INPACT Presentation Notes

Slide 1

Welcome to this presentation of the INPACT methodology. These notes are designed to be read in conjunction with the slide show.

The background to this methodology lies in the many years that Peter Duschinsky and Peter Carter, its developers, spent sorting out why projects were not delivering their benefits.

As a management consultant Peter Duschinsky has spent over 30 years working on bringing new ways of working into business and the public sector. Over the last 5 years he has been working with local authorities, NHS and central government organisations to help them implement e-procurement and other e-government projects to realise service improvements, efficiency and cost savings.

Peter Carter set up Corporate Information Systems as the UK and Eire distributor for PROTOS, the leading process modelling system from Wave-Front International of The Netherlands. His core business has been assisting client organisations to deliver performance improvement by implementing process change.

In many cases we were both brought in to help to rescue projects that had failed to realise the expected benefits and about a year ago we decided to identify the reasons for this.

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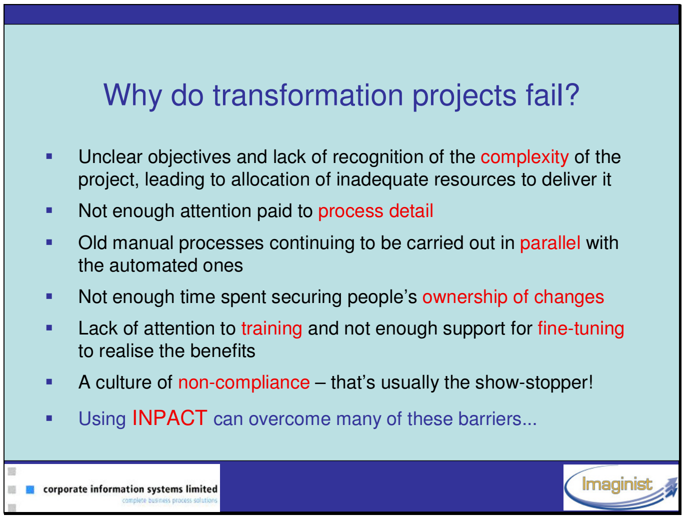
Slide 2



It turns out that projects fail to deliver for a complex mix of reasons, but most of these come back to some common underlying causes.

We found that most projects were planned and implemented with too little attention to detailed process transformation on the one hand and to managing the people issues on the other.

This analysis led to the development of INPACT: Integrated Process and Culture Transformation, which addresses these issues and maintains a balance between people and process throughout the project lifecycle.

This is not rocket science, but neither is it simple. Some of the models are well known and go back to the work at the Deming Institute, MIT and Carnegie Mellon University. Others are less well known, such as the Strengthening the Management Culture model borrowed from Warren Kinston, a UK based management consultant working in the NHS in the 1980s. In all cases we have adapted and made use of them, relating them in a unique combination to form the INPACT methodology.

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Slide 3

There are seven steps in INPACT. Although we often take elements from the methodology, rather than following all seven steps, to suit the client’s needs, the seven step structure embodies an underlying set of principles which are key to making this methodology work. All will become clear…

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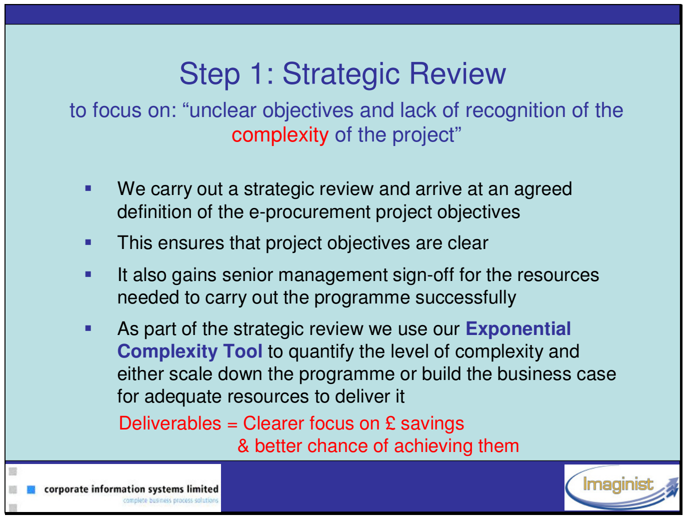
Slide 4



Each step is focused on addressing one of the barriers to success identified in slide 2.

The first step is usually carried out as part of the opening discussion with the senior management team.

It can be the key to saving a project from almost certain failure.

The review is usually undertaken with a specific change project in focus – either before it goes ahead or when it runs into trouble. We look at the project, the organisation and any external factors which may impact on the project's success. The review follows the INPACT methodology structure, looking at both the people and process aspects. A report is written which will typically provide a set of recommended actions to get the project on track and ensure its success.

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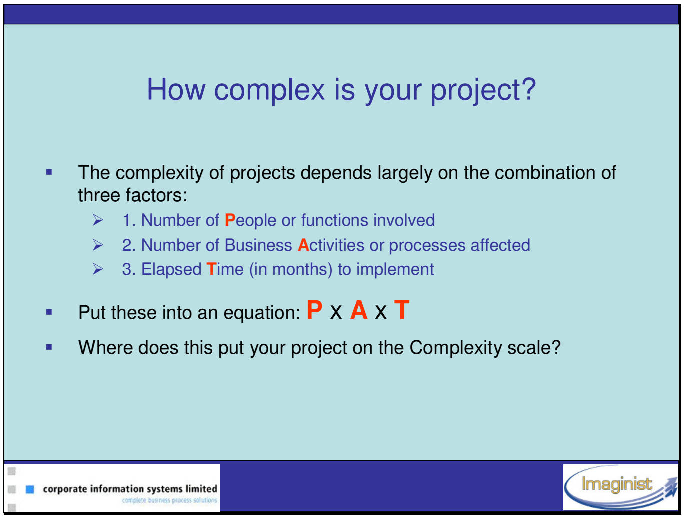
Slide 5



The Complexity Equation was developed by Peter Duschinsky as a way to show managers that they were living in cloud cuckoo land much of the time when they set projects off and running.

