

EBOOK



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Mastering Change:

Key Tactics for Digital Transformation
Leaders to Successfully Implement
Organizational Change



Executive Summary

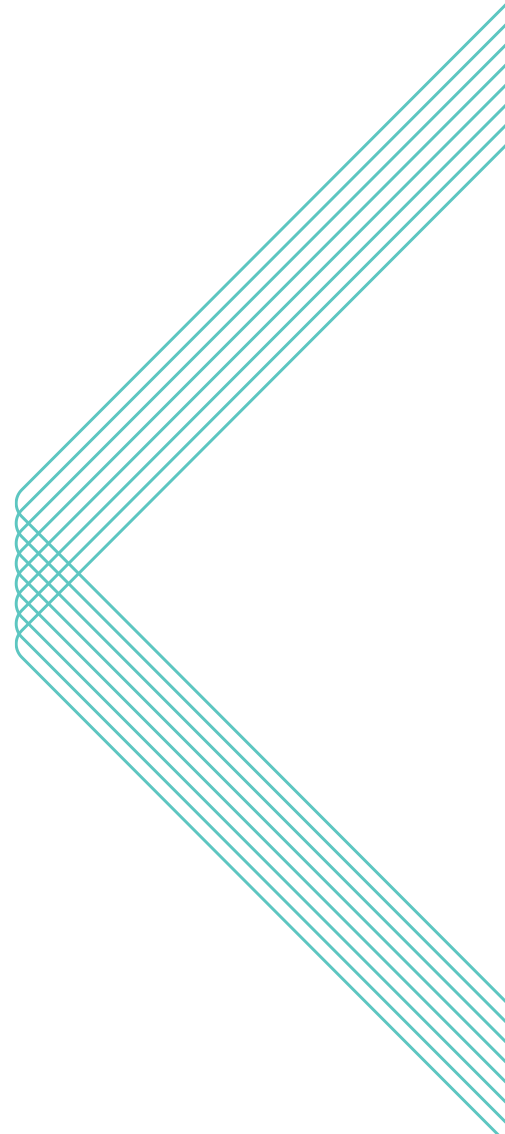
Research consistently underscores the pivotal role of effective change management, showing that initiatives supported by robust change strategies are seven times¹ more likely to achieve their objectives compared to those lacking such measures.

The proactive management of organizational change distinguishes between successful transformations and those that falter or fail, leaving companies at a competitive disadvantage. Central to successful technology adoption is the human element.

Gartner² also notes that organizations are turning to organizational design and change management to navigate continuous disruption from digital transformation.

Drawing on insights from our conversations and interviews with Kalypso subject matter experts, each with over a decade of experience across diverse industries, we have identified common challenges and effective strategies for organizations to successfully implement change.

Our approach to organizational change management (OCM) emphasizes a **human-centered culture** that is essential for achieving transformative success.



Our Recommendations

Before targeting any large-scale digital transformations, we recommend addressing key adoption failures using three targeted approaches:

1. Implementing the "**Perfect Project Pyramid**" framework to ensure alignment and accountability at all levels
2. Developing a holistic and **adaptable roadmap** tailored to organizational needs
3. Establishing a strategy that focuses on **removing communication barriers** and barriers to adoption

By embracing these strategies, businesses can navigate the complexities of organizational change more effectively, positioning themselves for sustained success in today's fiercely competitive market landscape.



Meet Our Interviewees

Here at Kalypso, we are a diverse team of innovators, strategists, data scientists + technologists. We're product people, with plant-floor expertise.

Meet some of our subject matter experts that we'll be referencing throughout this eBook



Austin Locke

Principal & Global Lead of Data Science & Industrial Internet of Things

Technology works best when it enables and empowers people. We're in an age of experiences; people need to see and feel the digital solutions that their organizations are proposing.



Brittany Hamm

Principal & Digital Acquisition Integration Leader

Getting to results matter the most, but results don't always speak for themselves. You have to be able to speak to results and empower your people to speak to them as well.



Chelsea Barnes

Senior Manager in Data Science & Digital Transformation

Defining a roadmap is essential, but you must be nimble enough to adjust to shifting business priorities on the path to your larger vision.



