

Förändringsledning



Björn Fagerström 2021-10-08

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SCAF konferens

Jönköping | Sweden

Klockan 10:45 – 11:30

OUTLINE

Frågor är välkommet!

Stannar kvar under
Workshop

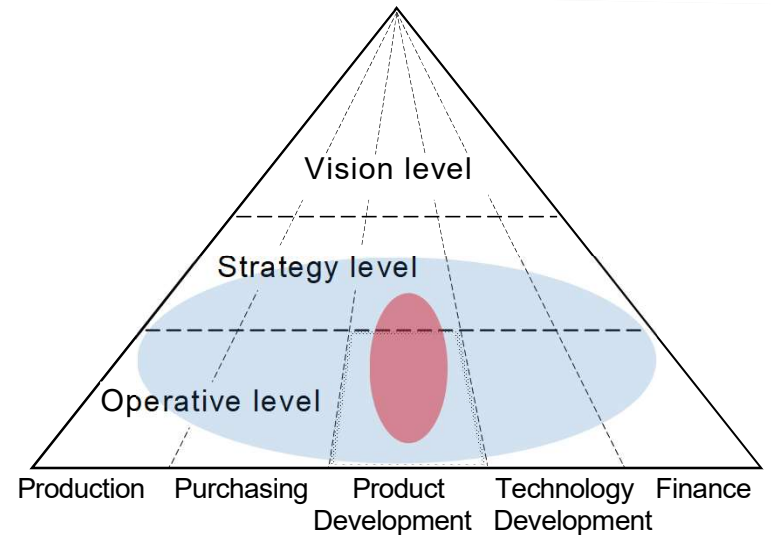
Sorry för blandat SE/ENG

PP skickas efter pres.



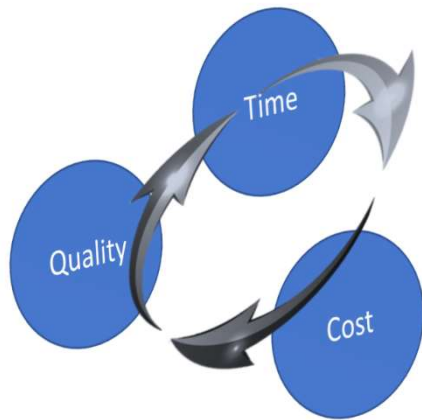
- Introduktion
- Förstå helheten
- Förändringsledning – Lite vägledning
- Beslutsprocesser
- Q/ A - Workshop

INTRODUKTION



- *Vi har ofta fokuserat på processen för produktutveckling.*
- *För att lyckas med förändringsledning måste man tänka helhet.*
- *Blandar lite förändra företag och hantera "change" i project.*

MANAGE “old” and “new” simultaneously



Operational Excellence Dimension

Still to be managed



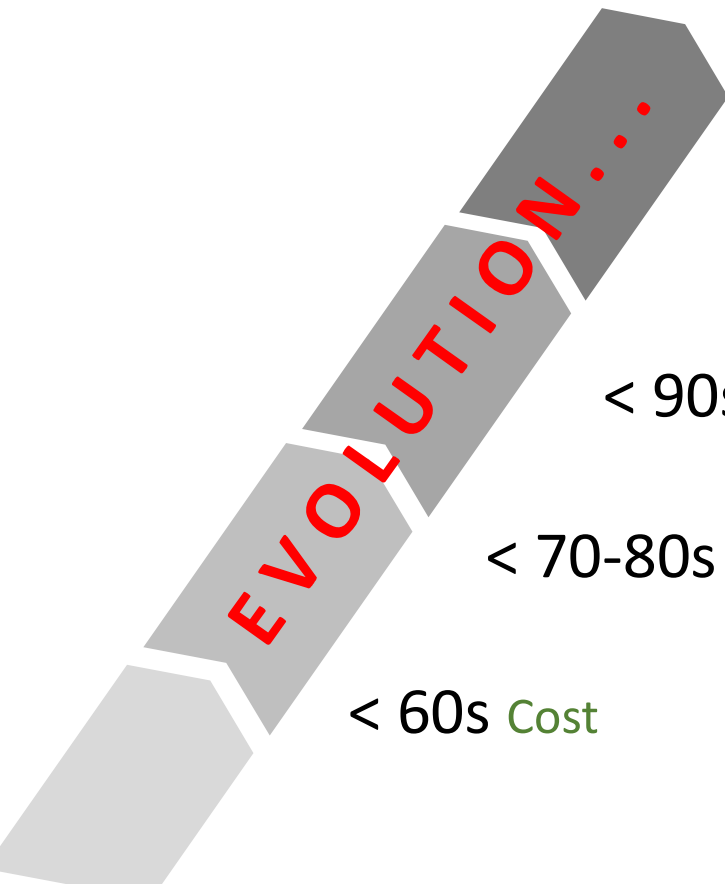
Innovative Dimension

Crucial for survival

Increased change pace
Current structures obsolete

- Transformation competence needed now.
- Increased number of people in the organization focus on transformation/innovation.
- The Innovation/change capability will be a strategic important factor for survival.
- Includes the entire company

Måste klara två saker samtidigt!



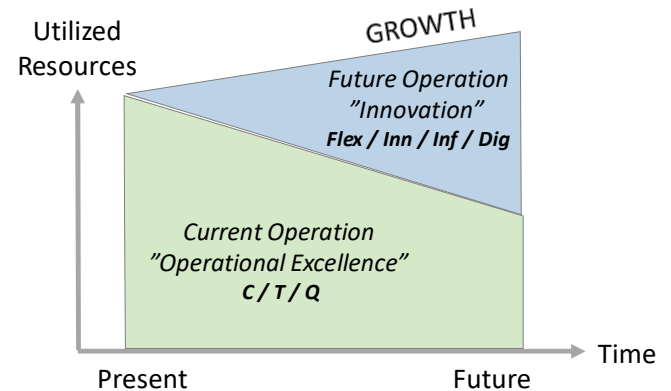
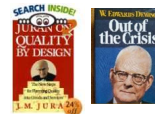
< **2005s** Information & Digitalization

< **2000s** Continuous adaption to
new conditions (Agility – Flexibility)

< **90s** Time

< **70-80s** Quality

< **60s** Cost



Partly from "Ln Grwth, Sven Ohde, 2007"

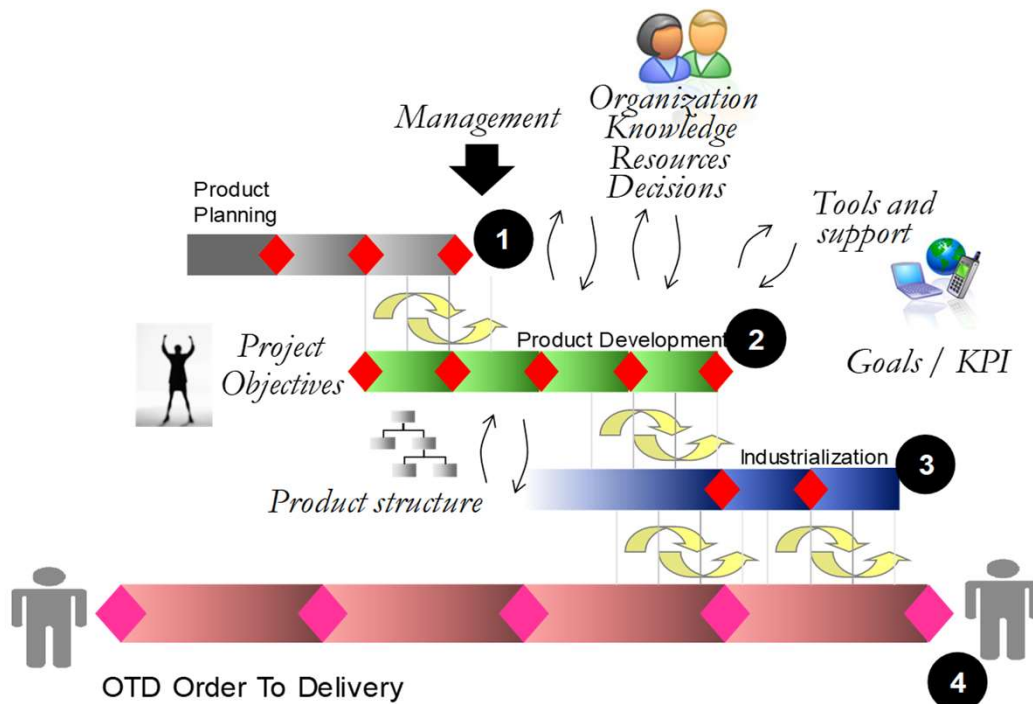
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PRODUKTUTVECKLING OCH PRODUKTION

PRODUCT PLANNING AND INDUSTRIALIZATION

SJÄLVKLART

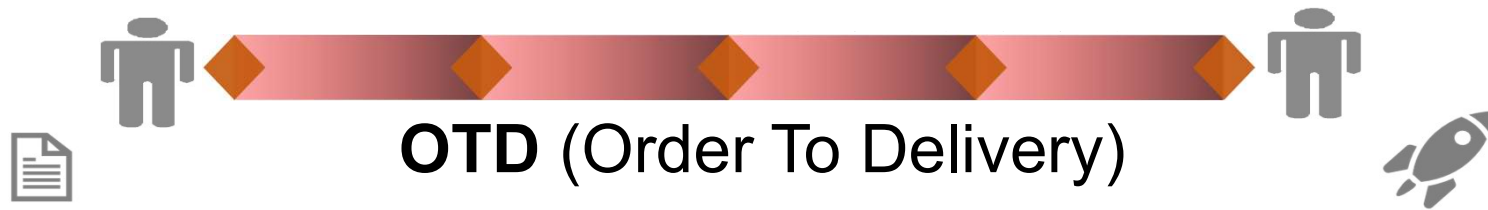


GÖR SKILLNAD

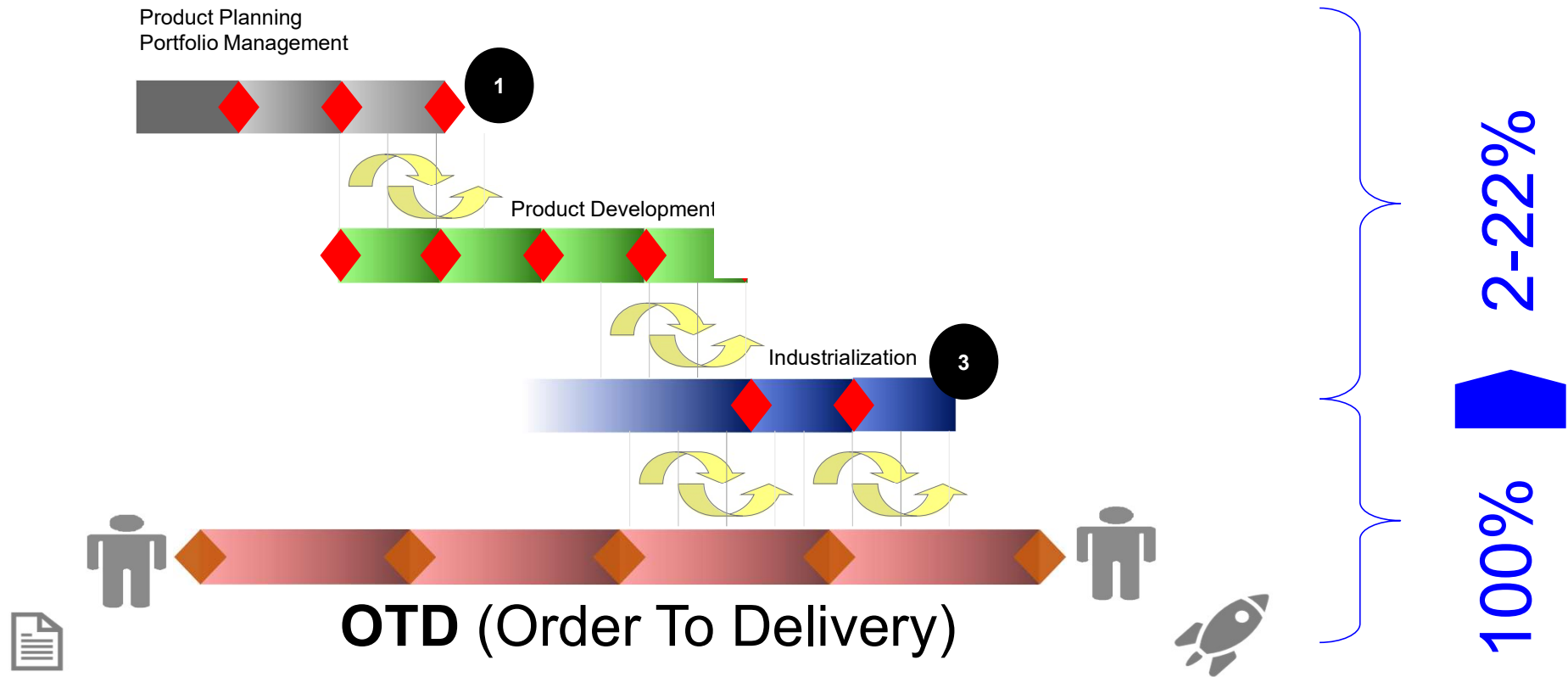
FÖRETAGETS MOTOR



FÖRETAGETS MOTOR



FÖRETAGETS MOTOR



Ofta slår en "change" på väldigt många delar

PRODUCT CREATION PROCESSES

Portfolio Management (Product Planning)