Try this for yourselves – it always surprises people.

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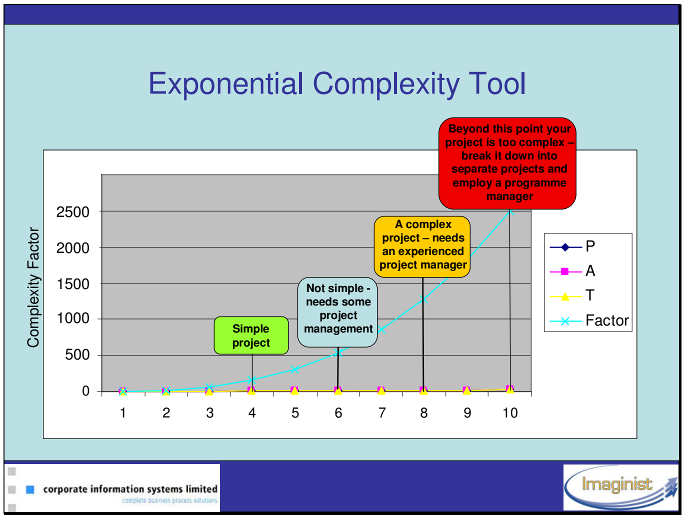
Slide 6



The scale on the vertical axis is illustrative – we didn't have the tools to draw the exponential curve as accurately as we would have liked for this presentation!

However it doesn't take much to see the principle here.

We deal quite often with large change programmes which can have 200 'people' or functions, 30 interfaces with other systems and processes and 18 months typical roll-out timescales. The exponential complexity factor for that project would be off the scale at over 100,000.

One of the pieces of work we are planning to do is to carry out more research into projects to quantify more precisely the parameters for each of the four descriptions and where they should be on the 1-10 complexity scale.

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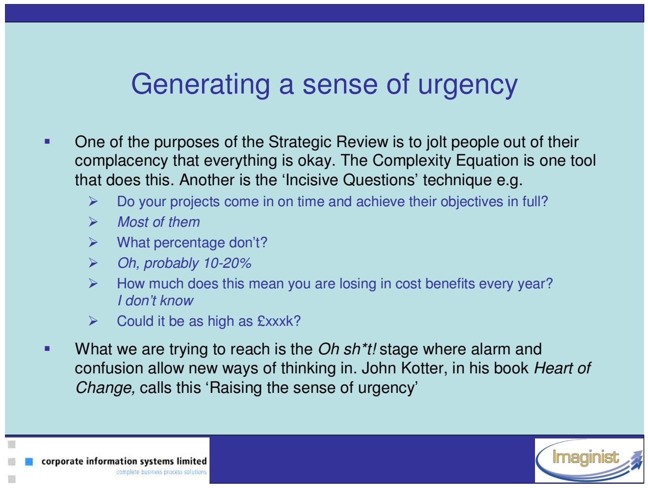
Slide 7



In the run-up to the Millennium, you may recall that there was a lot of concern about the 'Millennium bug' – the inability of computer systems using shortened date fields to recognise the year 2000. In the end it turned out to be a bit of a false alarm, but a lot of work was done ahead of December 31st 1999 by major companies to ensure that they did not fall into the trap. One concern they had was that their suppliers may not be doing the same.

Peter Duschinsky led a project for government to influence these contractors and sub-contractors and the first hurdle was to jolt them out of their complacency: "Oh no, we don't have any computers that use dates like that". This was the origin of our use of Incisive Questions in INPACT.

"Really?" we would ask. "No lifts? No other operational equipment with motherboards that may have clock circuits that aren't being used by the machinery but which might still cause the equipment to switch off at midnight?"

It was only when we got the "Oh sh*t" reaction that we could move to the next stage and start talking about what to do about it.

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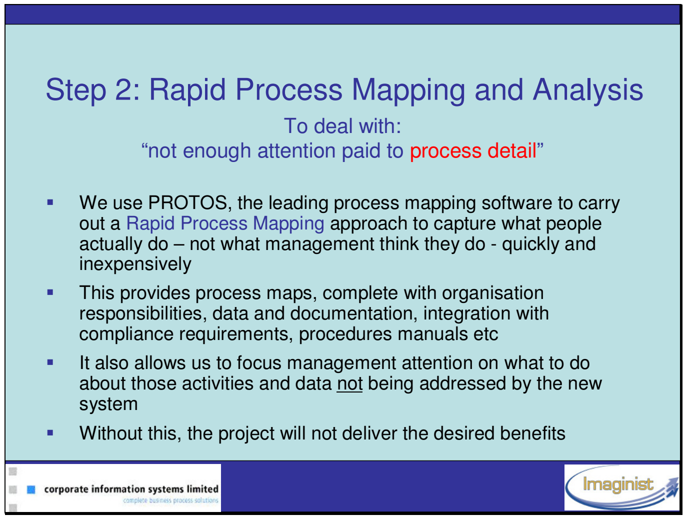
Slide 8



The second barrier is not one that many people seem to have identified, yet it is as clear as daylight when you watch projects being implemented and the poor systems users trying to cope. Simply not enough attention is paid to process detail.

