond in-flight. A robust governance structure will keep you ahead of the game, and help you to manage risks and dependencies effectively.

Project

Recognising that every project is unique

Project delivery is changing. Many organisations are moving away from waterfall processes to Agile. This puts greater pressure on the requirements and pace of governance. Whilst the risks to delivery are the same, Agile processes can make it harder to govern the project, to communicate effectively and to manage stakeholders or suppliers. To counter this, you need to treat each project as unique and focus on the individual risks of each one, ensuring that it is set up to enable the change.

Business as usual

Realising the cumulative effect of small changes

Changes are becoming more frequent and smaller in size. But small changes add up. The aggregate impact can amount to the same as a large project or programme. Business as usual changes need the same degree of governance and control. You need to prioritise actions, checking quality throughout the pipeline, build and release stages to minimise the risk of business disruption and strategic misalignment.

Why does it go wrong?



All change initiatives have a final outcome in mind. This might be cost reduction, compliance, efficiency or an increase in output. Regardless of what the outcomes are, each one should have a clear line of sight to your strategic goals. If the benefit is unclear, is it worth the cost and the associated risk?

Keeping focused on the outcomes and how they enable the benefits is key. Without appropriate governance, effective communication and robust quality control, you run the risk of your project failing.

When projects fail, it can have broader, unexpected consequences for the business, including significant disruption to customers and business as usual activities. Typical issues which can contribute to project failures include:

- Ill-defined benefits and programme requirements - leading to unexpected outcomes.
- Poorly articulated delivery approach or methodology – leading to lack of engagement and ineffective governance.
- Failure to engage with the beneficiaries of the project – leading to a lack of acceptance and a reduction in the benefit from the outcomes.
- Unrealistic delivery timetables and a focus on excessive functionality – leading to a loss of quality.
- Poorly managed changes in project scope – leading to overruns in time and cost.
- Ineffective risk management, including a lack of awareness of dependencies or constraints – leading to unexpected issues, delays, overspend or, in the worst case scenario, non-delivery.
- Multiple initiatives across the organisation, which are competing for the same resources – leading to unforeseen delays.

It is important to take a step back and check whether delivery is still on track. Are the aims still clear? Is the route to get there still realistic? Getting external assurance can be beneficial for objectivity and help to stay on target from early in the process.

Putting it into perspective



Delivering a strategy is usually achieved by the delivery of multiple initiatives. The sum of the benefits from the components of your change portfolio is greater than the benefits of the individual projects and programmes in isolation.

It is important that governance and process enables initiatives to work with one another at an organisational level, that initiatives are prioritised and that resources are appropriately allocated in line with that prioritisation.

Strategic benefits in one initiative may be dependent upon functionality or the outcomes from another initiative. It is common for stakeholders to focus on individual components and lose sight of the bigger picture. This frequently leads to a dilution of overall benefits and lost opportunities.

What should you be thinking about?

- In addition to the risks associated with individual initiatives, has your assurance programme considered the risks in the change portfolio as a whole?
- Do you understand the impact of delays or changes in requirements in individual projects and programmes on the rest of the portfolio and the overall delivery of benefits?
- Are your organisational governance processes agile enough to react to internal or external changes in requirements and make appropriate decisions, based on relevant data to maximise benefit realisation?
- Do you know what the combined impact of the initiatives on individual parts of your business, customers or suppliers will be and when they will be impacted by?
- Are the impacted parties ready to consume the change and deliver the benefits – do they have the capacity and capability?

All of these questions may identify broader risks that could have a greater impact on your organisational ability to achieve strategy than looking at individual projects and programmes.

Recognising the risks



It is human nature to establish routine. Change is often met with resistance and it can be tough to get everyone on board. Successful change usually relies on stakeholder buy-in across the organisation and everyone moving in the same direction. Keeping and communicating that clear line of sight to the end goal can help to justify change activities and maintain engagement levels. Similarly, a change initiative which is going well can instil confidence amongst the stakeholders and help to build momentum.

Stakeholder engagement is just one hurdle. Change can involve a number of phases and processes each with unique challenges. The key to successful delivery is to continually assess, identify and actively manage key areas of risk. Those risks will be different for every organisation and each change initiative, however they commonly fall into the same domains.

Putting an assurance plan in place across the three lines of defence that focuses into these domains can provide insight into the status of risks and help to identify emerging issues thus allowing you to take corrective actions before the situation gets out of hand.

What areas of risk should you be thinking about?



Organisation

Are organisational processes in place to enable the delivery and sustain the benefits of change?



Governance

Do governance processes enable the effective oversight and management of change?



Planning

Do plans demonstrate how and when the change will be delivered?



Communications

Are internal and external communications processes in place to inform stakeholders and enable the delivery of change?



Resources

Are resources with the appropriate capability and capacity in place to deliver the change?



Quality

Are appropriate quality processes in place to ensure that the deliverables required to enable benefits are being delivered?

Benefits of change

In each of these areas, is there an appropriate focus on the benefit of the proposed change? Are management and delivery processes concentrated on making sure the intended benefit will be realised through that change?

How we can help

Managing change is never easy and there are always challenges along the way. Lack of engagement, poor communication or under resourcing can be common issues – and they can snowball quickly. We can support you to keep your change initiatives moving toward the end goal and stay aligned to your strategy.

Our team have significant experience from across the industry, so we know the common pitfalls and reasons why change programmes and portfolios fail. We also know how to fix them. Drawing on industry experience from a broad range of sectors, our experts recognise what good looks like and know how to achieve best practice.

Our approach and business tools are focused on offering assurance over portfolios, programmes and projects of all shapes and sizes. Depending on your business needs, we can offer a full programme of assurance throughout the lifecycle of change, or we can provide a point in time view of any initiative in distress.

With clients from across large corporate, financial services and the public sector, we are used to working with businesses just like yours. So whether it's a risk assessment, programme of assurance, health check or deep dive review - we can help you keep the line of sight and realise your wider business goals.



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