Pre-Studies



Primary Development
(Technology Development)



4

New Product Development
(Sourced Product Development)
(Digital Solutions Development)

Industrialization



Product Improvement



Product Elimination



OTD Order To Delivery

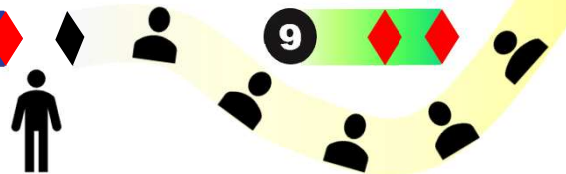


Supplier Management

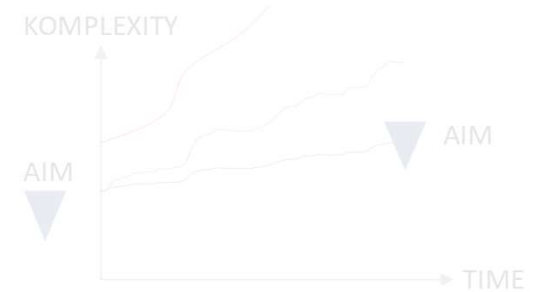
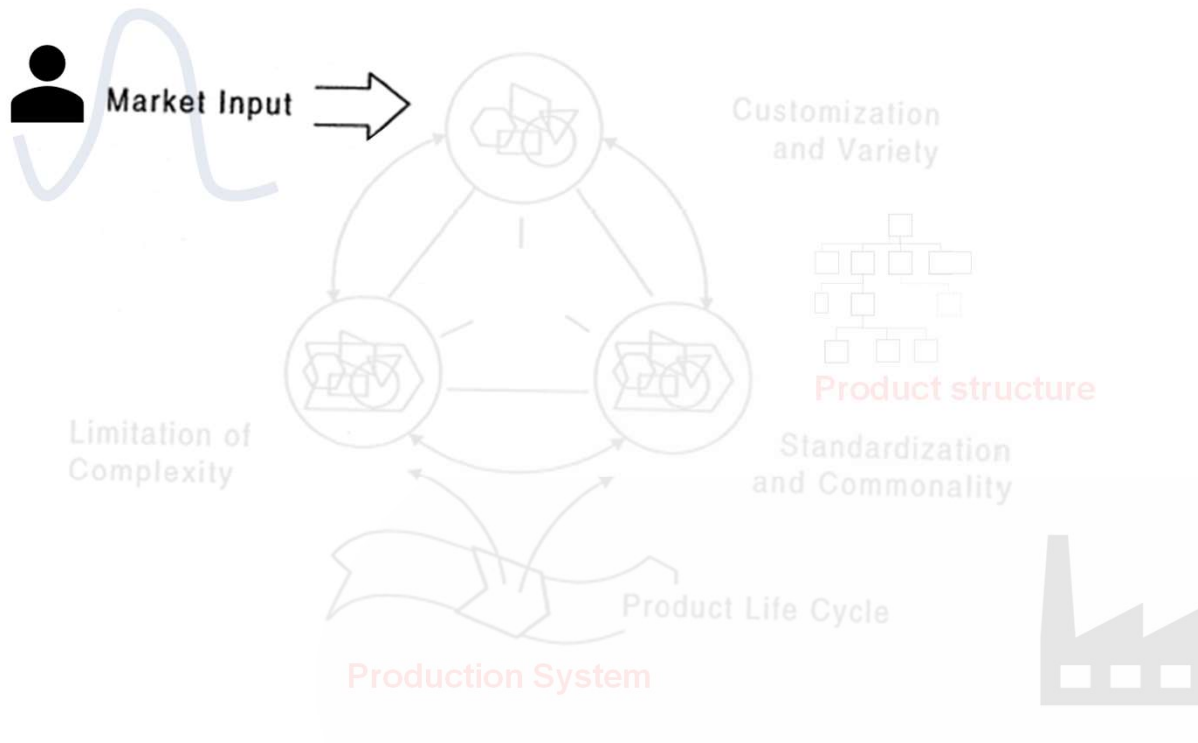


User Phase

After Sales

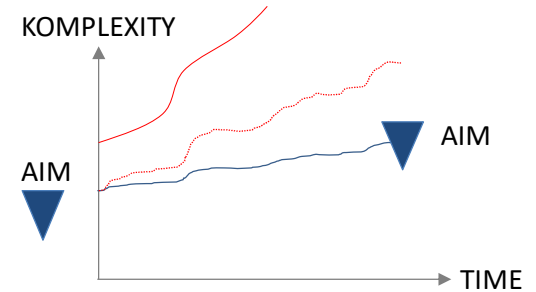
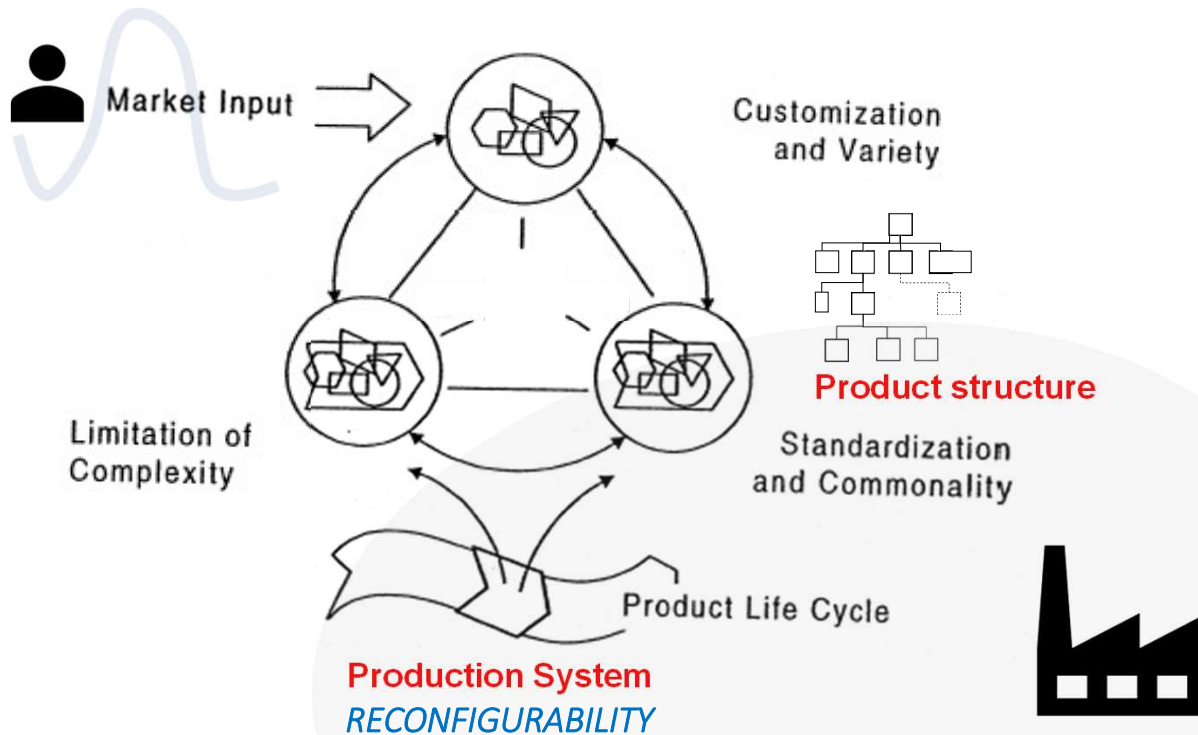


PRODUCT STRUCTURE PRODUCTION SYSTEM



Complexity increase (time), target to have a robust and modular structure with less complexity growth

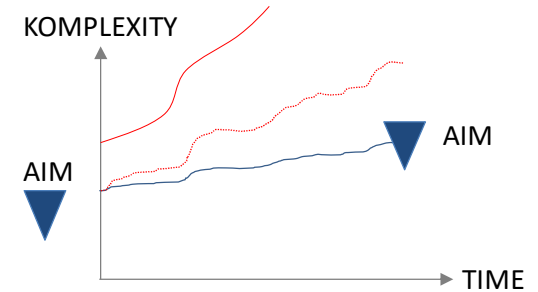
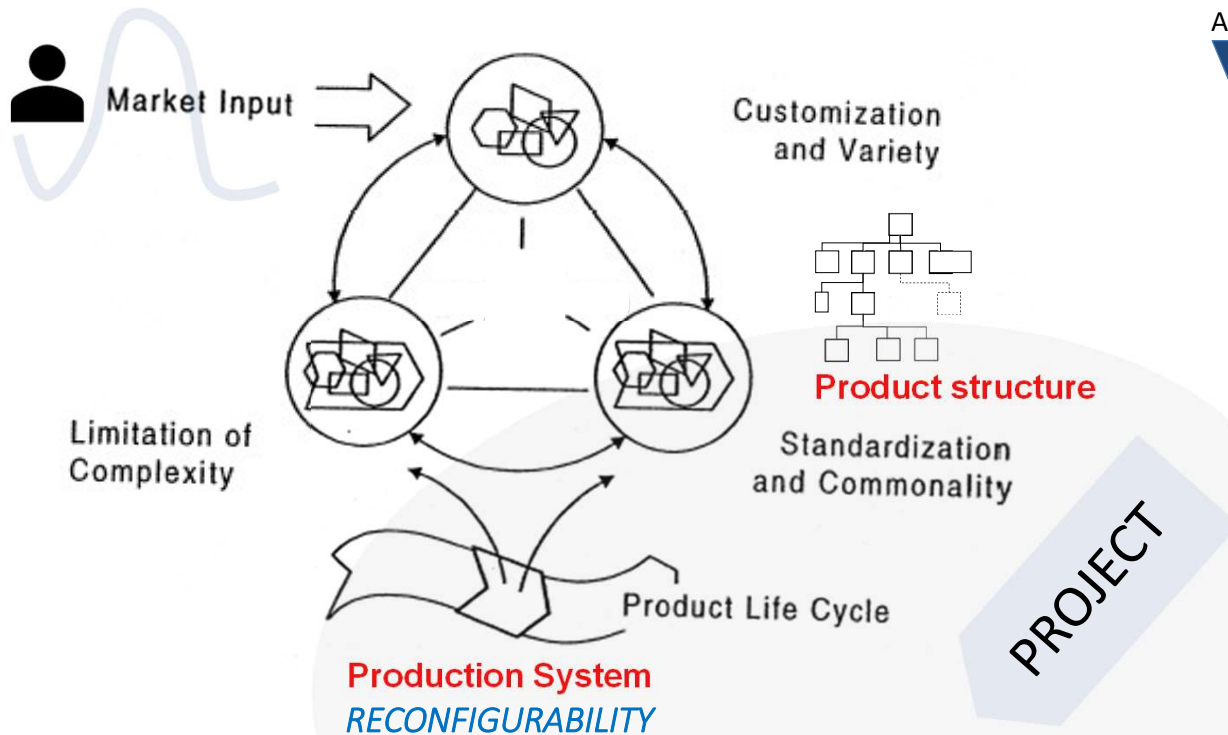
PRODUCT STRUCTURE PRODUCTION SYSTEM



Complexity increase (time), target to have a robust and modular structure with less complexity growth