People will avoid carrying out the new automated process alongside the 'mess' –all the manual processes that you have left them to deal with because the new system wasn't designed to handle them. Our analysis shows that unless one captures the detail of what people actually do and make the necessary decisions about those activities not being addressed by the new process, the change project will fail.

It was because of this observation that Peter Duschinsky sought out Peter Carter to bring process mapping to the methodology. PROTOS allows us to work quickly and involve process users in capturing, mapping and understanding the existing and new processes. It also allows us to output sophisticated specifications and easy-to-use procedures manuals.

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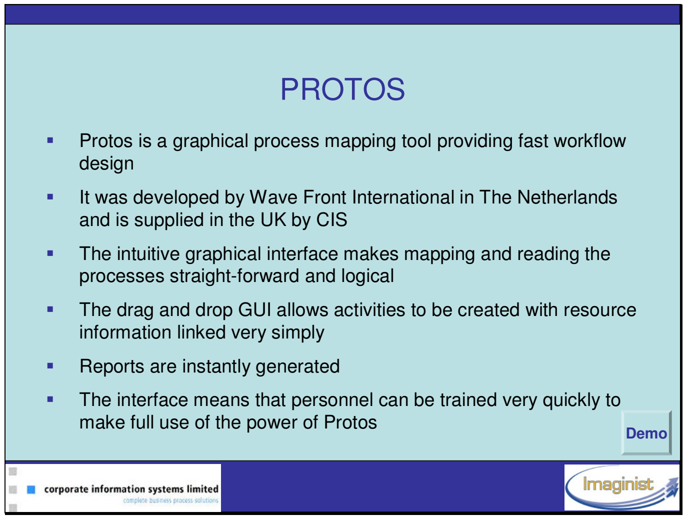
Slide 9



To find out more about how PROTOS works, click on the demo button, or if you are not reading the slides while online, go to: **http://www.cisystems-ltd.co.uk/M2838/** for an interactive demonstration.

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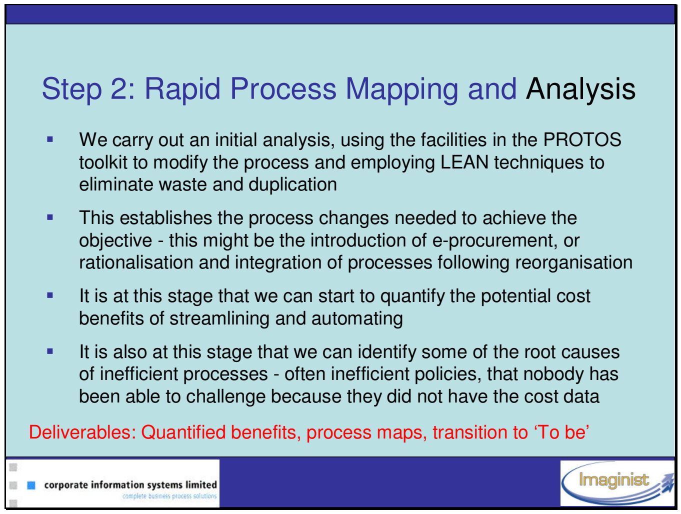
Slide 10



One of the key things we get from using the process mapping tool is a focus on LEAN, which means we can get people's attention away from cost saving and on to process improvement – no, they are not the same!

As one manager said (we like this quote):

"What really irks me is that investment analysts talk about...these efforts...as cost reduction. If you're doing cost reduction you're taking people out, you're skimping here, you're cutting back on investment there. This is process change. Yes, you might take out resources, whether they be capacity, pounds, people, material, whatever it is, but it's not because you're cutting them, it's because you don't need them, you've found a better way to get the work done."

One really interesting insight that came when we were starting to apply rapid process mapping and analysis in our projects, was that processes were often not that inefficient – it was the policy decisions that created them, that were… And that led us to realise that we could quantify the cost of poor decision-making…

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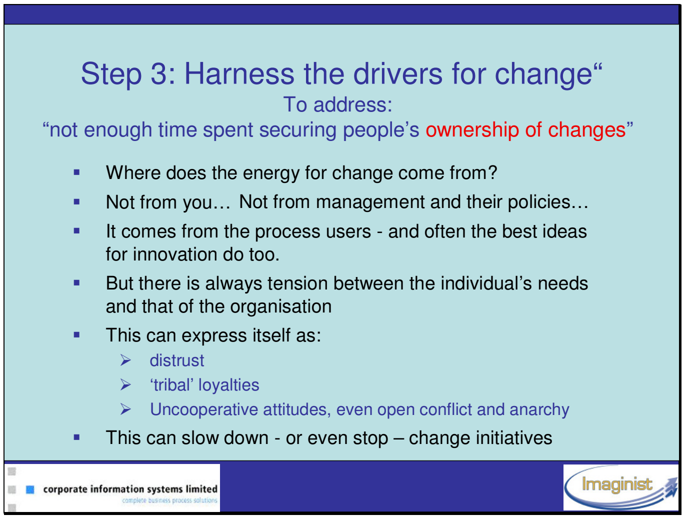
Slide 11



Having looked at processes in some detail, we now turn to the other key aspect of managing change projects and the other half of our integrated methodology: the people issues. There are some key concepts on this slide which will come up again later.

