



Change Management for Individual and Organizational Change Success

Prosci[®]

PEOPLE. CHANGE. RESULTS.™



Agenda

- Introduction
- How does change happen?
- Why does change stall?
Activity
- M&A
- What does a successful acquisition look like?
- Current Trends
- Q&A



Prosci:
Your Global Partner for Change Success

Prosci Overview



Mission

We help individuals and organizations build their change management competencies.



Research

| | | | | | |
|-----------------------------------|---------------------------------|-------------------------------------|--|--|--------------------------------------|
| 11 Longitudinal studies | 20+ Years of research | 80% Fortune 100 companies | 8,100+ Research participants | 100,000+ Practitioners certified | 100,000+ Community members |
|-----------------------------------|---------------------------------|-------------------------------------|--|--|--------------------------------------|



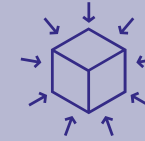
Clients

- We have worked with more than 80% of the Fortune 100
- We have worked with more than 3,000 clients across the globe
- We will provide references in any industry we serve
- We define success by enabling our clients to succeed

Differentiators



Research-based



Holistic



Easy-to-use

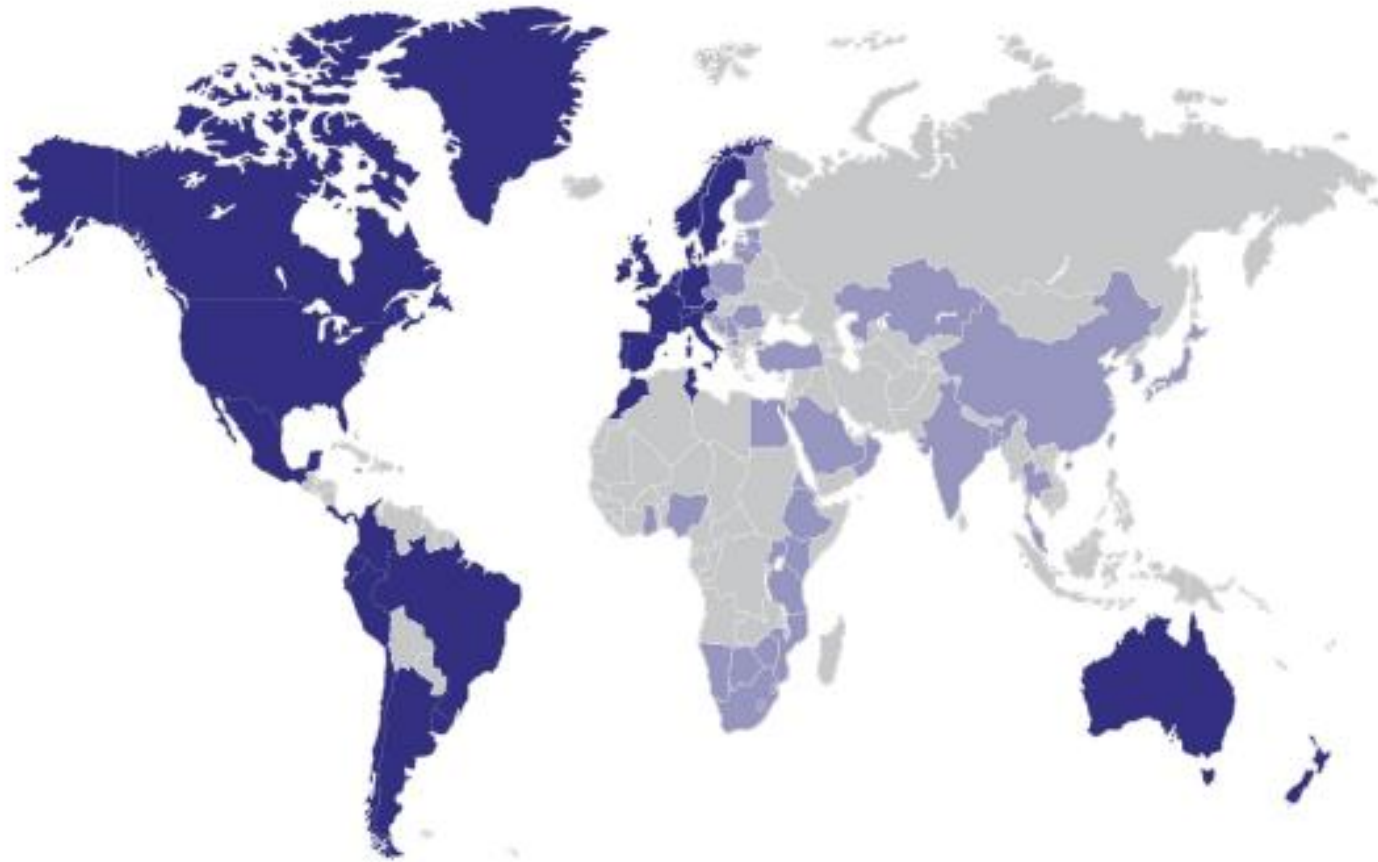


Results-focused

Ways to Engage

- Enterprise change solutions
- Role-based training programs
- Results-focused Advisory Solutions
- Published research and books
- Web-based tools and applications
- Train-the-Trainer and licensing options

We provide solutions to clients in over 80 countries through a direct presence in the U.S., Canada, Iberia, LATAM, Europe, Singapore, and Australia and an active, integrated global partner network.