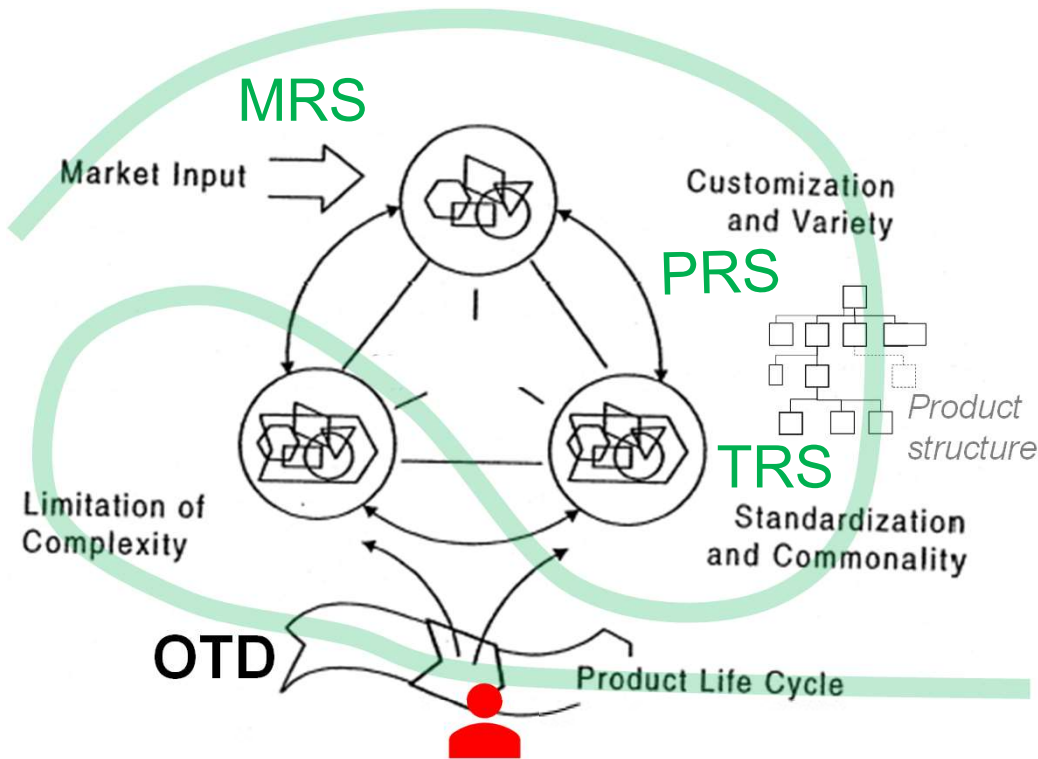
PROJECT VIEW



Complexity increase (time), target to have a robust and modular structure with less complexity growth

- Gate model
- Agile vs Waterfall

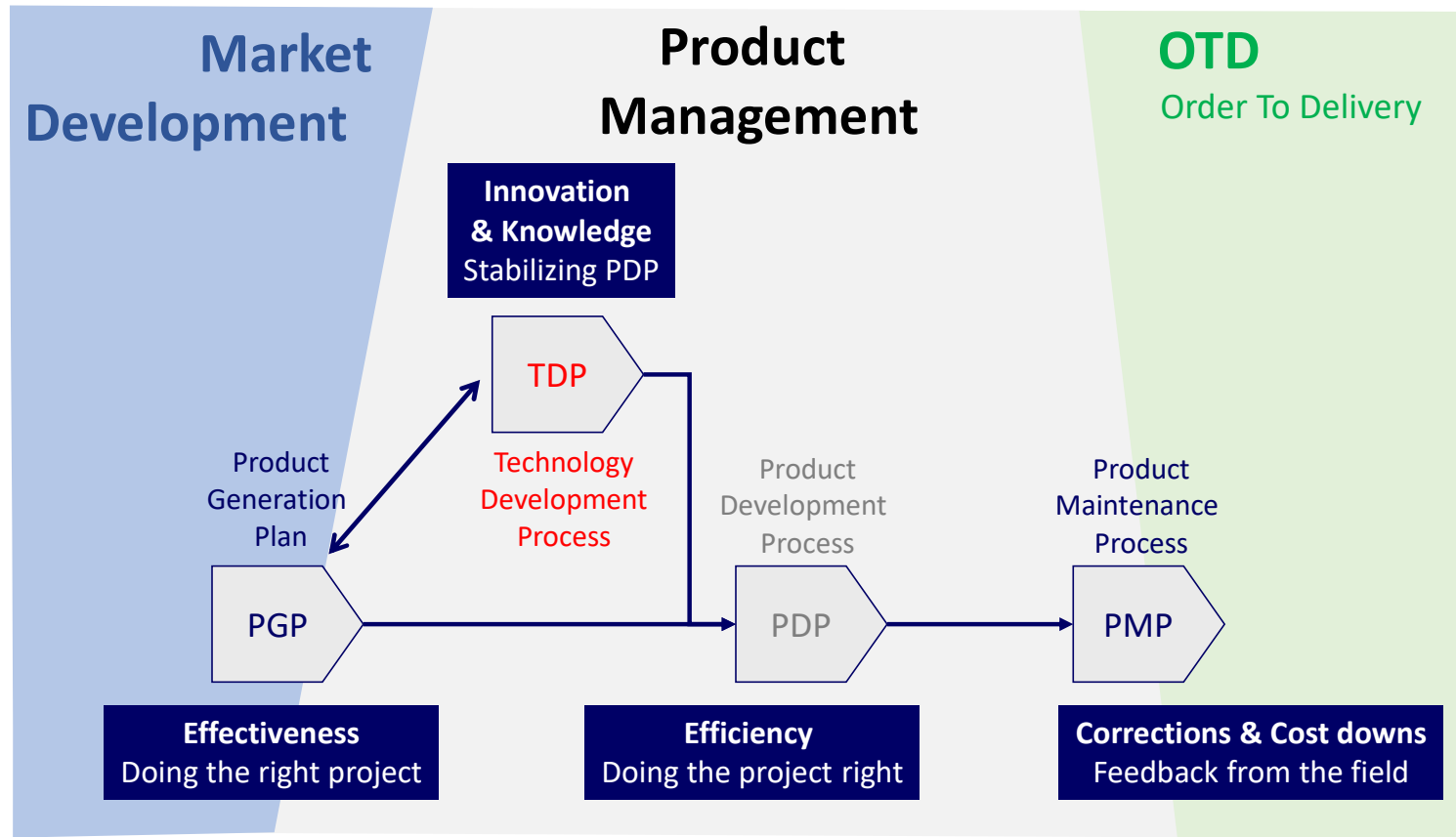
PRODUCT STRUCTURE / COMPLEXITY / REQUIREMENTS



**REQUIREMENT
MANAGEMENT
= PROCESS**

*You can release specifications
from the process (RM tool)*

KORTA LEDTID & **MINSKA OSÄKERHET** PD



HELHETEN BORTOM FÖRETAGET

NYTTIGGÖRANDE

LUNDS UNIVERSITET

KUNSKAP

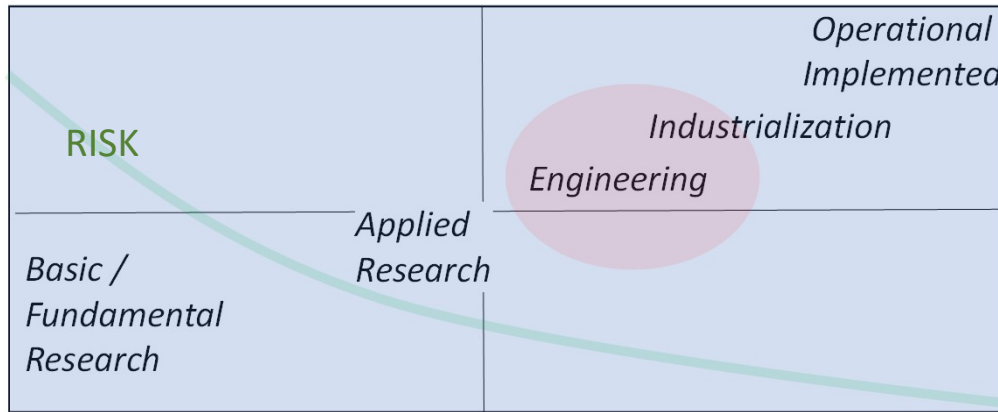
SAMHÄLLET



PRODUKT UTVECKLING – “GOAL-DRIVEN”

Possibility to manage and
predict the outcome

100 %



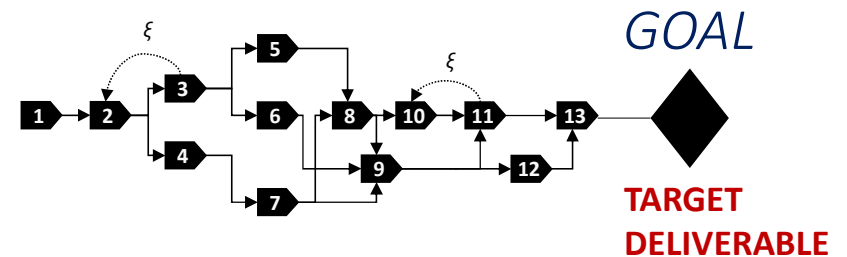
0 %

Knowledge - driven

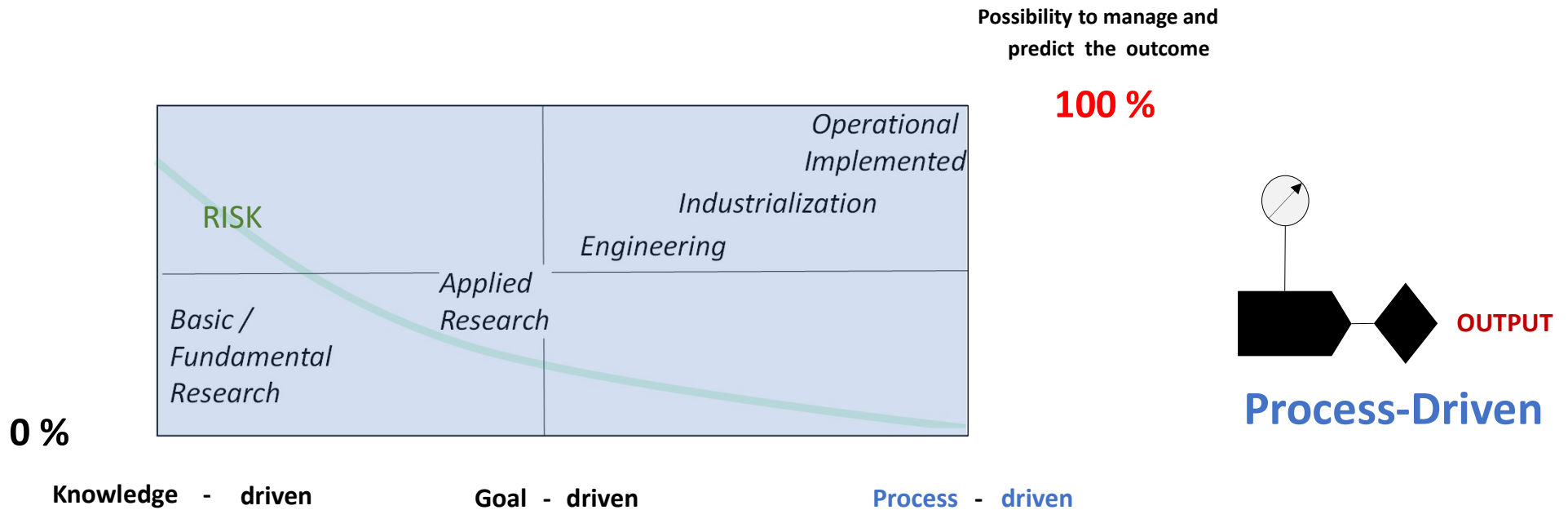
Goal - driven

Process - driven

Several task structures
possible to reach target.
Replanning critical



TILLVERKNING – "PROCESS-DRIVEN"



TAR TID !