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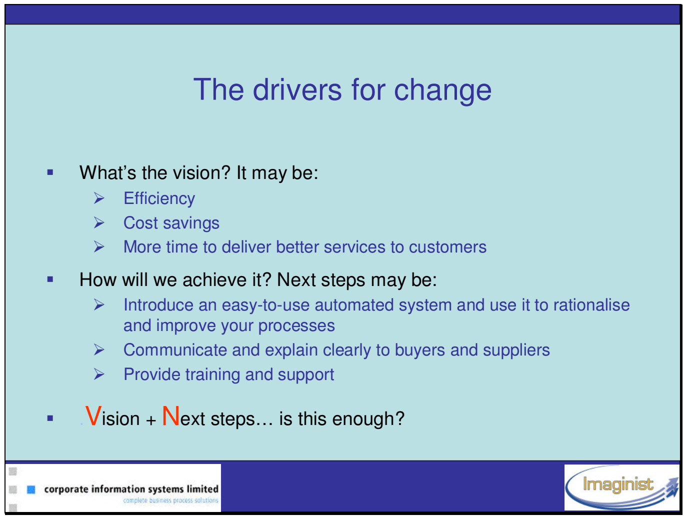
Slide 12



This uses a version of the Change Equation, which Peter Duschinsky first came across many years ago out of Deming and the Software Engineering Institute, along with CMM and other models.

It is a powerful tool to use interactively with workshop groups etc and that's how it's developed in this presentation.

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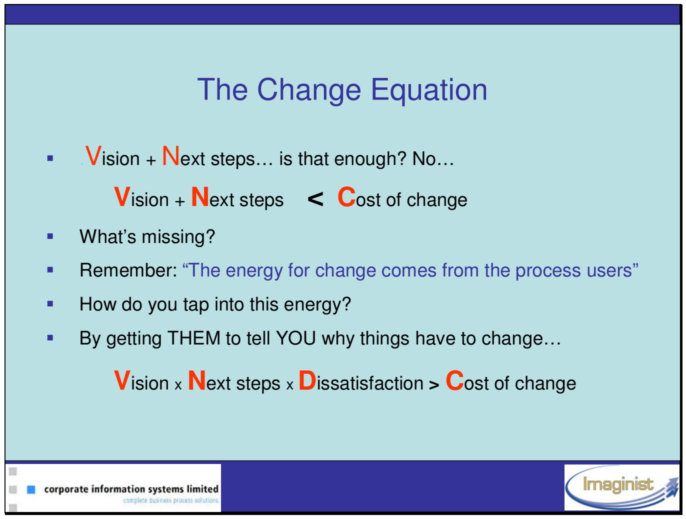
Slide 13



The psychology of getting THEM to tell YOU why things have to change leads us into NLP, incisive questioning, use of silence and a raft of other good stuff for getting people to discover things for themselves, which is really the secret behind this formula.

Peter Duschinsky's background in linguistics and child learning behaviour has provided him with a nice example, especially for those clients with families (don't try this on consultants working in major consultancies – they don't have a life!): how do your kids learn to speak English?

Not just by imitation – they take in data, form rules, test those rules (making mistakes), refine them till their language is 99.9% the same as yours BUT THEY INVENTED IT FOR THEMSELVES and that is a really important principle for getting people to make changes. Let them invent their future, even if you already know where it is and what it looks like (eg a new process/system etc).

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There's a new book on this by Steven Covey Jnr. The essence is that you can apply the Distrust Factor to any change scenario and up go the cost and time to effect change. Would be interesting to try to quantify this…

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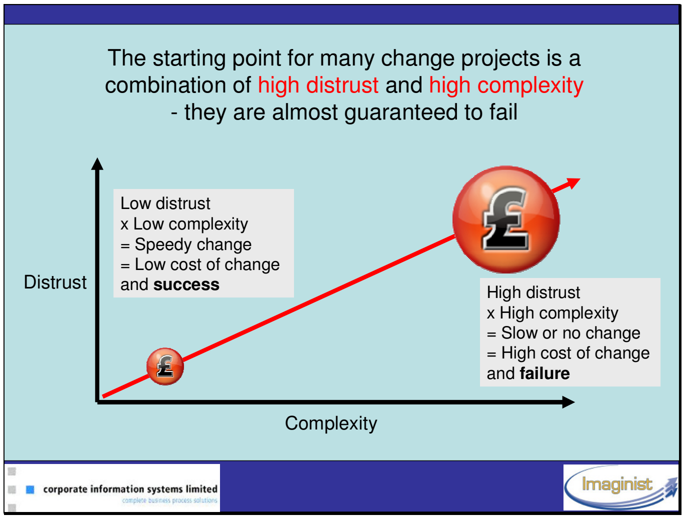
Slide 15



Like so, but with real figures…

The question then is, what do you do about it?

Developing a 'low distrust' culture in an organisation is not something one can do in one short project – the change required would take longer and depend on some fundamental changes in management culture – which is why we look at this in some detail, next.