Chris Barnes
Senior Manager in Data Science & Digital Transformation

It's vital to identify who benefits from the solution now, who makes decisions and who will be affected in the future.



Stephen Birtsas
Principal & Global Practice Leader of Consulting & Supply Chain

When a digital transformation program truly commits to utilizing a human-centered approach to digital solution design, and invests in organization change management, it is the #1 telltale sign of the program's likelihood of success.



Tommy Mitchell
Principal & Global Practice Leader of Process Industries

For a project to be successful, the end user, and everyone in the value chain, must feel they want to support the initiative and that they are also valued by their leadership.

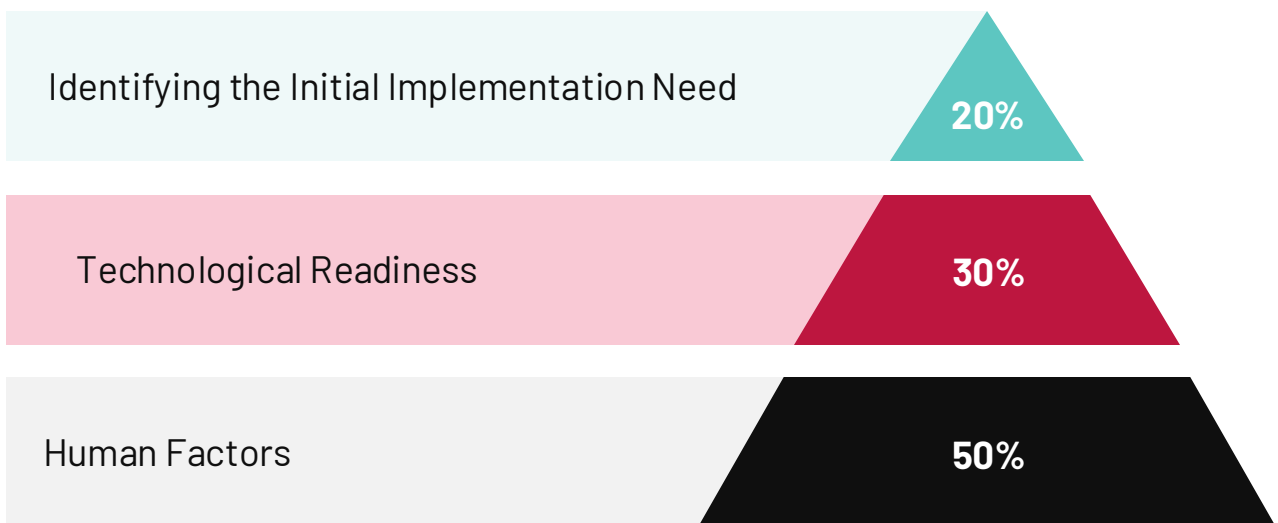
Perfect Project Pyramid

A successful digital transformation adoption hinges largely on allocating focus:

In digital transformation, the allure of immediate ROI often blinds us to the true catalysts of change. While the value case matters, it's merely the tip of the iceberg. The real drivers are your technological foundation and, most crucially, your people's readiness to embrace change.

A winning formula? 20% value proposition, 30% technology readiness and 50% change champions and organizational adaptability. Remember, transformation is not just about systems, but about **hearts and minds**.

Encapsulated, these factors are what we call the "**Perfect Project Pyramid**".





Human Factors

A pivotal step in identifying optimal opportunities for digital transformation involves assessing not only the readiness of the people involved but also their opinions, roles and potential responsibilities.

These human factors or "people dimension" encompass organizational structure, operating models, processes and culture. Engaging directly with end-users and ensuring buy-in from designated decision-makers is crucial for understanding motivations and tailoring the transformation strategy.

It's vital to identify who benefits from the solution now, who makes decisions and who will be affected in the future.

- Chris Barnes

Without buy-in and the emotional readiness to implement new learning and a change to current processes, any technological solution implementation could be at risk of becoming an isolated pocket of success at best - or worse, losing traction and potential value pertaining to the organization as a whole.