NYTTIGGÖRANDE

Possibility to manage and
predict the outcome

100 %

Operational
Implemented

Industrialization

Engineering

Applied
Research

Basic /
Fundamental
Research

0 %

Knowledge - driven

Goal - driven

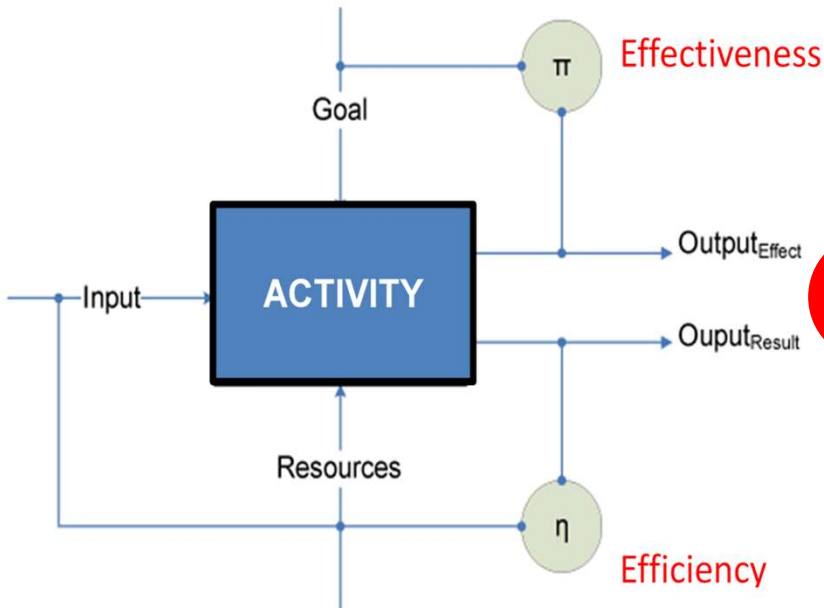
Process - driven

KUNSKAP

SAMHÄLLET



Inre och Yttre effektivitet



Effectiveness

More product planning

"Doing the right things"

Efficiency

More product development

"Doing the things right"

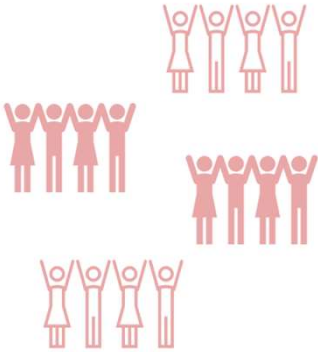
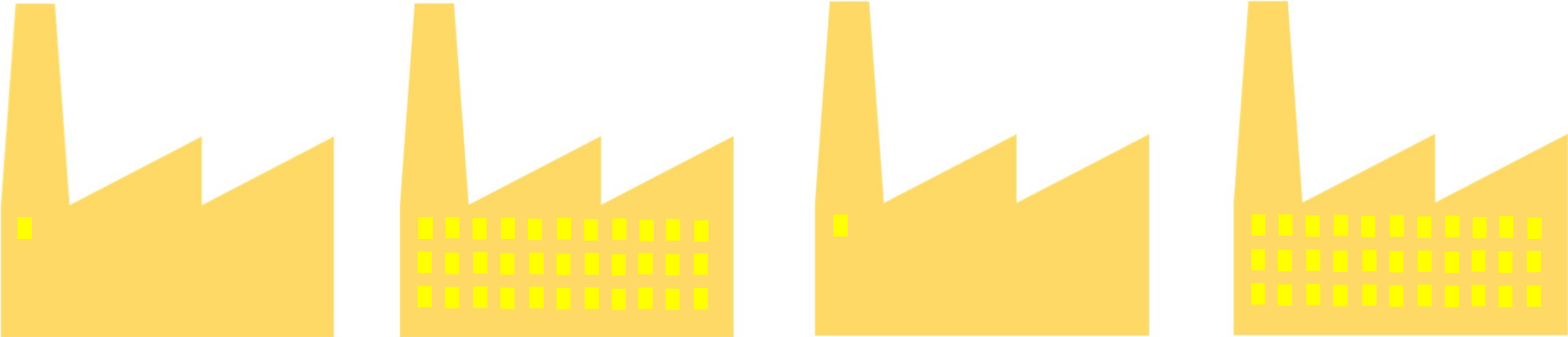
Viktigt att förstå skillnaden (agilt)

"PROJEKTLEVERANSEN"

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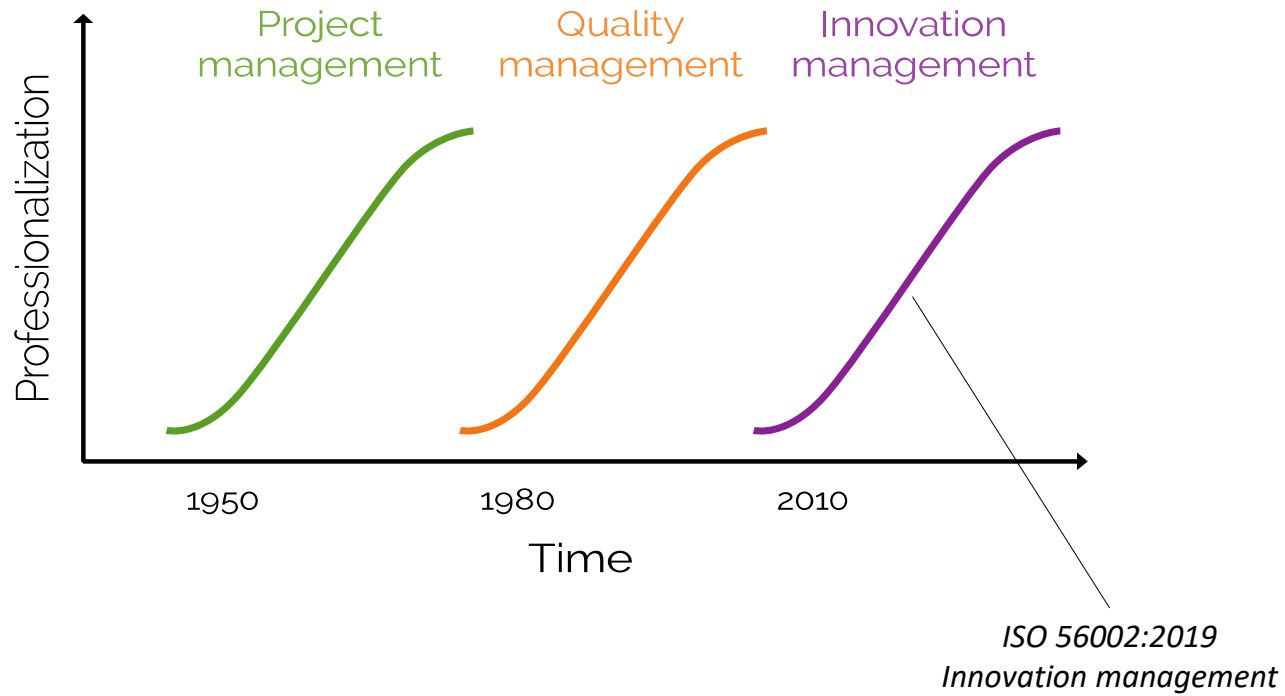
METAFOR – Engagera fler!



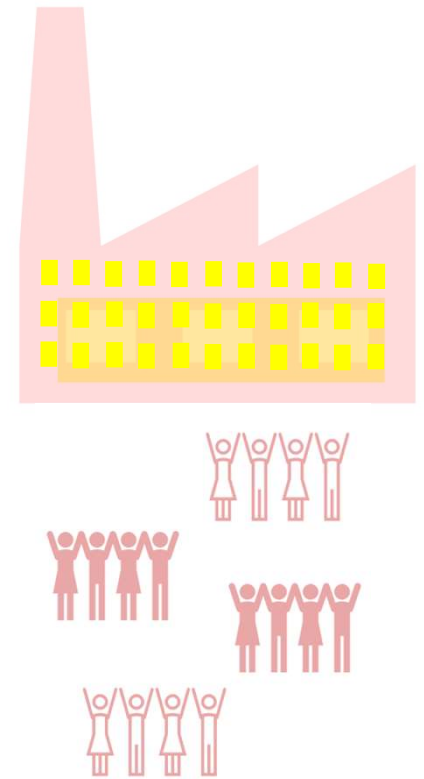
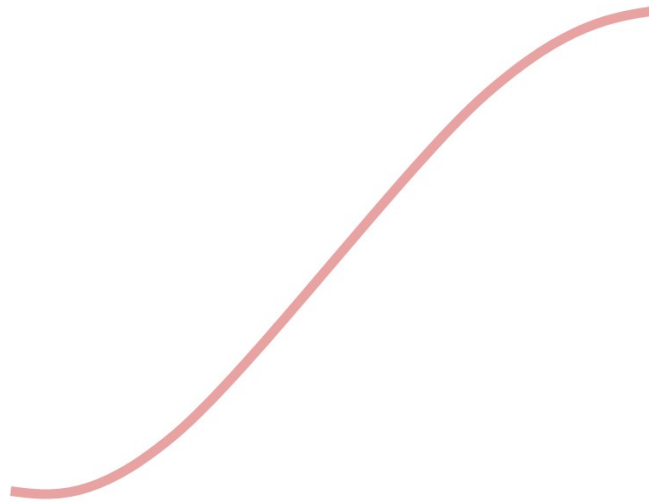
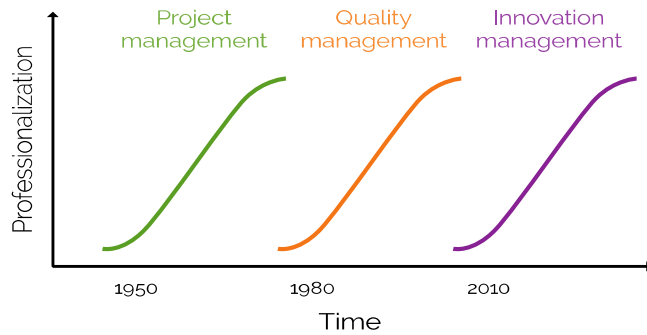
Q

I

Engagera fler Q & I



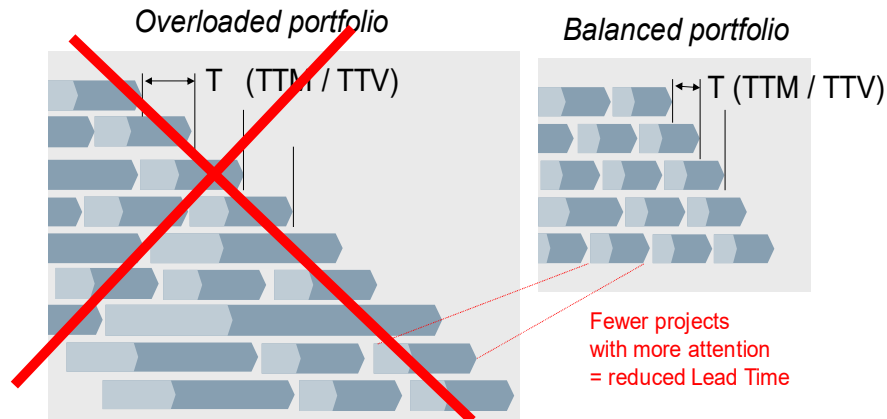
Bygg en kultur för Innovation & Change



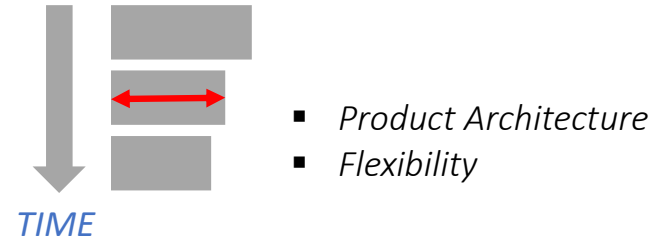
MARKET INTRODUCTION APPROACH

~~TTM~~

TTV



SHORTER TIME IN
THE MARKET



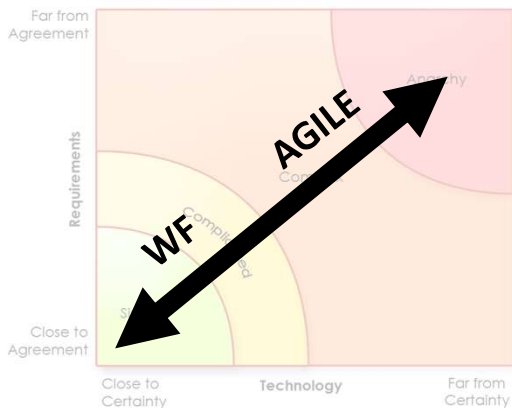
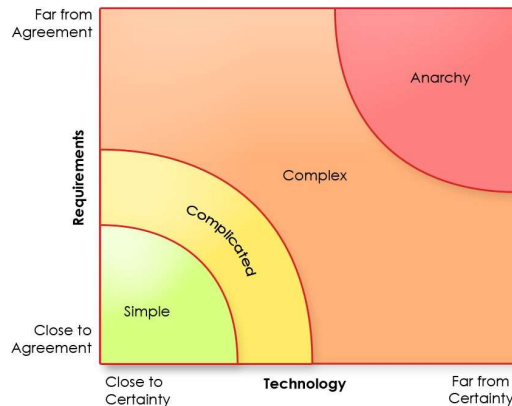
INCREASED COST OF DELAY!