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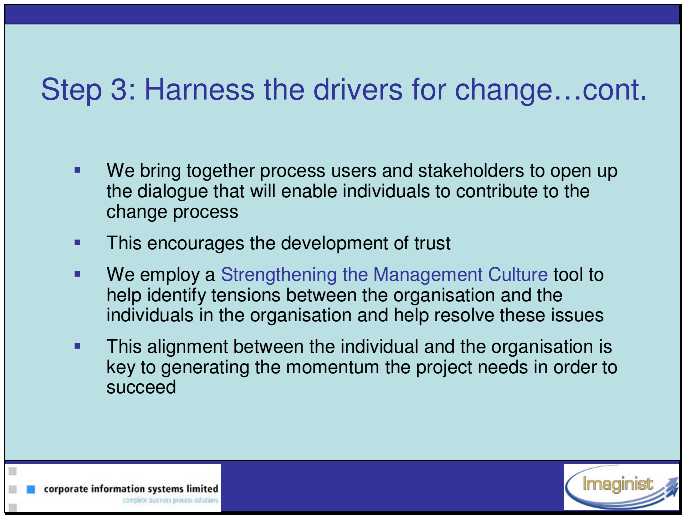
Slide 16



So here is where we bring in the Strengthening the Management Culture model. Pay attention, as this is where we reveal the kernel of the underlying structure of the methodology!

The following slide builds up. Use the notes on the next page to follow the sequence.

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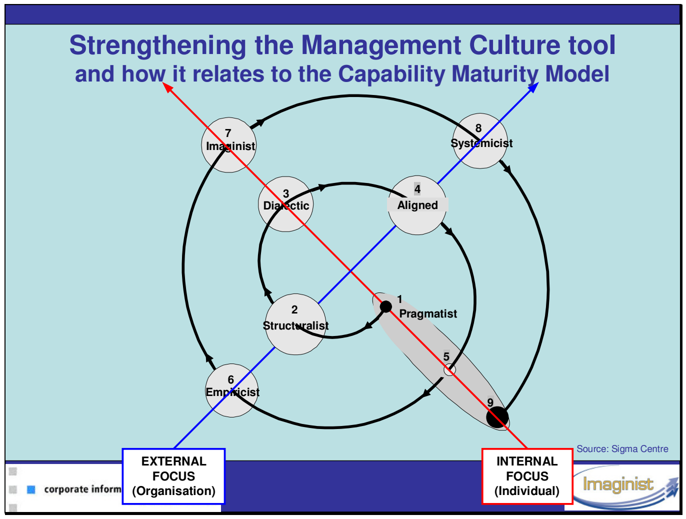
Slide 17



1. We start by doing everything ourselves: **Pragmatist** style of management.

2. As we grow, we need to delegate. This needs rules and processes = **Structuralist** style. However this becomes bureaucratic – the rules and process become excuses not to do stuff – people become stuck in their silos, the organisation becomes 'tribal'.

3. So management tries to re-engineer the processes and develop a more Rationalist style. The trouble is, re-engineering processes doesn't seem to work very well. Why? Well perhaps they didn't spend enough time gaining ownership for the changes from the people involved = **Dialectic** style… And notice where this needs to fit… between the Structuralist and Rationalist styles.

4. Now we have aligned the aspirations and motivation of the individual with the policies of the organisation, the Rationalist style becomes the **Aligned** style.

5. And when everyone is pulling in the same direction, we can relax the rules, give people more control over how they achieve results = **Pragmatist** style again, only this time it's not anarchic, as it was in the first cycle.

6. Now that the organisation is working as a team, communication can flow undistorted, across functions as well as up and down – so management decisions can be better informed and the organisation can focus on the real world outside itself = **Empiricist** style.

7. A manager in an Empiricist style organisation has the information to make good decisions. These can be far-reaching, innovative and radical 'leaps of faith' so we call this the **Imaginist** style.

8. Once the organisation is working as well as this, the captain at the helm can stop fire-fighting and intervening and start navigating = **Systemicist** style.

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9. Finally, we come back to the place where we started, with the individual now not only being fully empowered but supported by visionary management = **Pragmatist** style

Did you notice the way these styles are distributed in a spiral? There's a reason for that. Watch as the slide progresses…

Imagine a pendulum swinging from INTERNAL to EXTERNAL, and rising as it does so - each style builds on the last one, it doesn't replace it.

Each of the styles on **red** axis focuses on the individual within the organisation and their INTERNAL responses…
while each of the styles on the **blue** axis focuses on the organisation and its EXTERNAL or organisational responses.

In order to progress up the management evolution spiral we have to recognise and fully deal with the underlying tension between INTERNAL and EXTERNAL – the individual, playing a meaningful role in the organisation and the way the organisation uses people to succeed.

That's the underlying principle of INPACT.

And this is also an important tool to communicate to top management the criticality of keeping the balance and paying attention to the tension, throughout the change project and beyond it…

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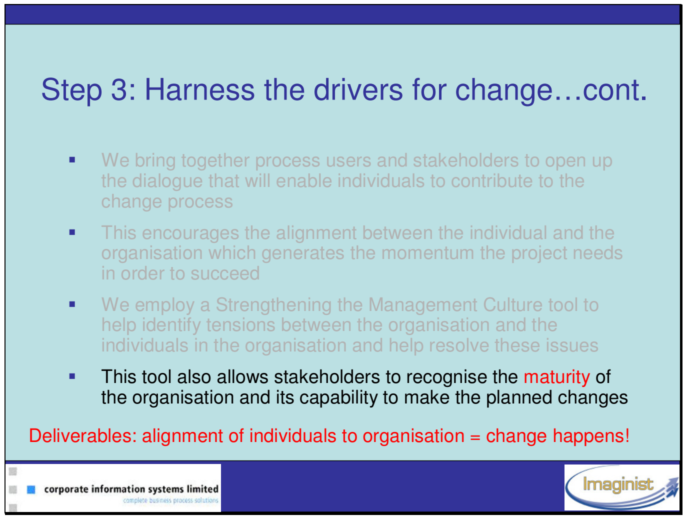
Slide 18



Now we add another layer of insight…the maturity of the organisation and its capability to make the planned changes.