Prosci Advisory Services?



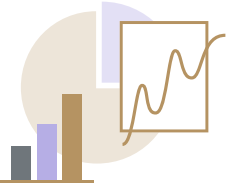
Global Change Experts

Prosci Advisors are singly focused on change management. Balancing the art and science of change, they partner with your team to ***achieve your customer's adoption and success goals.***



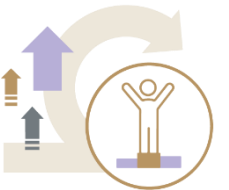
Broad Experience

With extensive experience driving change across all major industries and budgets ranging from <\$1M to \$1B+, our Advisors ***generate measurable results*** on complex, high-risk projects.



Research-based

Our Advisory approach is based on ***20+ years*** of global research. We combine proven best practices with an approach tailored to your individual needs.



Capability Building

We partner with you to help your customers build change management capabilities, ***adding unparalleled value*** with the coaching, resources and tools that will help your customers thrive in these accelerated, changing times.

What Change Management is and isn't

Define Change Management

On a Project Level

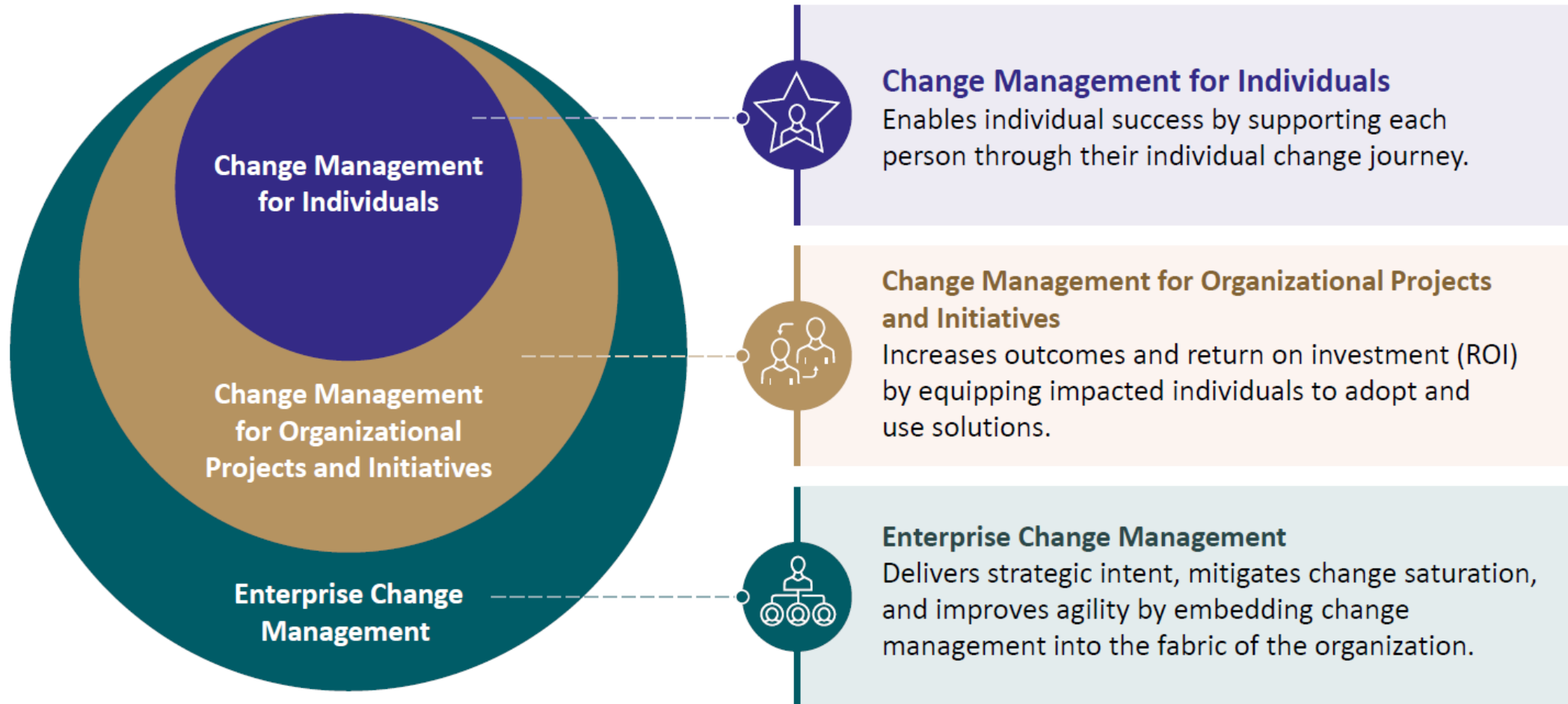
Change management is the application of a structured process and set of tools for leading the people side of change **to achieve a desired outcome.**

On an Organizational Level

A leadership competency for enabling change within an organization.

A strategic capability designed to increase change capacity and responsiveness.

What is Enterprise Change Management (ECM)?