Additionally, recognizing the current human saturation rate towards changes already occurring within an organization can impact the absorption readiness³ of your impacted users. Direct collaboration with users, continuous learning, iteration and improvement are also key factors of adoption success emphasized by Chelsea Barnes and Tommy Mitchell in our discussions, highlighting the iterative nature of successful transformations.

For further insights into engaging change readiness within digital transformation, check out our Viewpoint, [To Succeed in a Digital World, Transform Traditional Organizational Change Management.](#)



Technological Readiness

Focusing on technology considerations during your initial project aids in assessing adoption readiness from systems and processes perspectives.

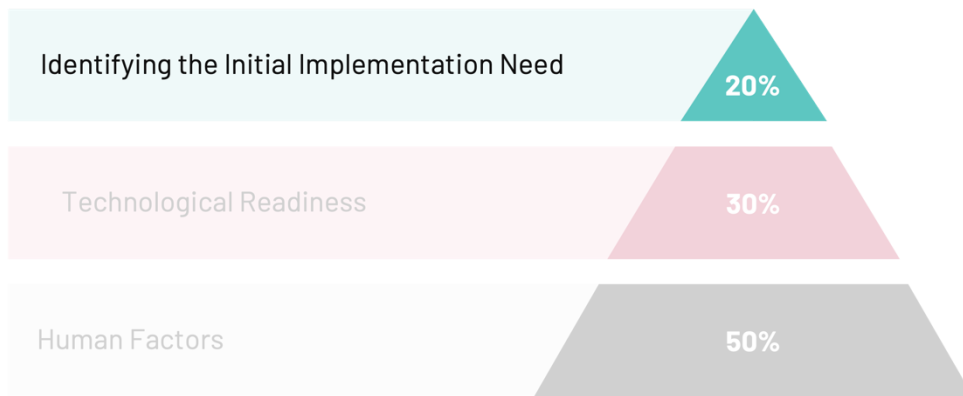
Many digital transformation failures stem from overlooking early assessments, such as:

- Comprehensive gap analyses
- Evaluations of current performance of technologies
- Impacts on people and processes

According to Digital Adoption⁴, an online publication dedicated to digital adoption and digital transformation, "The inability to evaluate new technologies' performance and impacts on people and processes can often lead to failed digital adoption initiatives."

In fact, a survey⁵ across industries revealed that 53% of organizations undergoing digital transformation have not tested their IT roadmap readiness. Targeting technology readiness and seamless alignment with the users' work processes not only promotes adoption, but reduces user stressors and resistance and, even further, helps orchestrate user-focused training opportunities and materials.

With the complexity of transformation solutions, Stephen Birtsas reminds digital transformation leaders to emphasize the need for simplicity and usability for end-users to IT teams, even if it means integrating multiple backend systems.



Identifying the Initial Implementation Need

Lastly, the proposed Perfect Project Pyramid focuses on identifying the value and necessity of transformation initiatives. By prioritizing impact evaluations and employing data-driven decision-making, IT leaders within an organization can help ensure the success of digital transformation initiatives.

Digital transformation leaders should articulate the solution's value through:

- Targeted communications
- Deployments
- Prioritized impact evaluations

Chris Barnes recommends conducting a [Digital Value Accelerator \(DVA\)](#) to map change agents and align organizational dimensions with transformation goals along with the obstacles that may be faced with each, communicating and showcasing ongoing results.

Profiling risks associated with scaling solutions also ensures that efforts are focused on sustainable growth and continuous improvement, Chelsea Barnes notes - further helping gain organizational support and sustaining momentum for broader adoption.

By carefully balancing these three aspects of the Perfect Project Pyramid, organizations can mitigate risks, foster innovation and achieve sustainable outcomes across their operations.