- Balanced Portfolio
- Shorter Lead Time
- Fewer projects with Higher pace

**BELÄGG ALLA TILL 80%
FÖR FLEX / CHANGE**

Ralph Stacey model (agile)

(Just a summary – more on internet)



Simple tasks

- Simple tasks that are well defined and easy to solve.
- Clear Cause and effect
- Fact-Based management
- It takes some time to define a problem to be Simple and not Complicated

Complicated tasks

- Expert competence required
- Cause and effect exist but less visible
- Fact-based to a high degree
- Manageable number of external influences

Complex tasks

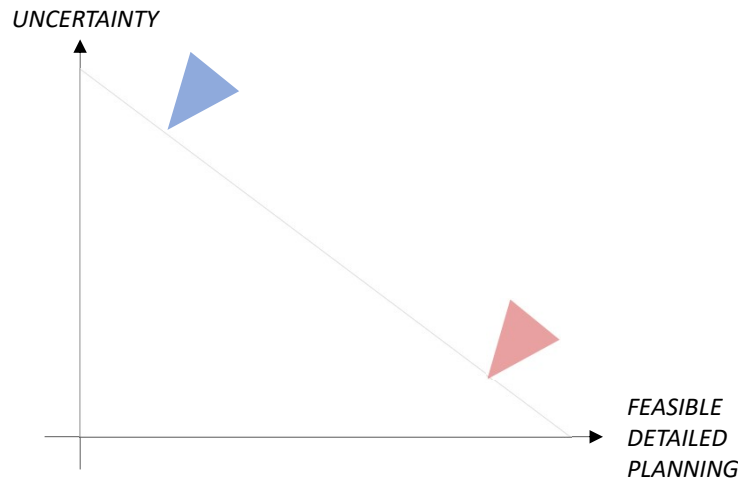
- Complex relations / High degree of uncertainty / unpredictability
- No right answers and many potential solutions
- Creative and innovative approaches – Subjectivity and facts
- Inclusive and pattern-based leadership
- Broad range of competence required
- Takes time and reflection beneficial

Anarchy / Chaotic

- Unpredictable / turbulence
- Seek patterns and what could work instead of the right and best solution.
- No clear cause and effect
- Experiment and learn if possible
- Conflicting requirements and not known
- Broad range of competence and pattern-based leadership.

[Snowden and Boone, HBR, 2007]

UNCERTAINTY INFLUENCE OUR PM APPROACH



AGILE

Uncertainty in requirements, technical solutions, risks, planning, etc.

- *Draft planning – Focus on near future*
- *Cost with +/- Targets*
- *Draft / indicative Risks*
- *Collaboration critical*

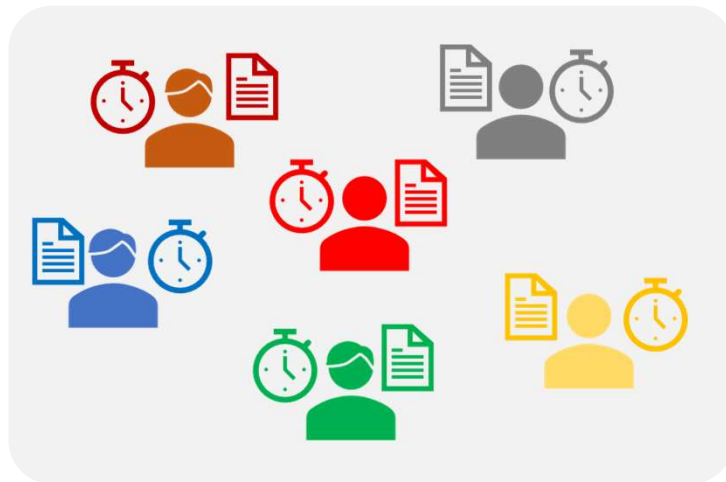
Enhanced detailing and de-risking will allow for more accurate analyzes

“MORE WATERFALL”

Waterfall assumes known scope

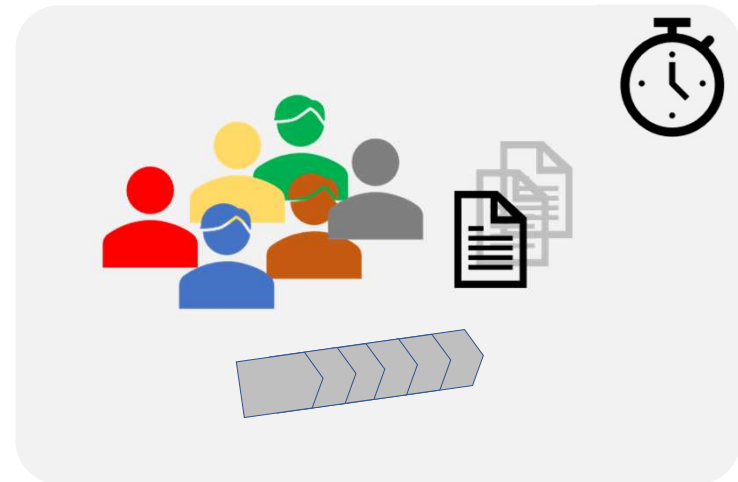
AGILE is not solely a method – Rather a philosophy

WATERFALL (COMMON)



- Top down approach
- Distribution of work by PM
- Centralized
- Measure individual

AGILE (intro)

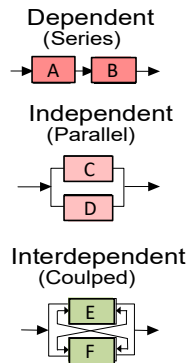


- Bottom Up
- Team effort to define SoW
- Decentralized
- Measure team not individual

The purpose of this picture was just to introduce Agile and some differences with Waterfall – More will come !

SOME SUPPORT FOR ORGANIZING THE WORK

- SEQUENTIAL
- PARALLELL
- ITERATIVE



COORDINATION

- Well defined work package
- Just to send a specification and you know exactly what you get.
- Limited uncertainty



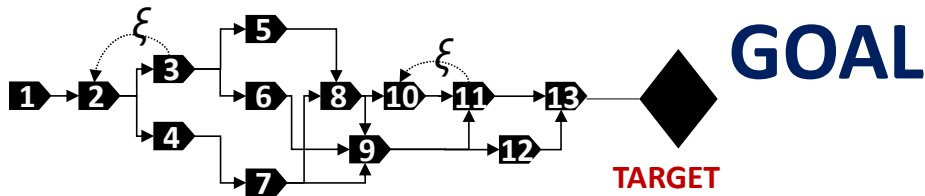
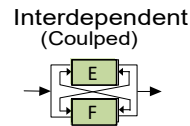
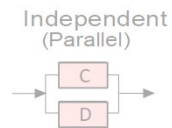
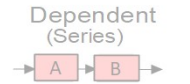
INTEGRATION

- Uncertainty
- Iterative scope
- Joint effort required



ORGANIZATION FOR ITERATIVE SCOPE

- SEQUENTIAL
- PARALLEL
- ITERATIVE

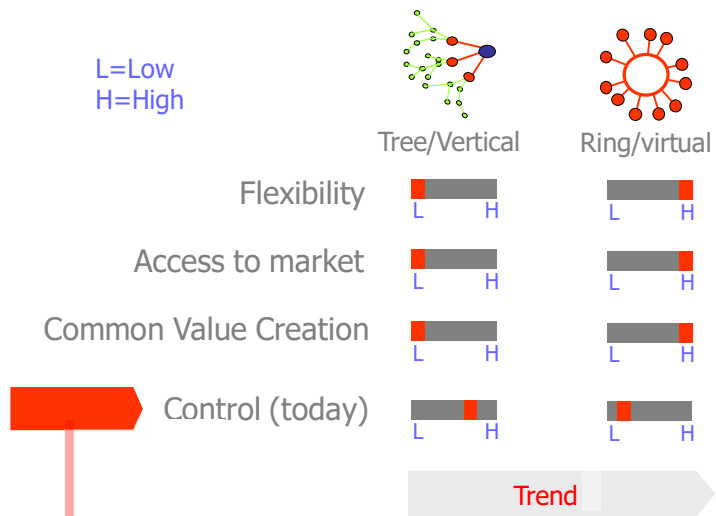


Several task structures possible to reach target. Replanning critical

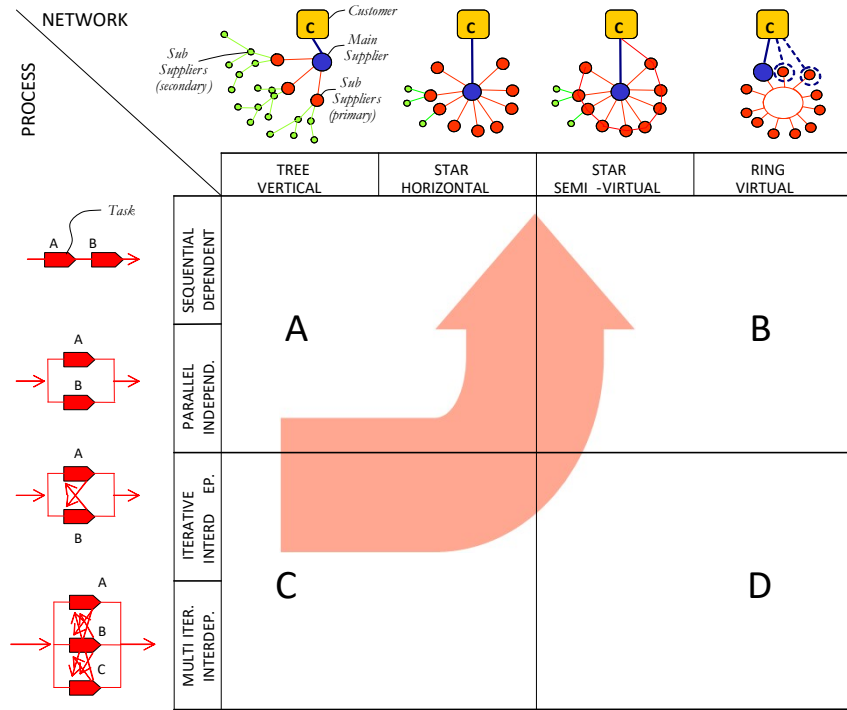
**TARGET
DELIVERABLE**



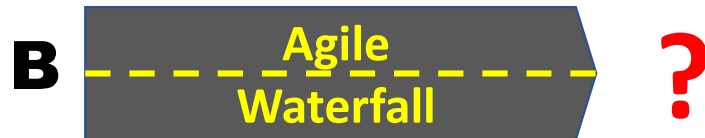
PLANNING/ACTIVITIES vs ORGANIZATION



Agile is an approach to maintain control



COMBINE AGILE AND W.F.



EARLIER SLIDE – HUGE DIFFERENCE

WATERFALL (COMMON)

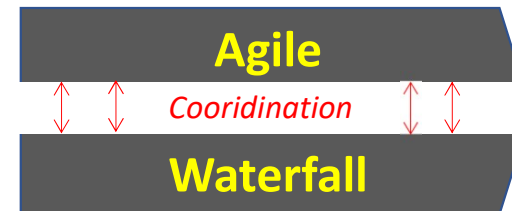


- Top down approach
- Distribution of work by PM
- Centralized
- Measure individual
- Fixed SoW + Scope growth + Delay

AGILE (intro)



- Bottom Up
- Team effort to define SoW
- Decentralized
- Measure team not individual
- Fixed time – Adjust scope – On time

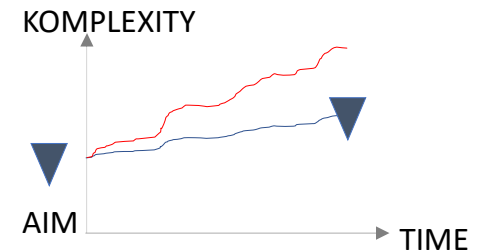
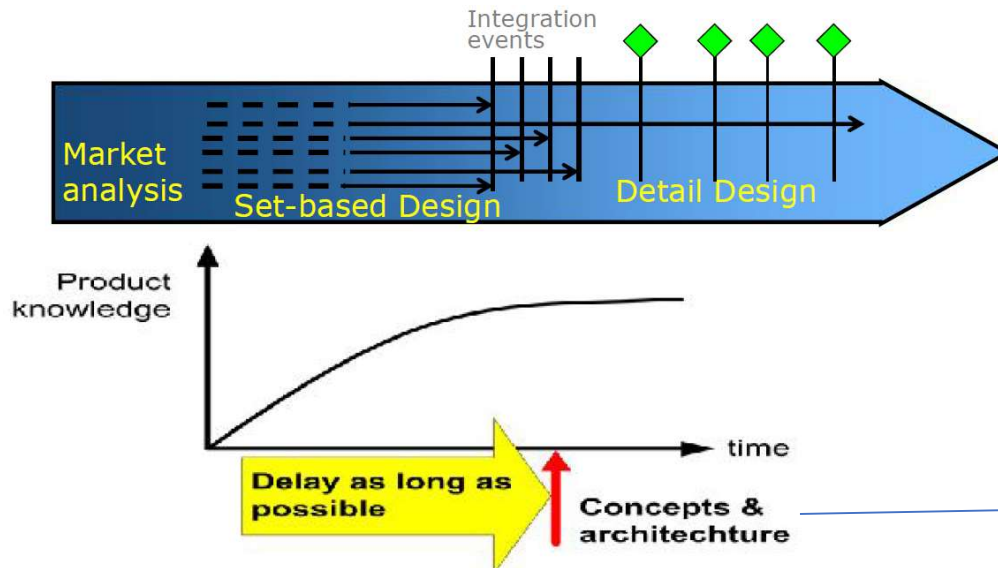
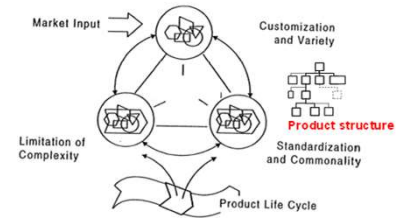