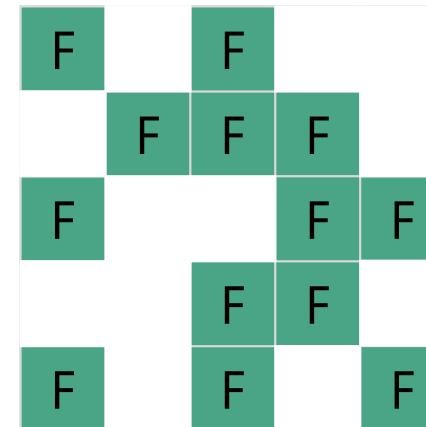
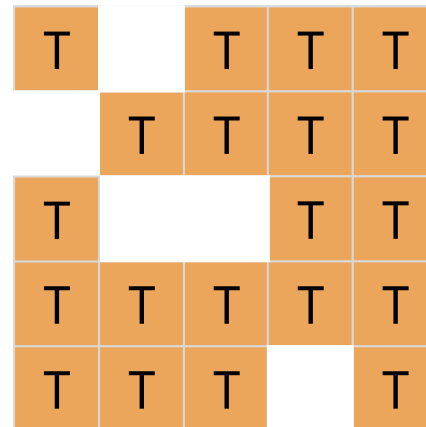
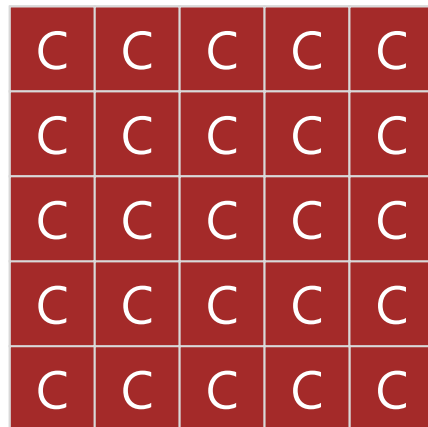


The Value of Change Management

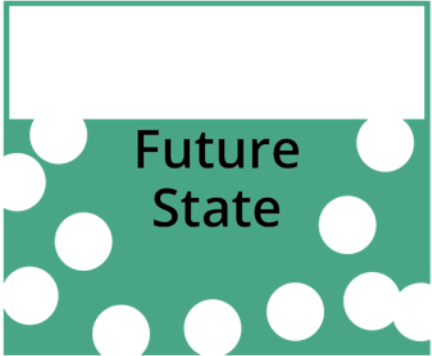
An Organizational Move to a Future State



Ultimately requires individuals to move from their current to their future state



Consequences of the “Swiss Cheese Future State”