Roadmap Planning

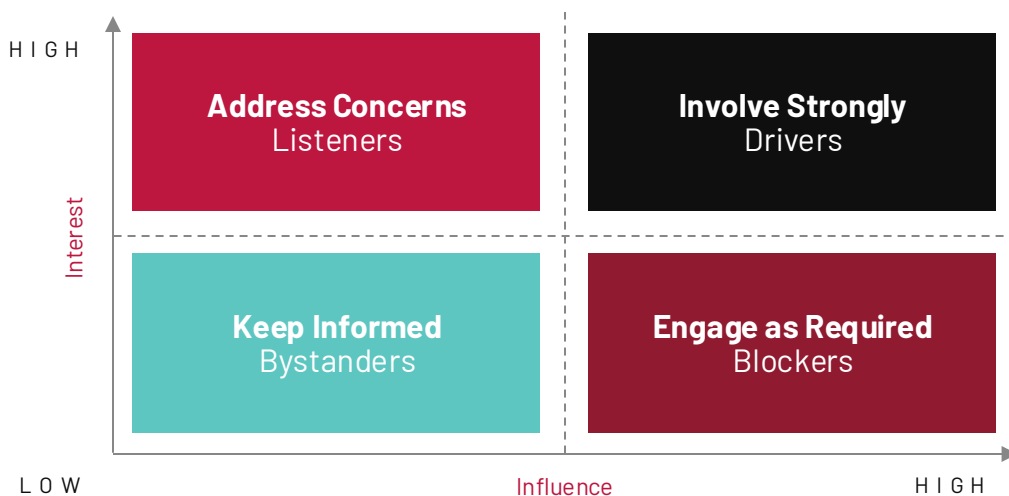
Understanding change management is essential for building a team capable of managing others and making decisions that inevitably accompany initiatives.

Digital transformation leaders are responsible for setting the vision and committing to change management. They are also responsible for identifying and training change agents focused on the people side of change to drive more impactful outcomes. These change agents are individuals within your organization who will be champions of digital transformation to support users and expand pilots to other sites.

When a digital transformation program truly commits to utilizing a human-centered approach to digital solution design, and invests in organization change management, it is the #1 telltale sign of the program's likelihood of success.

– *Stephen Birtsas*

Once the digital transformation leader outlines the future state of the organization and creates the roadmap, the organization should determine what involvement from what teams is needed to bring it to life. Often, organizations only consider how governance members such as the C-Suite and project managers are impacted. However, understanding the project roadmap allows them to also identify each affected resource within an influence matrix.⁶



This can help project teams assess different stakeholder groups, which is foundational for building a methodology like a project RACI. These types of methodologies provide structure to decision-making processes, making them easier to understand and more efficient. Having this type of clarity enables individuals impacted by change to clearly understand their roles and responsibilities.

Creating clear communication and smooth workflows are crucial for successfully implementing change.

End-users need to know who the decision-makers are and understand their roles throughout the project and post-implementation.

-Tommy Mitchell

Why is this important?

- Defining and planning for appropriate resources helps identify responsibilities from the outset
- Understanding the scope allows the team structure to naturally fall into place

Once appropriate resources are allocated or identified, communication materials should be developed, tailored and shared with end-users at all levels and across all functional roles impacted. This ensures that users are engaged from the beginning, fostering awareness of the impact and implications for each affected functional group.

While roadmaps are essential, our team also wants to highlight that flexibility is important. Be steadfast in your north star but allow for adaptability in your execution. Leadership's strategic vision is the beacon that an organization is navigating toward and needs to be unwavering. However, executing the vision should be responsive to changing business and stakeholder needs. Set a plan, but regularly reassess organizational priorities to pull forward the greatest needs and successes while deferring those that lack a change champion.

Defining a roadmap is essential, but you must be nimble enough to adjust to shifting business priorities on the path to your larger vision.

- Chelsea Barnes

An organization needs to be able to pivot when necessary and potentially even reduce scope to drive success.

- Brittany Hamm

Effective Communication

Effective communication is crucial for successful OCM. It ensures that the vision and objectives of the change are clearly conveyed while engaging and motivating employees to embrace and drive transformation. Your strategy should focus on removing communication barriers and barriers to adoption.

Successful change management strategies have many different ways that the employee can get information and understand what's coming, why it's coming, what the team is going to do and why they are going to do it.