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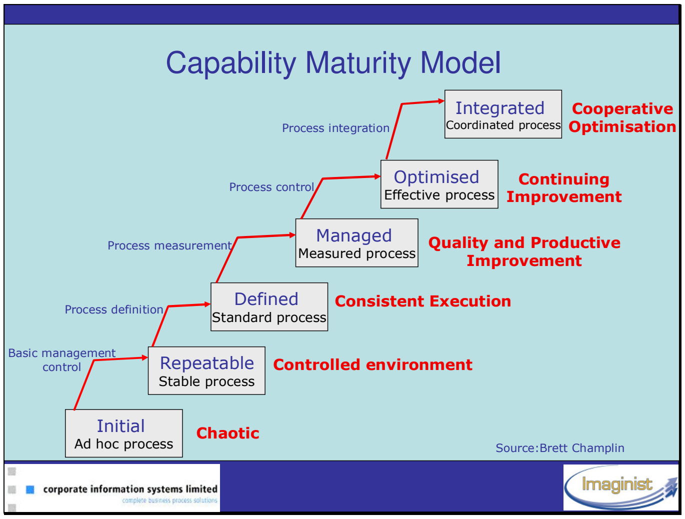
Slide 19



CMM is well established in the software project management world, but little known elsewhere. But its principles apply equally to any organisation and any project.

The reason that CMM is important and complements the Strengthening the Management Culture model is that it focuses on <u>process</u> maturity and how well the organisation manages these processes. Most organisations of any size are at level 2/3, but many of the change and modernisation projects they undertake require level 4/5 capability – which is why they often fail.

So how does an organisation develop level 4/5 capability?

Well, one key element is the ability of management to make the discipline and consistency of approach ‘stick’. See the link back to the Management Styles model? Well now look…

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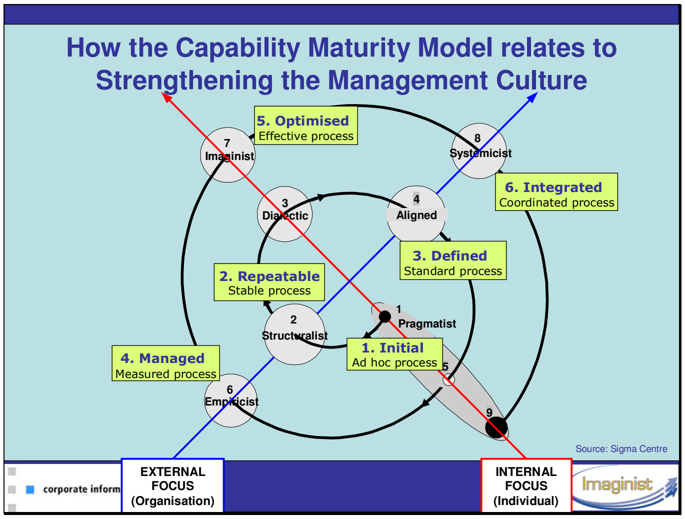
Slide 20



CMM fits right in with our model – and says something important about how to tackle the often unrealistic aspirations of organisations to take on too ambitious a change programme.

The key to improving process maturity is to create a programme which also strengthens the organisation's management culture. One won't work without the other. Improvements may be gained in parts of the organisation (especially one which works in 'silos'), but:

a) it won't transfer, so remains small-scale and incidental to the organisation's overall capability,

b) it won't last – the improvement will become eroded and diluted as people move on and priorities change.

So we would work with the organisation to identify what they needed to do to strengthen their management culture and the way the people in the organisation function, in parallel with bringing in the disciplines and LEAN thinking to their processes. The critical points in the spiral are the inclusion of Dialectic (3) in the move from Structuralist to Rationalist/Aligned, empowering the individual; and the ability of the organisation, thus empowered, to move away from silo working towards Empiricist (6). These changes in management culture enable the transition from 'stable processes' to 'defined and standard' and then 'managed and measured'.

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Now you are conscious of the flip/flop in our underlying model from people to process and back again, you won't be surprised that we now turn attention to re-engineering the process.

However we also involve people in this (the integration is starting to show!) as this is the only way the changes will 'stick'. Remember the child learning analogy…let them invent it for themselves… well, that's what we do here, even if we are dealing with a well-defined goal, such as a new process or system that can't be altered.

People don't mind working towards 'one we prepared earlier' as long as they are satisfied that they 'own' the changes. Even compromises, necessitated by systems that don't do everything you want them to, can be okay if people develop the 'work-arounds' themselves. Ownership of change is one of the key indicators that we look for before and after our involvement as a measure of success.

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Knowledge transfer is key to ongoing success, so we train the change team within the context of a pilot project. They can then take responsibility for rolling out the change across the organisation and for taking on further improvement projects using the PROTOS mapping tool. Of course we also make sure they fully understand the need to maintain the balance between people and process throughout the change projects they undertake – or what was this all for?.

NB although this is Step 5, in practice it can take place at any stage, dictated by the needs of the project.

