

## Change Management Best Practices for Financial System Implementation

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In the past ten years, I have been involved in the implementation of at least a dozen Enterprise Resource Planning (ERP) systems. Most often, these implementations consisted of a number of modules, but Finance, Payroll and Timekeeping were nearly always included in the project scope. My clients primarily included Federal Agencies, State Governments, and Healthcare Providers, so the user populations generally exceeded 5,000 users. In the majority of implementations I supported, the technical requirements of implementing a new financial system was rarely an issue. In fact, most implementation teams are quite experienced at setting up the hardware, software, business rules, and integration with existing systems. While some projects did experience episodes of data conversion problems from ancient systems, even these hardly ever caused project failure.

No, the biggest cause of project failure that I have seen is the lack of an *Organizational Change Management Strategy*. I think we are all genetically wired to resist change. If you don't believe that, then announce at your office that everyone is going to change offices or cubicles effective Monday morning and see what response you get. Or change the brand of coffee that is available in your office break-room without telling anyone. We are creatures of habit and imagine the habits developed by working in the same financial system for 5 years, 10 years, or even 20 years. I have even been asked by clients in the past to customize nearly every screen of a new system so that it looked and behaved like the old system. As if the users wouldn't notice the system change! That is not an effective Organizational Change Management Strategy and certainly puts the entire investment at risk when a new upgrade is made available, since new releases generally undo all the expensive customization.

I have seen some very effective Organizational Change Management Strategies accompany the deployment of major financial systems and I'd like to share some best practices;

- First, the project team identifies organizational risks at the beginning of the project, creates action plans to mitigate those organizational risks, and assigns specific ownership to those risk action plans. They hold regular meetings with Executive Sponsors, Key Stakeholders, and Users of the project to identify new risks and to review the effectiveness of the risk action plans in preventing the identified risks from occurring over the life of the project.
- Second, the project team engages organizational leaders early in the process and those leaders take active ownership of the project from kick-off through go-live. Leaders are front-and-center at project meetings, customer meetings, system demonstrations, and training events. These leaders are all consistent and sincere in their message that the system implementation is an important step forward.
- Third, the project team provides a means for two-way communication to and from all stakeholders throughout the life of the project. That includes all members of the organization implementing the system, as well as external stakeholders that will be impacted, like partners and customers. There are regular project updates published throughout the organization on a monthly basis and those often become weekly communications within six weeks of go-live.
- Finally, the project team effectively prepares the workforce to be effective on day one of go-live. That includes a significant investment in training initiatives prior to go-live. The most effective training initiatives that I have seen are hands-on learning labs, incorporating end-to-end financial scenarios that utilize actual sample financial data that the user works with on a regular basis. These training initiatives need to be completed just prior to go-live, because it is my experience that system training has a shelf-life of just a few months...users need to use it or they lose it.

Hopefully, these best practices are helpful as you consider your Organizational Change Management approach in your current or future projects. For additional information on incorporating Organizational Change Management Strategies into your project, contact Ann Marie Lowther of Strategic Consulting Solutions, Inc.



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Travis Goins comes to H2 Performance Consulting with twenty years of Project Management and Consulting experience. He has experience managing client projects across the Federal Government and Department of Defense, Healthcare Sector, State Governments, and International Markets. Travis started off in DoD as a Civil Engineering Officer in the US Air Force for 8 years and then worked for 12 years in large consulting companies, including KPMG, BearingPoint and Deloitte. Travis has been a certified Project Management Professional (PMP) since 2003 and has an extensive background in Enterprise Resource Planning (ERP) solutions. His ERP project roles have included System Deployment Lead, Organizational Change Management Lead, and Systems Training Lead for notable clients including Mercy Health Systems, Commonwealth of Pennsylvania, State of California, NASA, and FDA. Travis holds a Master's in Management from Troy University and a Bachelor's in Civil Engineering from Virginia Tech.