In case the work can be coordinated and an integrated approach NOT required between Agile and waterfall team, then OK

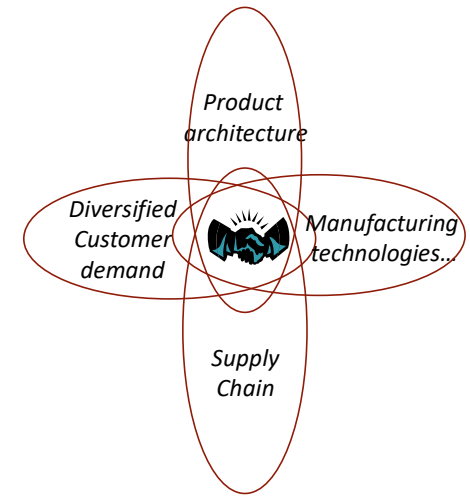
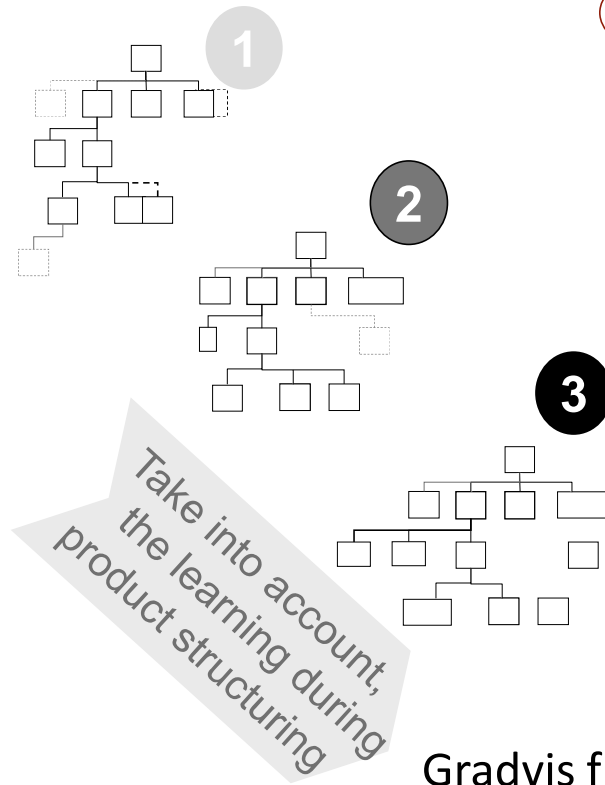
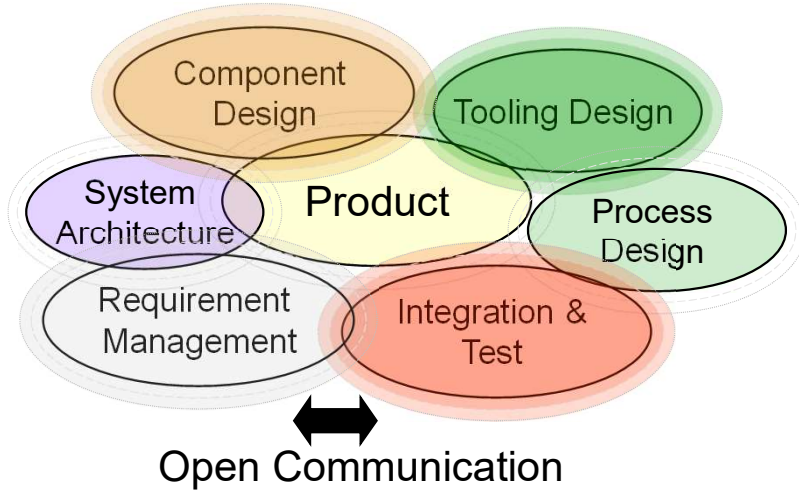
OVERVIEW SET-BASED (LEAN)

- Focus on Functional requirements
- Few but important explicit requirements
- Consider bandwidth for RQs (+ picture/diagram)
- Parallel sets of concepts

- Test various combinations of your sets of concepts
- In order to find the overall best architecture



SET-BASED ENGINEERING



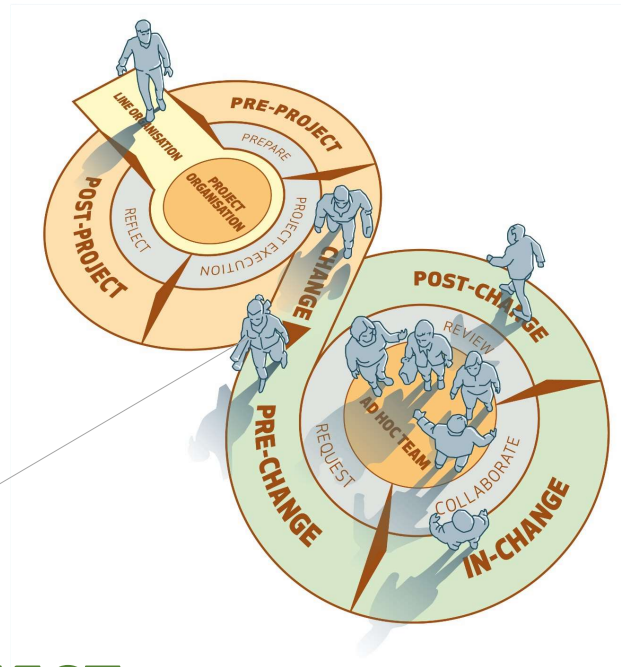
Gradvis frynsning

CHANGE MANAGEMENT – **LINE** / **PROJECT**

Change Management is a key task for the **Line** and **Project** Organization

LINE

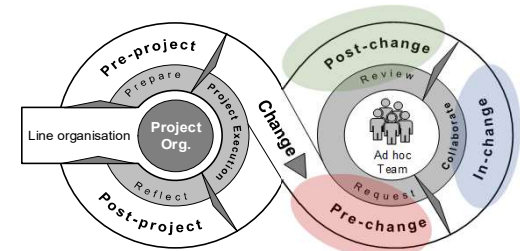
PROJECT



CHANGE MANAGEMENT

PRE – IN - POST

Three phases to manage
Change in the project
(somewhat simplified)



PRE CHANGE

- Appoint responsibility
- Define process
- Change Log
- Meeting structure
- DB / Storage
- Change request forms
- Change carrier

IN CHANGE

- Maintain process/meetings /DB/responsibility/etc.
- Involve concerned disciplines.
- Opportunities
- Evaluate consequences/impact/risk/propagation
- Feasible alternatives – End-client feedback - Decide
- Implementation plan
- Update SoW / Plans

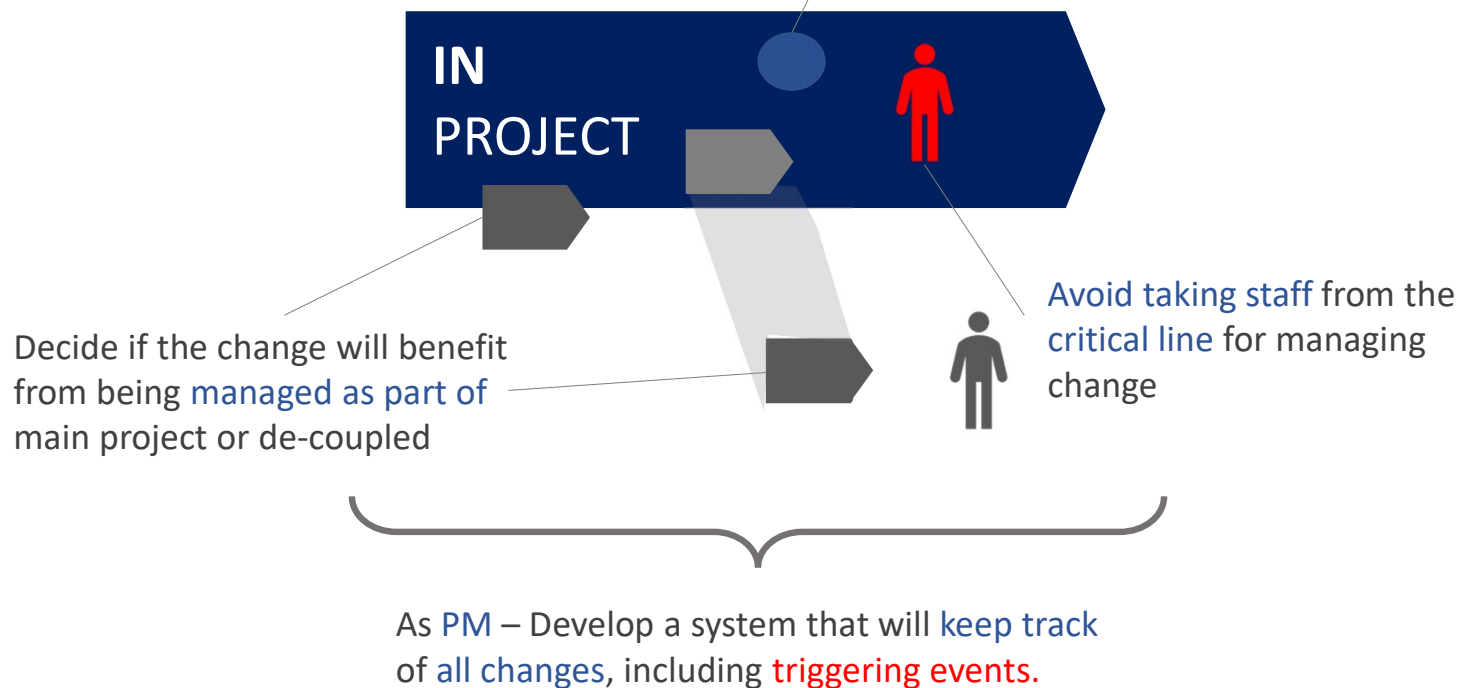
POST CHANGE

- Follow-up C-T-Q
- Monitor Implementation
- Close-Out & Alignment client
- Update related documentation, as required
- Invoicing
- LL -> Line / process

CHANGE MANAGEMENT – FOR A SPECIFIC PROJECT

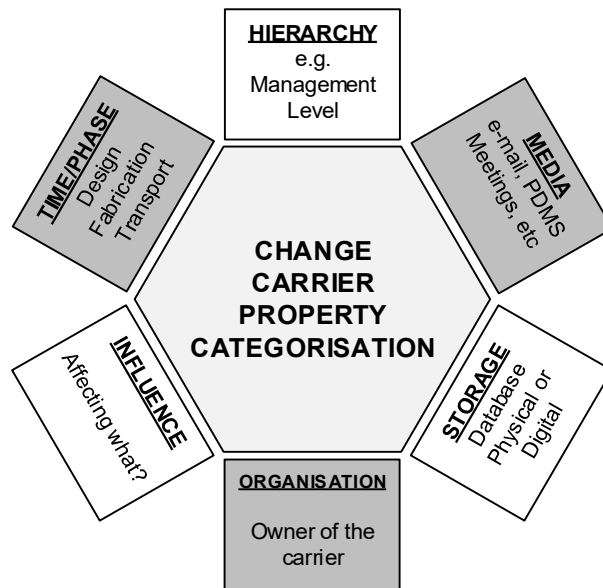
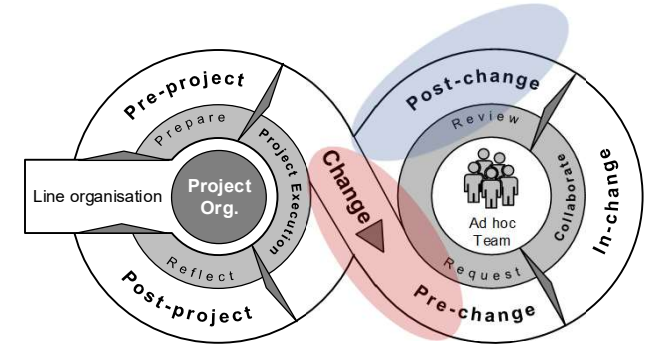
Some guidance for how to manage change in the project

Aim for a culture in which change is part of the process and all surprises should be on the table – The only way of managing the entire scope.