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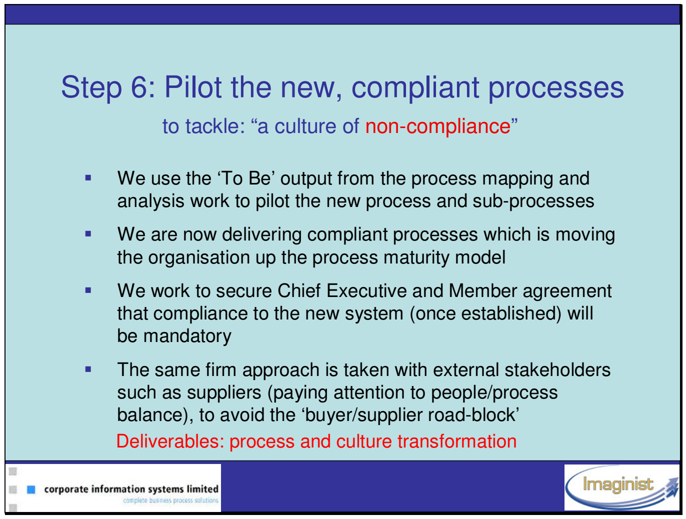
Slide 23



Always, always, always pilot it first. Big bang doesn’t work, especially in a chaotic organisation!

It is essential that everyone knows they have to make the change (even top management) – or they won’t do it. Making a change mandatory is often difficult to achieve in a devolved service organisation that does not have a ‘command and obey’ culture, but we insist that it is critical to the success of the project.

Where the new system involves external stakeholders, such as the suppliers in an e-procurement implementation, you may have the non-compliance issue on both sides of the supply chain – a real show-stopper!

Dealing with external stakeholders is always a challenge, as one’s influence may not be sufficient to make the changes mandatory in the respective organisations. There are no short cuts – it takes lots of communicating and persuading…

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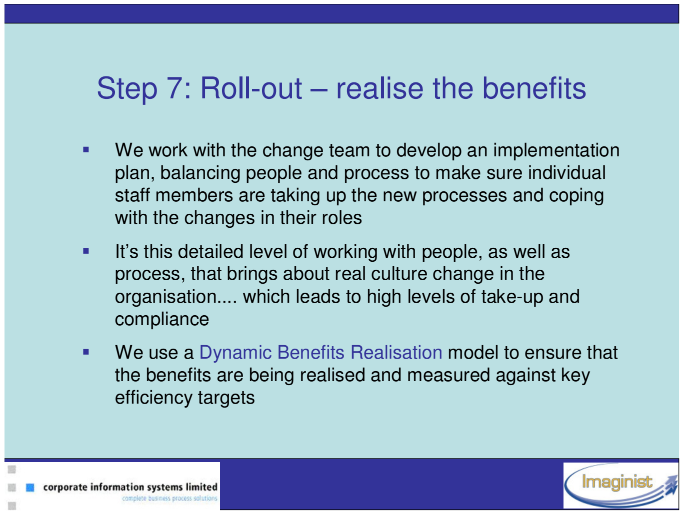
Slide 24



Finally a fully integrated implementation plan, a culture change in progress (it takes more than one project!), and a degree of maturity in the way the organisation is functioning that allows success to be measured.

Now all we need to do is ensure that the project achieves its objectives.

We use a Dynamic Benefits Realisation model to help us do that…

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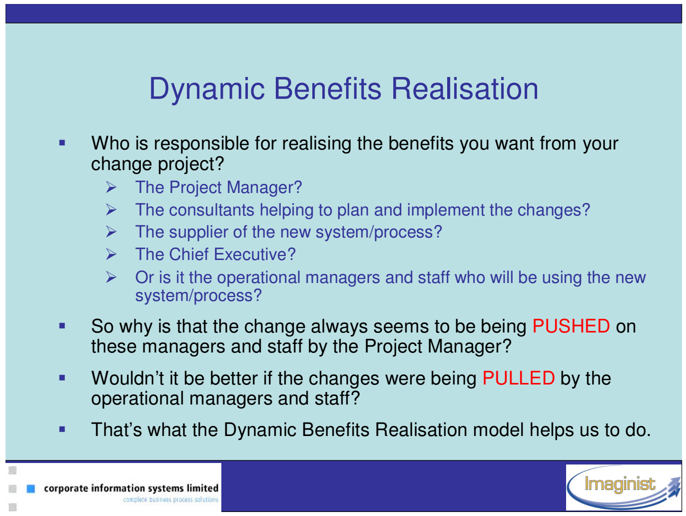
Slide 25



It's amazing how many senior managers point to anyone other than the system/process users when we ask "Who is actually responsible for achieving the benefits from this change project"

So it's probably not too surprising that the poor project manager feels as if he is "banging at only half-open doors" and "pushing a boulder uphill", to quote two change project managers we have worked with recently.

When we suggested that we could fundamentally transform this dynamic so that they were being ASKED to come in and make changes happen, they laughed… until we showed them our Dynamic Benefits Realisation model.

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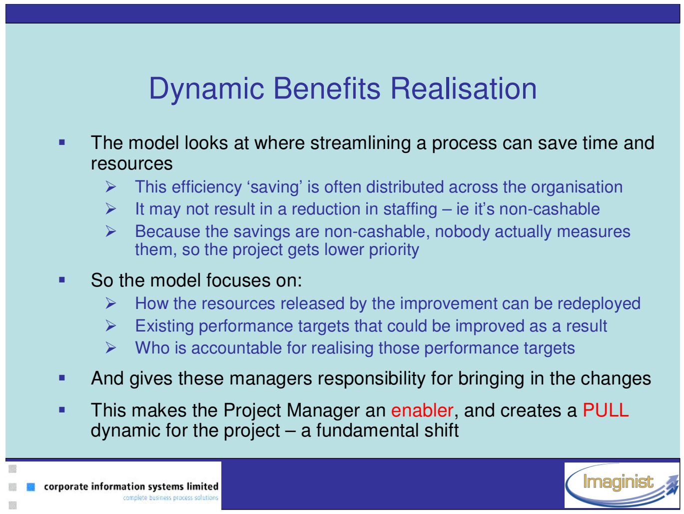
Slide 26



This model is useful where changing a process or introducing a new system enables a lot of people across an organisation to make small time savings in their jobs. That usually means that the project is not primarily about reducing numbers of staff, more about streamlining back office processes to release time and resources for more important work.