Instead of



Lower
ROI



History of Failed
Changes

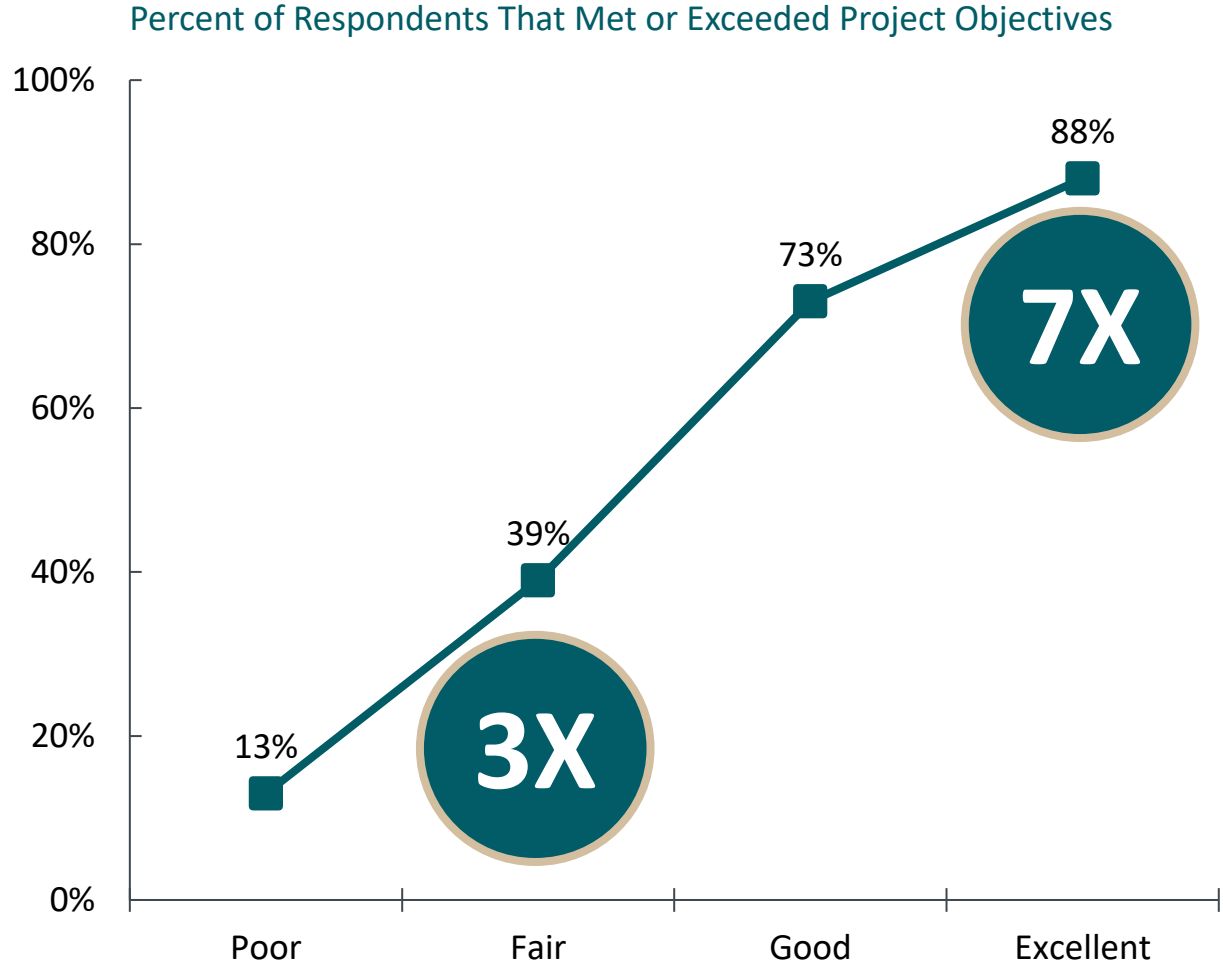


Unachieved
Improvement



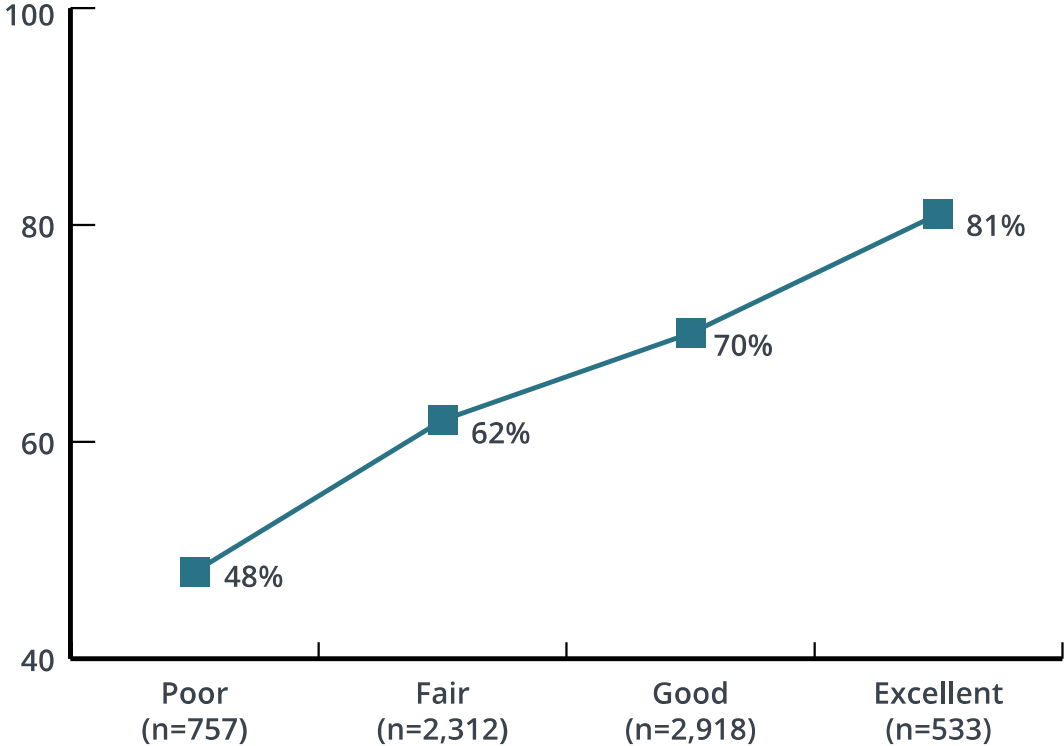
Not What We
Expected/
Hoped For