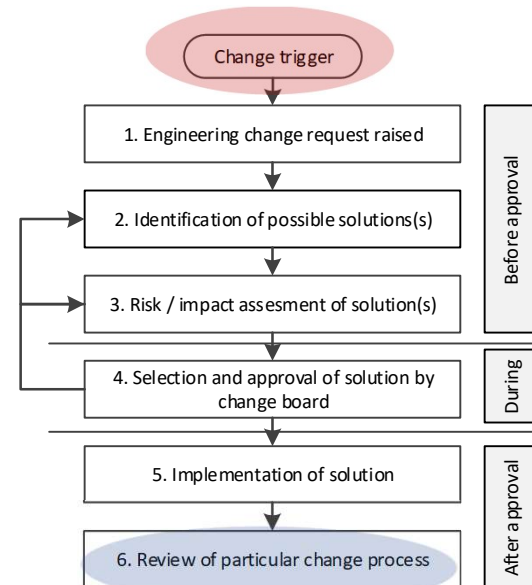


CHANGE CARRIER

Change Carrier could be considered as the mean for bringing all aspects of a change from **initiation** to **implementation**



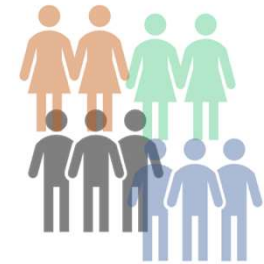
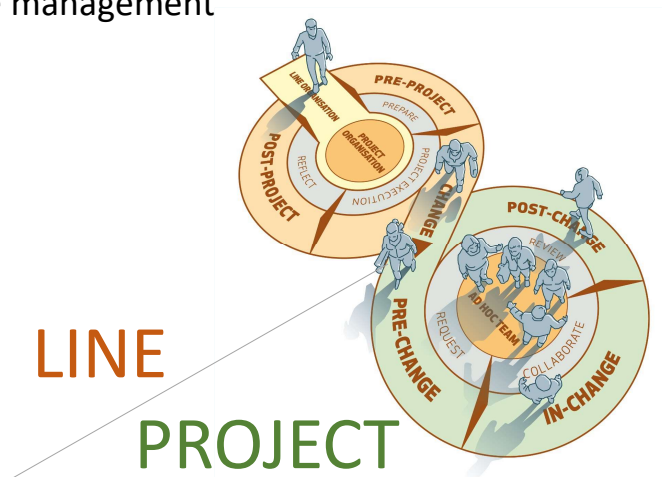
(Change Carrier by Sjögren 2018)



CHANGE MANAGEMENT – LINE / PROJECT LEARNING

For line / Project learning - Physical meetings is required, or workshops

- A lot of Change related information is stored as data and information in computers.
- For knowledge and competence exchange, physical meetings is required - [Learning](#)
- In order to further develop the way of working with Change management

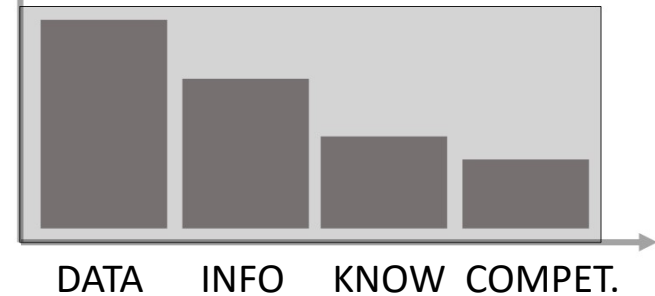


Physical meetings



In Computers

100%

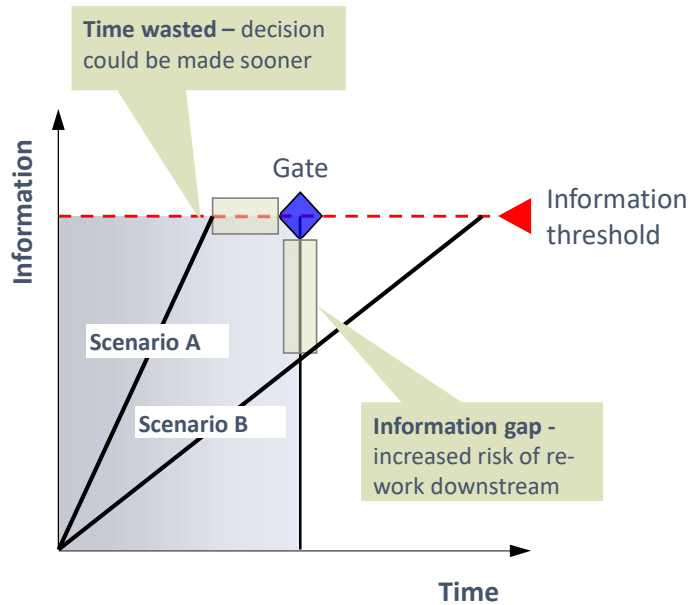


OUTLINE

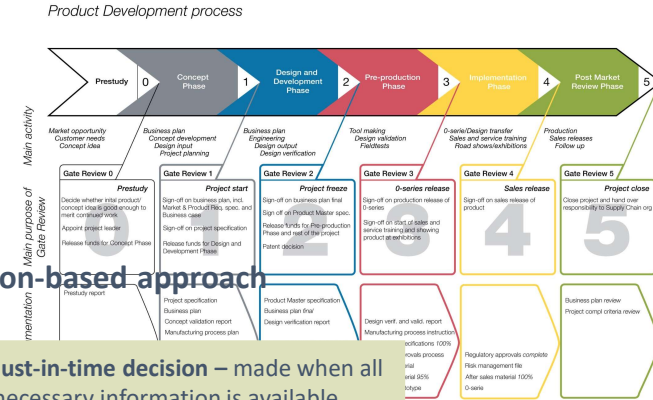
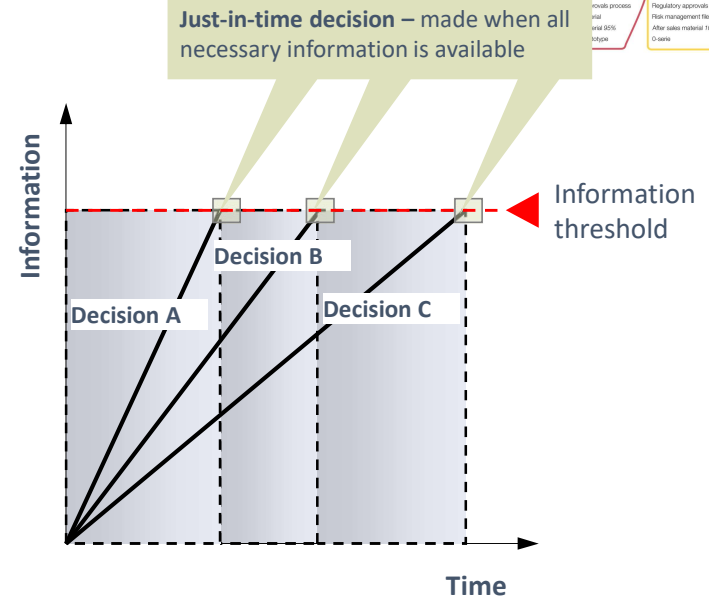
- Introduktion
- Förstå helheten
- Förändringsledning – Lite vägledning
- **Beslutsprocesser**
- Q/ A - Workshop

GATE MODELS

Risk at GATE-Review



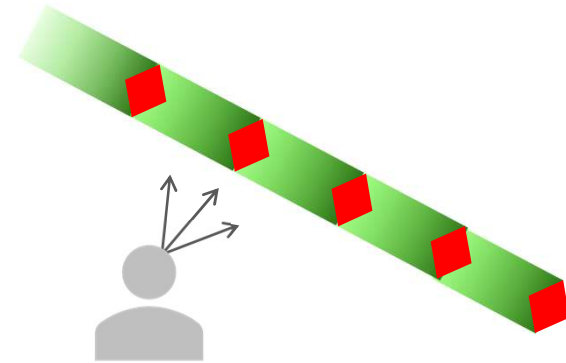
Information-based approach



INTRODUCTION DECISION MAKING

- My interest started

- Product development – Progress / Decision
- Few companies focus on development of DM capabilities.
- Chevron (O&G Company US)



- Aim

- Present decision-making process, supporting PM:s/Teams to enhance the decision quality.
- Increase flexibility, as decisions are planned upfront and options evaluated in a structured manner.
- Focus on complex decisions which don't have easily calculated and simple solutions.

- Based On

- Research
- Experiences from large scale engineering/ construction projects.



CRITERIA FOR DECISION?



+ 2 FEASIBLE ALTERNATIVES TO BE EVALUATED

*“.... **Decision making** can be regarded as a **process**, resulting in selection of a course of action among **multiple alternatives**. **One choice** is selected for action and **implementation**.”*

*“We prefer the term **“Decision Quality”** rather than aiming for the perfect or optimal decision, even if that is worthwhile to striving for.”*

WHY?



*“..... above all else, **leaders** are **made** or **broken** by the **quality** of their **decisions** ”*

[Garvin and Roberto, HBR, September, 2001, p 108]



*“..... **improving** your companies **decision-making competency** can have a direct **impact** on **performance** ”*

[Luecke, 2001]



*“ **Life** is a sum of all **your choices**..... ”*

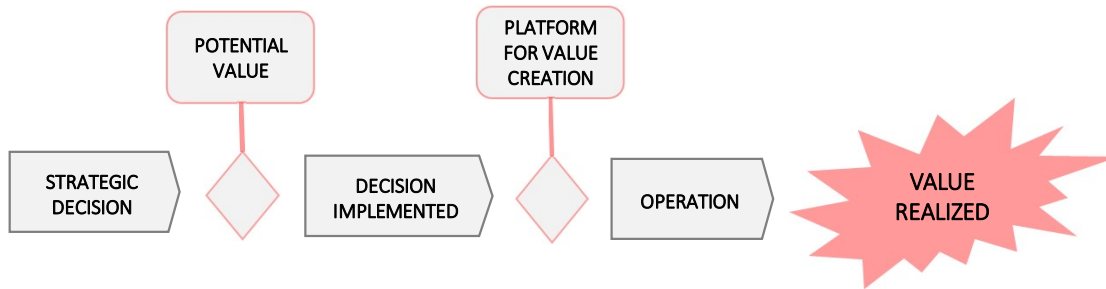
[Decision Quality, 2016]



*“... or just **because it works**”*

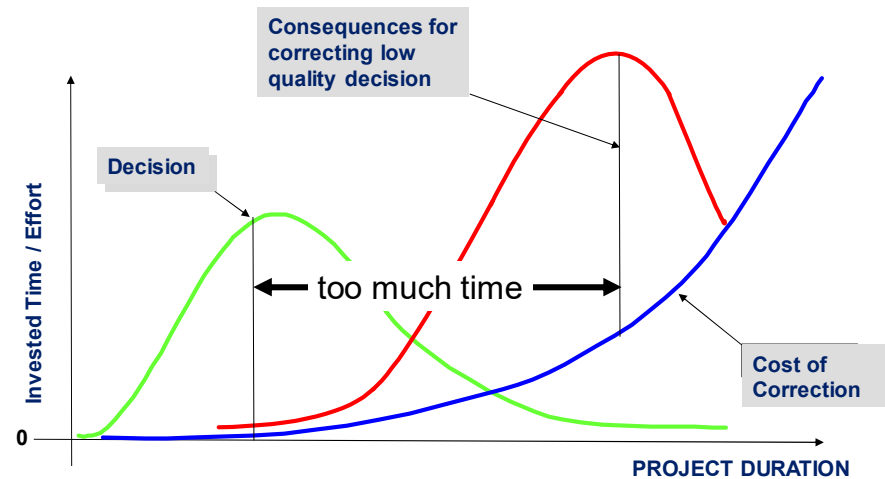
[DM high impact ROI]

EVALUATE IMPACT OF DECISION



A key problem with decision-making is that there are often *long time between* the decision is taken and the *consequences* of the decision *visible/realized*.....

Important to always consider ways to shorten the feedback loop, through simulations, scenario development, agile methods, etc.