(Where this is not the case and reductions in headcount are achievable, the incentive to complete the changes may be strong enough that we don't have to employ clever models!)

However the time savings are not real unless one can measure them, which is very difficult to do, and will not benefit anyone until it is redeployed doing something else, which <u>is</u> measurable.

The trick is to:

- Focus attention on the work that could be done using the released time and resources
- Identify <u>existing</u> targets that are important to the organisation and may not being met
- Agree with the managers responsible for achieving these targets what the released resource would enable them to do
- Task them to report these improvements at the project management board meetings.

They will soon be screaming for the systems and process changes – pulling the project, rather than resisting it.

The next slide illustrates the process…

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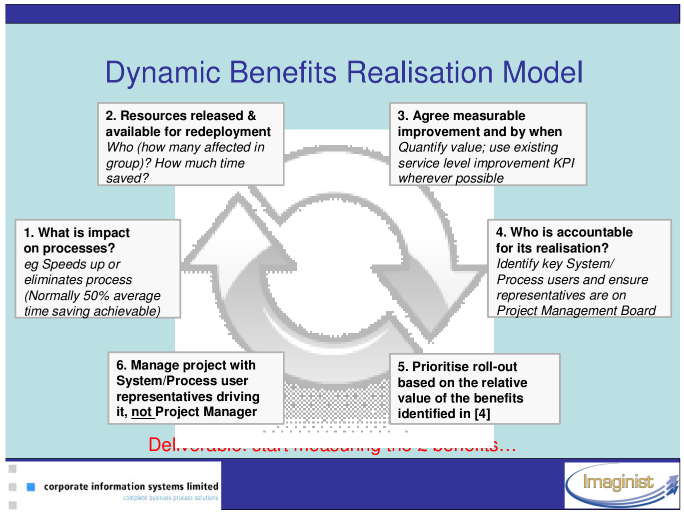
Slide 27



We look for robust benefits realisation plans at the Strategic Review stage. If there isn't one – and too often that is the case – we recommend implementing the Benefits Realisation Model, co-opting key stakeholders on to the project board as user representatives and ensuring that they are made accountable for bringing about the efficiency improvements in their part of the organisation.

So, we have arrived at the end of the seven step cycle.

By way of summing up…

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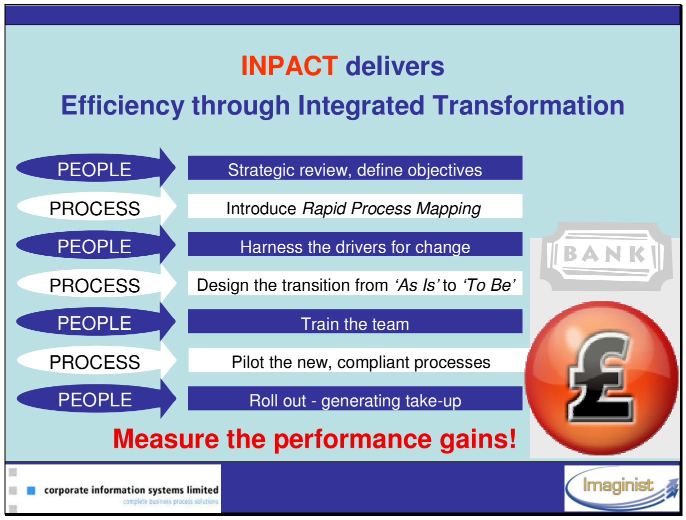
Slide 28



This slide is a bit of fun… but it does provide an effective overview of the methodology and makes the serious point that only a well balanced, integrated approach brings success…

That is **INPACT**.

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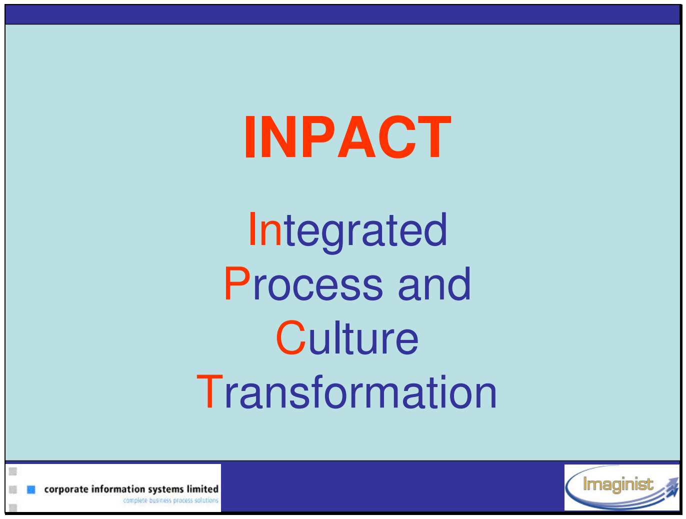
Slide 29



Thank you for spending time exploring the INPACT methodology.

We hope this slide presentation has helped to convey the principles and power of INPACT.

We would be happy to answer any questions and work with you to implement the methodology in your organisation to achieve change.

Contact: peterd@imaginist.co.uk or peter@cisystems-ltd.co.uk

Or visit our website: www.imaginist.co.uk/INPACT.htm

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