Improve the Likelihood of Change Outcomes

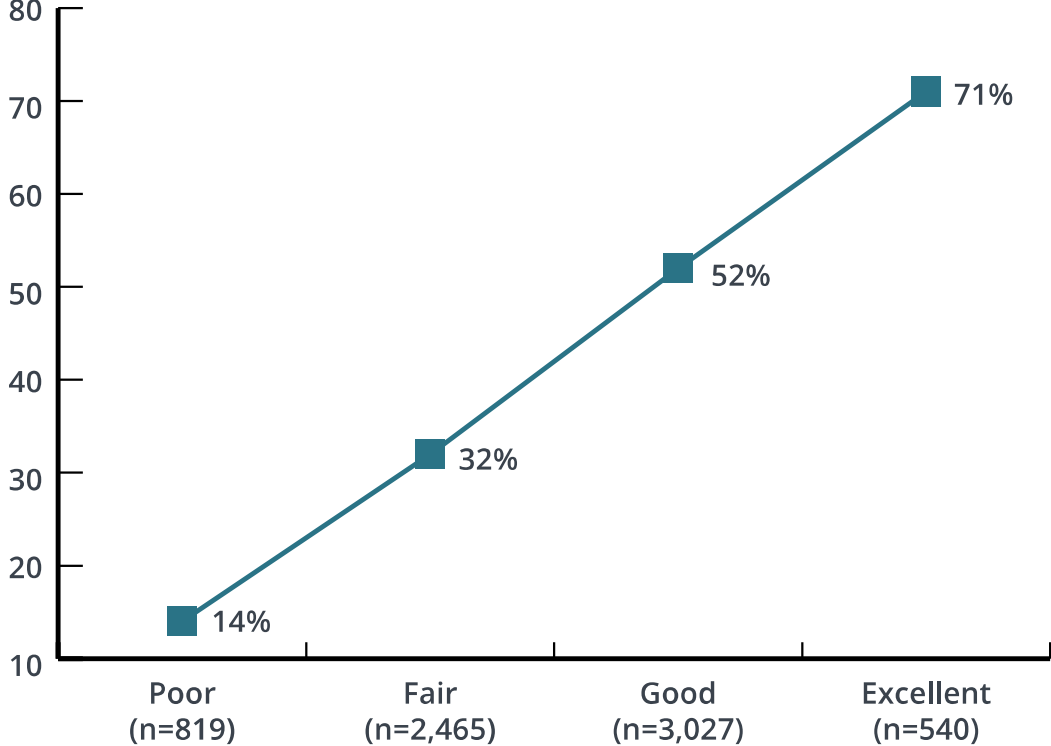


Improve the Likelihood of Change Outcomes

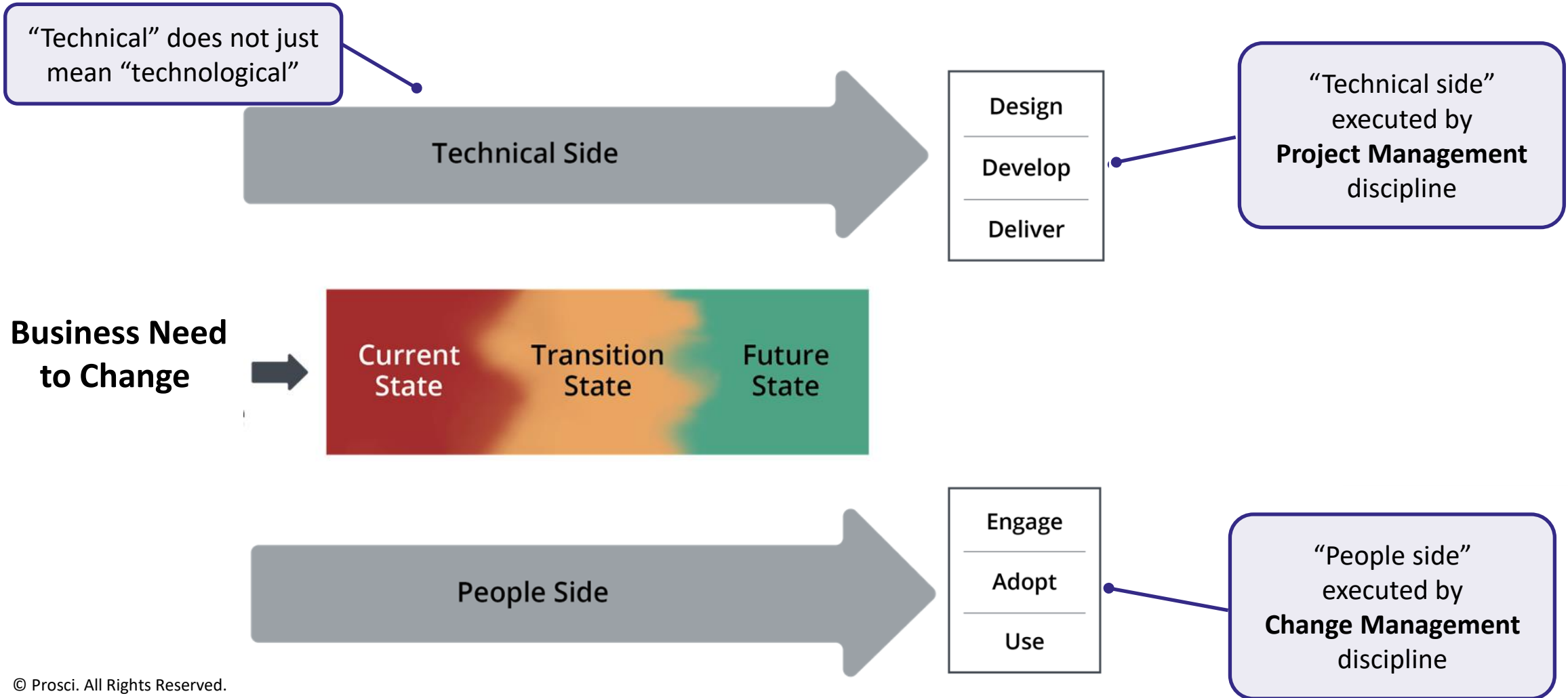
Percent of Respondents That Were On or Under Budget