- Tommy Mitchell

The failure to communicate effectively is often cited as a significant reason why change initiatives fall short. According to the [State of Smart Manufacturing Report](#), 34% and 32% of survey responses indicated change management and training employees on updated processes as the top two workforce-related obstacles, respectively.

We will discuss six key tactics to consider when adopting and implementing an effective communication strategy within the OCM process:

- 1 Leveraging multiple formats
- 2 Fostering two-way communication
- 3 Clearly communicating benefits
- 4 Addressing employee concerns
- 5 Tailoring messages
- 6 Empowering employees

1. Leveraging Multiple Formats

A successful communication strategy must leverage multiple formats and channels to reach **all** stakeholders effectively. These formats can include:

- Lunch discussions
- One-pagers
- Digital platforms
- In-person workshops

Using diverse communication formats ensures that the message reaches employees in ways that resonate with them, catering to different learning styles and preferences.

2. Fostering Two-Way Communication

Effective communication is not a one-way street. It is essential to create opportunities for two-way communication, where feedback from user groups is actively solicited and valued. This approach can include:

- **Shadowing and Side-by-Side Work:** Observing employees in their work environment to understand their challenges and gather real-time feedback



A digital technology's success often depends on how seamlessly it integrates into the fabric of our daily work. Sit with the user, side-by-side and watch it operate in their environment. Solicit feedback quickly and frequently - go to the factory, to the plant, use it yourself - get live feedback from the people that are using the tech.

- *Austin Locke*

- **Scheduled Feedback Sessions:** Allocating specific times for employees to share their thoughts and concerns
- **Feedback Sandboxes:** Creating a safe, controlled environment where employees can experiment and provide feedback helps refine the change process in a way that respects operational constraints
- **Value Tree Mapping:** Engaging with employees to understand what motivates them and how they perceive value in their roles

By involving users at every level in the communication process, organizations can proactively address concerns and adjust the change initiative based on valuable insights from the ground up.

3. Clearly Communicating Benefits

To drive adoption and minimize resistance, it is vital to communicate the benefits of the change clearly and compellingly while defining success. This involves:

- **Avoiding Negative Terminology:** Refraining from using terms like "head count reduction" and instead emphasizing the value each employee brings to the company
- **Highlighting Tangible Results:** Focusing on concrete benefits rather than abstract concepts to clarify the value proposition

It's much easier for people to talk what is wrong. We empower clients to communicate the talking points around success. Getting to results matters the most, but results don't always speak for themselves. You have to be able to speak to results, but also empower your people to speak to them.

- *Brittany Hamm*

4. Addressing Employee Concerns

To communicate effectively, it is crucial to understand why users might have frustrations or concerns about the change. Addressing these concerns upfront can significantly enhance the effectiveness of the communication strategy. Key tactics include:

- **In-Person Conversations:** Prioritizing face-to-face interactions whenever possible to build trust and ensure that messages are received and understood

This could include sitting down one-on-one with someone and having a conversation. You need to make sure they understand how their job is going to evolve from today. Make sure you answer their questions and address any concerns that they have. Walk them through the benefits and the drawbacks so they fully understand the change before they are impacted by it. It is important they understand both the pros and cons and how as a whole the pros should significantly outweigh the cons.

– *Stephen Birtsas*

- **Cultural and Regional Sensitivity:** Tailoring messages to specific cultural and regional contexts to ensure relevance and resonance
- **Clear Messaging on Role-Specific Benefits:** Ensuring every employee understands the specific benefits of the change for their role and how it contributes to the organization's success

5. Tailoring Messages

Different audiences within the organization require different communication approaches. A one-size-fits-all message is unlikely to be effective. Tailored communication involves:

- **Role-Specific Messages:** Creating messages that address the specific needs and concerns of different employee groups
- **Operational Flexibility:** Accommodating operational working hours and constraints by creating flexible opportunities for feedback and interaction
- **Human-Centered Approach:** Using practical and realistic messages that emphasize the human aspect of the change. Using language and acronyms familiar to the audience and avoid overly technical or business jargon

6. Empowering Employees

Ensure that employees feel ownership and empowerment in the change process. Enable them to share success stories and what worked well, fostering a culture of continuous improvement.