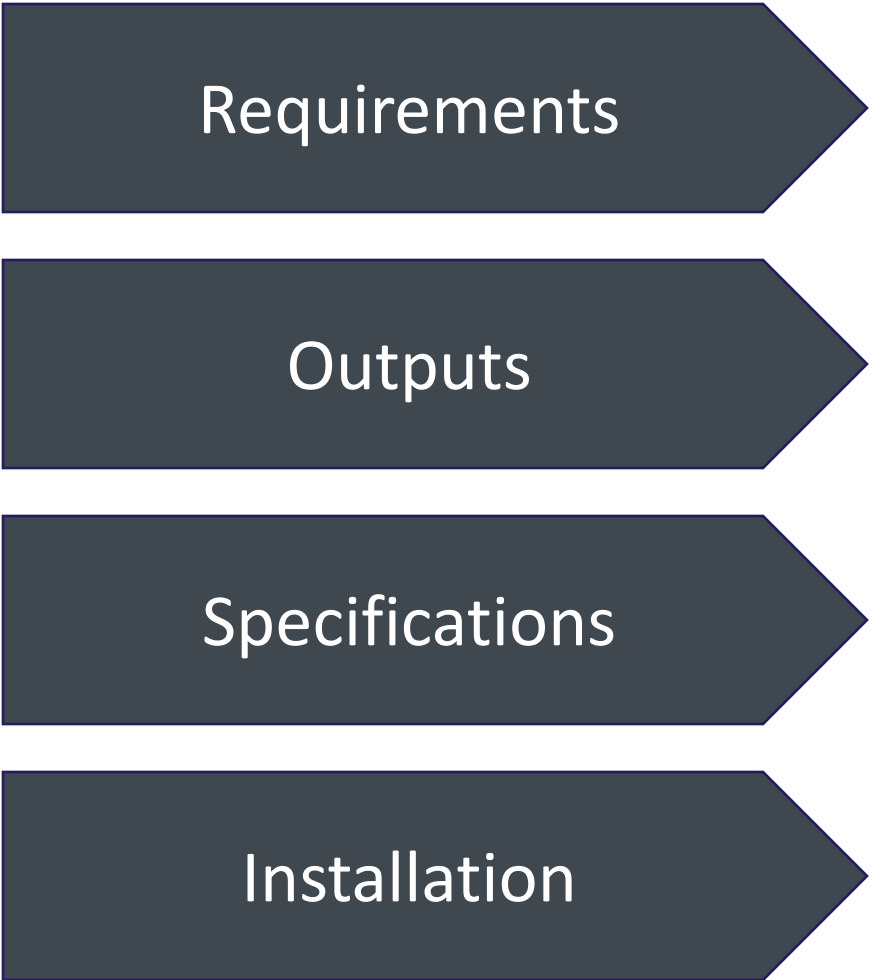
Percent of Respondents That Were On or Ahead of Schedule



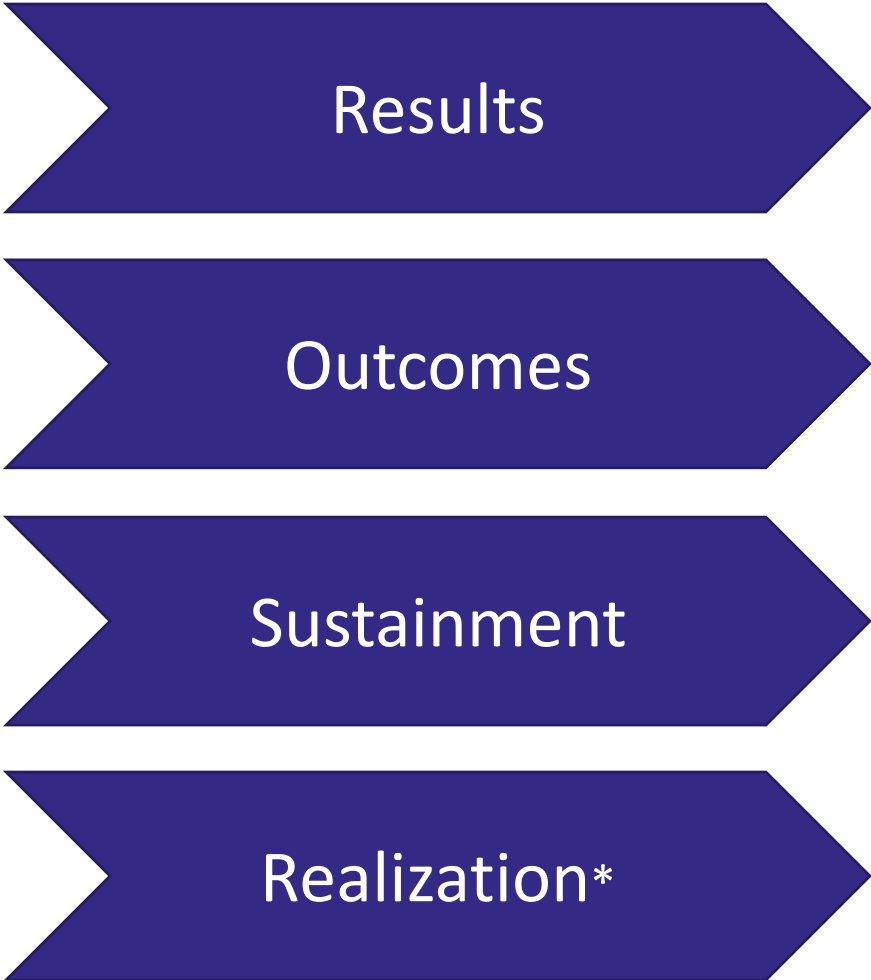
Unified Value Proposition



The People Side of Change Is How to Close the Gap



The People Side of Change



*The Leader's Challenge: Installation or Realization, Conner Partners, 2004

Research Findings on Change Success

Top Contributors to Change Success

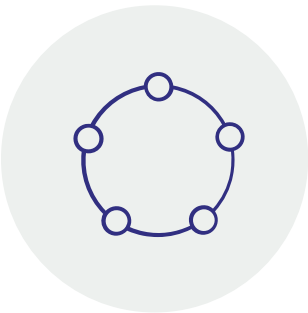


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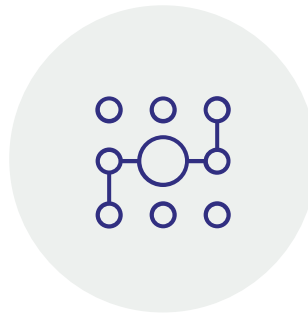
In all 12 reports, sponsorship was #1 on the list

A man with glasses and a light blue shirt is sitting at a desk, looking at a laptop. The desk has a red card and a book titled 'Suviyol Goido'. The background is filled with various indoor plants, including a large white pot with a plant on a stand and a cactus in a grey pot. The scene is brightly lit, suggesting a window nearby.

How people change: Their individual change journey



5 Outcome-Oriented Building Blocks



Based on Extensive Study of Change Patterns



Applied at Individual and Organizational Levels

The 5 Elements of Successful Change

Change begins with understanding why

Awareness

Desire

Knowledge

Ability

Reinforcement



Awareness

What is the **nature** of the change?

Why is the change **needed**?

What is the **risk** of not changing?

The 5 Elements of Successful Change

Change involves personal decisions

Awareness

Desire

Knowledge

Ability

Reinforcement



Desire

What's in it for me
(WIIFM)?

A **personal choice**

A decision to **engage**
and **participate**

The 5 Elements of Successful Change

Change requires knowing how

Awareness

Desire

Knowledge

Ability

Reinforcement



Knowledge

Understanding
how to change

Training on new
processes and tools

Learning
new skills

The 5 Elements of Successful Change

Change requires action in the right direction

Awareness

Desire

Knowledge

Ability

Reinforcement



Ability

The **demonstrated capability** to implement the change

Achievement of the desired change in **performance or behavior**

The 5 Elements of Successful Change

Change must be reinforced to be sustained

Awareness

Desire

Knowledge

Ability

Reinforcement



Reinforcement

Actions that **increase the likelihood** that a change will be continued

Recognition and rewards that sustain the change

ADKAR Model on a Page

| ADKAR element | Definition | What you hear | Triggers for building |
|------------------------|--|-------------------------|---|
| A Awareness | Of the need for change | “I understand why...” | Why? Why now? What if we don’t? |
| D Desire | To participate and support the change | “I have decided to...” | WIIFM Personal motivators Organizational motivators |
| K Knowledge | On how to change | “I know how to...” | Within context (after A&D) Need to know <i>during</i> Need to know <i>after</i> |
| A Ability | To implement required skills and behaviors | “I am able to...” | Size of the K-A gaps Barriers/capacity Practice/coaching |
| R Reinforcement | To sustain the change | “I will continue to...” | Mechanisms Measurements Sustainment |

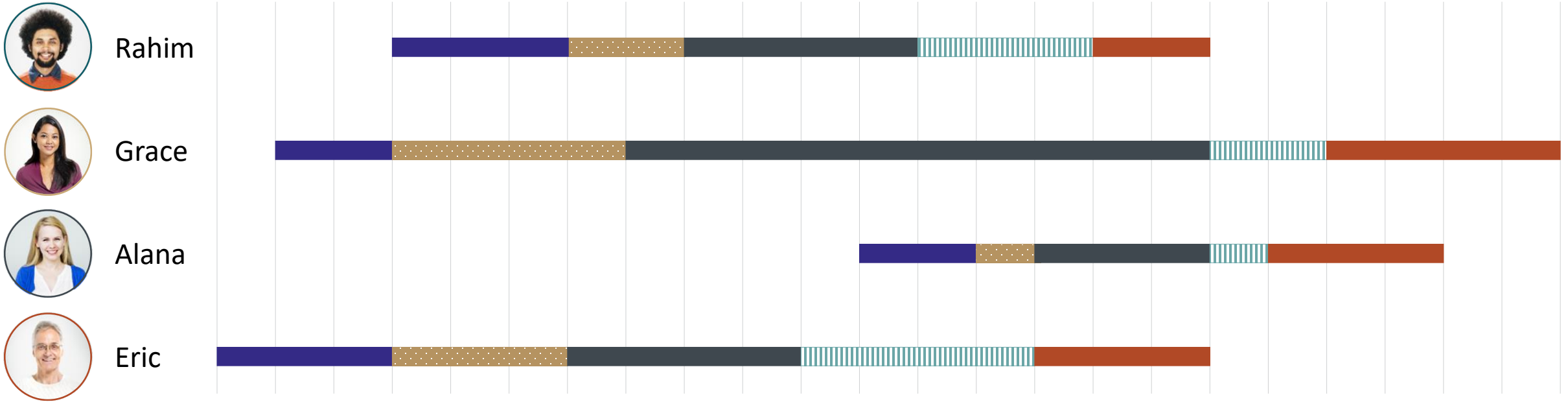
A person is sitting at a desk, writing on a notepad with a pen. The desk is cluttered with papers, a laptop, and a glass of water. The scene is dimly lit, with a blue tint.

Reflect for a moment:
Think about a personal successful change

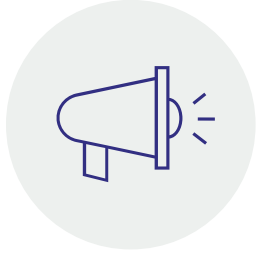
- How did you become Aware of the need to change?
- What gave you the Desire to change?
- What Knowledge did you need to acquire?
- How did you gain Ability?
- How did you Reinforce the change so that it stuck?