The end user, and everyone in the value chain, must feel they want to support the initiative and that they are also valued by their leadership for a project to be successful.

- Tommy Mitchell

- **Ongoing Conversations About Results:** Regularly sharing progress, celebrating milestones and addressing any emerging concerns. Continuously discussing the outcomes and successes of the change initiative maintains momentum and engagement

Effective communication is a cornerstone of successful organizational change management. By leveraging multiple formats, fostering two-way communication, addressing employee concerns, clearly communicating benefits, tailoring messages and empowering employees, organizations can remove communication and adoption barriers, allowing them to significantly enhance the success of their change initiatives.

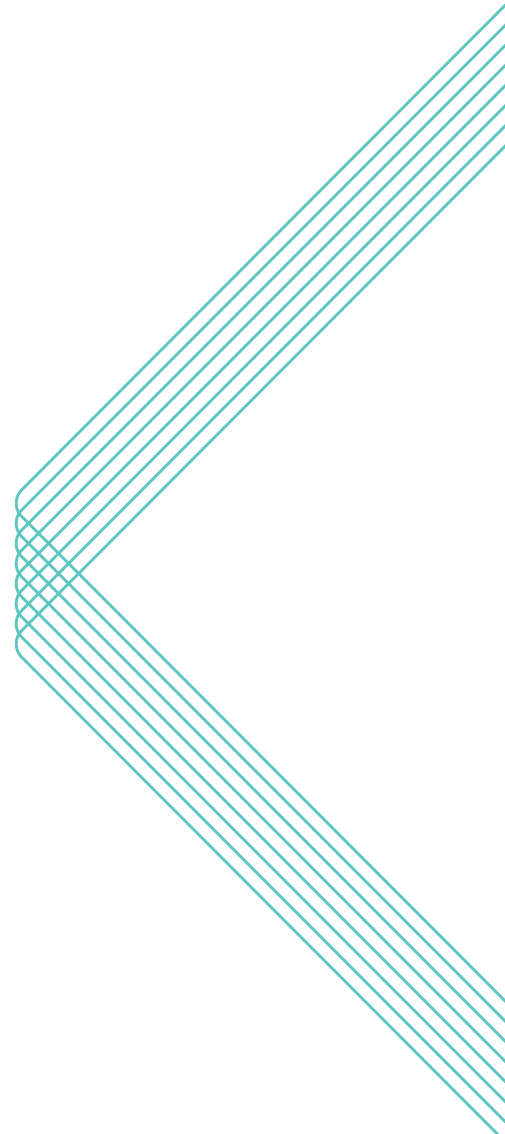


Conclusion

Strategic organizational change management is pivotal for ensuring the successful adoption and implementation of change initiatives. Digital transformation leaders must prioritize the perfect project pyramid, a holistic and adaptable roadmap and a robust communications strategy to unlock the full potential of their OCM efforts.

OCM serves as the cohesive element that binds together an organization's initiatives, preparing it for change and ensuring seamless integration of employees at every stage. A workforce equipped to support strategic objectives and adapt to digital transformations is invaluable in navigating unexpected challenges.

As organizations plan for their transformation journey, they must leverage effective change management strategies to increase their likelihood of meeting objectives. This decision can elevate their capability to realize value and sustain success in an ever-evolving business landscape.



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About Kalypso

Kalypso, a Rockwell Automation business, helps companies bring digital solutions to product problems. Whether it's weaving a digital thread from product ideation all the way through manufacturing and service, or advancing operations from automation to autonomy, Kalypso specializes in improving what's being made and how it's made. Kalypso serves the largest names in the discrete, hybrid and process industries, around the world.

After years with big firms, we built Kalypso to deliver a new kind of consulting experience, one clients were asking for:

- Radical candor and 100% transparency
- A rapid-results, lean startup approach
- Deep knowledge of both IT and OT

There's a lot of hype about digital, but we prefer to focus on results and reality. That's the only way to deliver the promise of digital.

For more information, visit kalypso.com.

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