People work through ADKAR at different speeds

■ Awareness ■ Desire ■ Knowledge ■ Ability ■ Reinforcement



Consequences of Missing ADKAR Elements



Without Awareness and Desire you will see:

- Employees asking the same questions over and over
- Lower productivity and higher turnover
- Hoarding of resources and information
- Delays in implementation



Without Knowledge and Ability you will see:

- Lower utilization or incorrect usage of new systems
- Employees worry whether they can be successful in the future
- Greater impact on customers and partners
- Sustained reduction in productivity



Without Reinforcement you will see:

- Employees revert back to old ways of doing work
- Ultimate utilization is less than anticipated
- The organization creates a history of poorly managed change

Break Out Activity

Think about a stalled business change....

- Individually:
 - What is the change you have in mind?
 - When did it stall?
 - Identify for the group or groups that are stalled
 - Where in their ADKAR journey are they?
 - What is their barrier point?
- As a group:
 - Explain your situation and analysis
 - Discuss and agree actions to regain momentum for each stalled project.



Mergers and Acquisitions:

Speed of Adoption, Utilization and Proficiency

M&A: How can you measure success?

- **Speed of Adoption:**
 - Track how quickly employees start using new systems or processes, Day 1, Week 1 or Month 1?
- **Ultimate Utilization:**
 - Assess the percentage of employees using new systems.
 - Monitor adoption consistency across departments.
- **Proficiency:**
 - Evaluate employee performance against expected levels.
 - Use metrics like accuracy and efficiency to gauge proficiency.

A photograph of two women in a meeting. One woman is standing and writing on a whiteboard, while the other is seated and looking at the whiteboard. The image is overlaid with a blue tint.

M&A: Human measures

- Speed of Adoption
 - How soon do you want and need new staff to engage with the new organization
- Ultimate Utilization
 - How fully do you want them to use the support available to onboard into the new organization
- Proficiency
 - When do you need them operating more effectively than before the acquisition?

Ultimately, when do you want them to feel they belong here?

A man with glasses and a light blue shirt is sitting at a desk, looking at a laptop. The desk has a stack of papers, a red card, and a small notebook. There are several indoor plants in the background, including a large one in a white pot on a metal stand and a cactus in a grey pot. The scene is brightly lit, suggesting a window nearby.

Current State of CM in the Insurance Sector



US Insurance Industry Data





Drilling Down on Project Type



Artificial Intelligence

Your AI Journey: Where are you?

- Assessing the opportunity
- Just getting started
- Initial implementation
- We got this
- Ahead of the competition

A man with glasses and a light blue shirt is sitting at a desk, looking at a laptop. The desk has a stack of papers, a red card, and a small white box. In the background, there are several large potted plants, including a cactus and a plant with large green leaves. The scene is brightly lit, suggesting a modern office environment.

Technology upgrades

Technology upgrades

- IT install and run away
- Taking longer than we hoped
- Stalled
- Installed but the benefits are less than anticipated
- Working well
- What was all the fuss about?

Return to the Office

Where are you?

- Mandatory vs Recommended
- How many days per week
- Employee engagement impact

A blurred office hallway with people and a bulletin board. The scene is dimly lit, with a large bulletin board on the left wall covered in papers and sticky notes. Three people are standing in the hallway, engaged in conversation. The overall atmosphere is professional and collaborative.

Questions, pain points and discussion

THANK YOU

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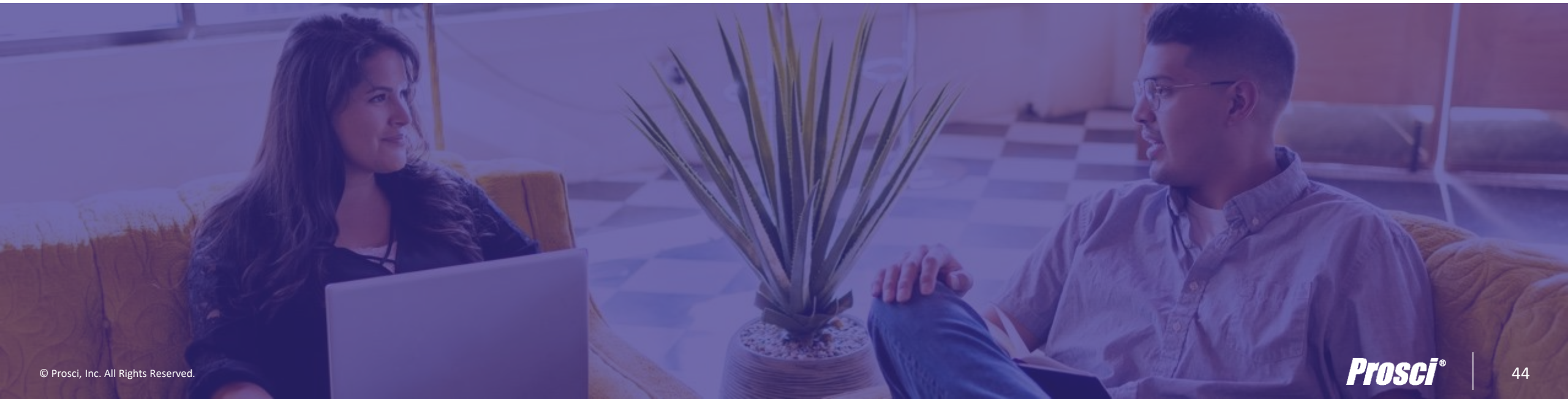
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Career Path Sharing Discussion

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