APPROACH



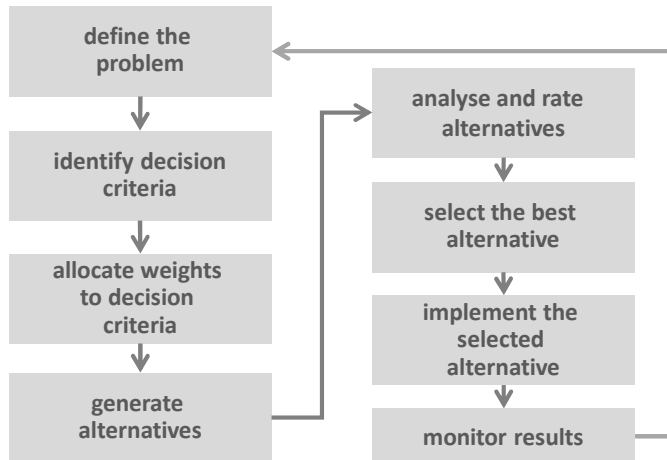
*“ Selection of approach/method for **decision making** is dependent on **your view** and what **type** of **decision** you aim to take and implement. “*

Dock alltid bättre att start med något enkelt och testa = Starta lärandet.

RATIONAL vs BOUNDED RATIONAL

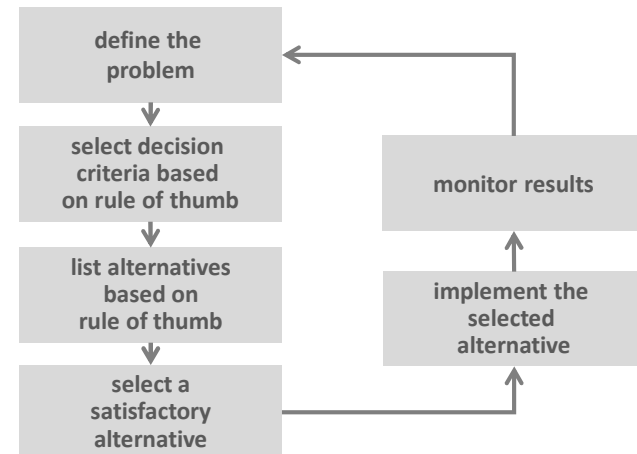
Rational model

- clear and stable objectives
- objective is to maximize outcome
- closed decision-making process
- all required information is available
- founded on quantitative disciplines;
- process supported by computers



Bounded Rational model

- objectives are achievable (might change)
- to identify solutions that are good enough
- open decision-making process
- decision-making strategy is based on making judgements under bounded rationality
- not all information is available or obtainable
- qualitative orientation



[1945, Simon H.A. (Administrative behavior). Nobel-prize 1978. D.2001]

2 CRITICAL ASPECTS

Cross Functional Collaboration

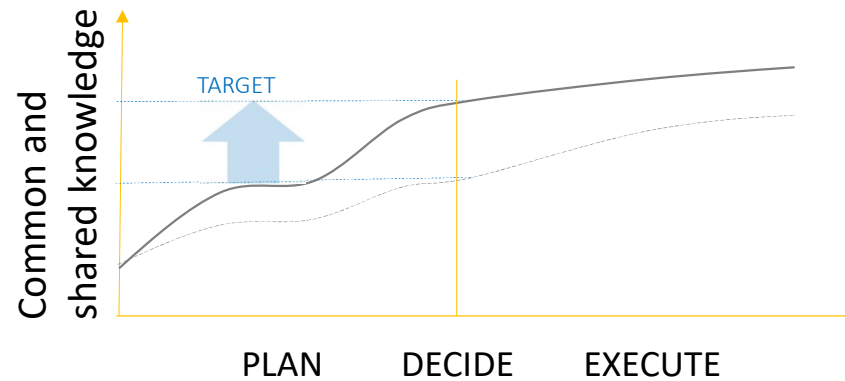


Process Focus

(more details will follow)



Aiming at

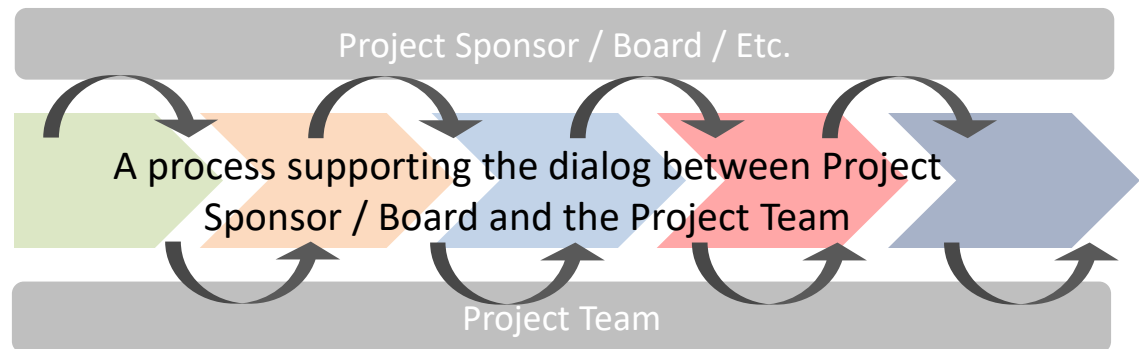


AD-HOC vs PROCESS (including collaboration)

COMMONLY >



PROPOSED >



DECISION MAKING PROCESS

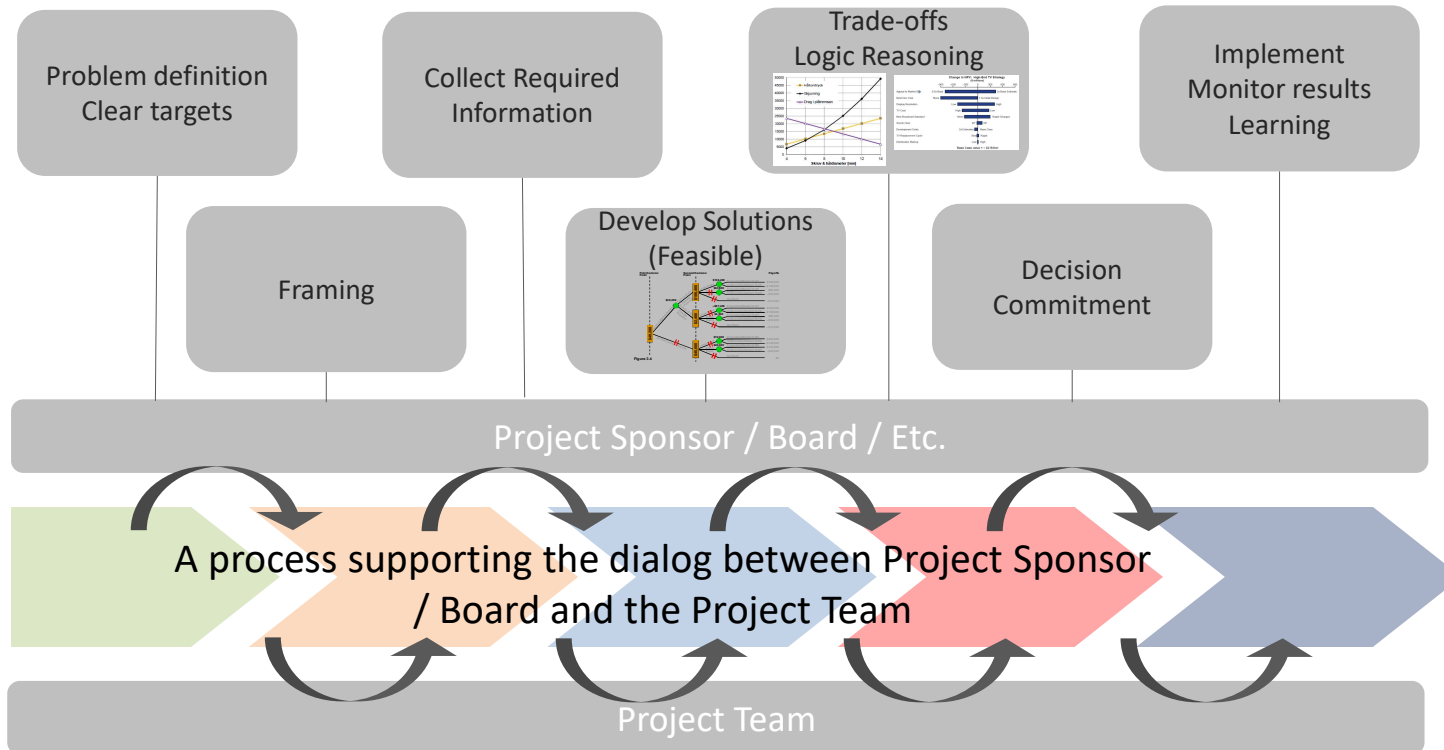
Process Focus

(more details will follow)

PLAN (PRE)

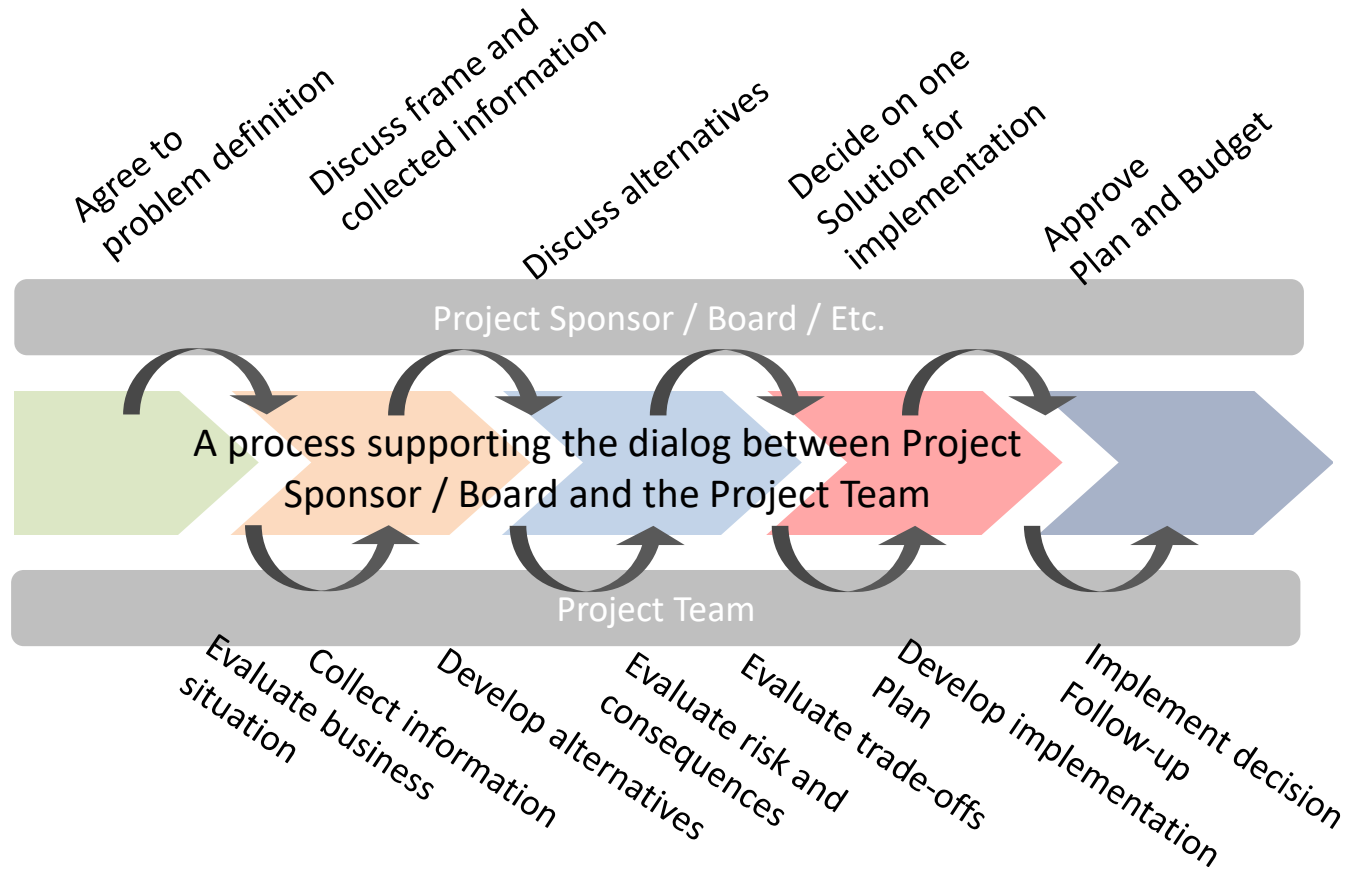
D

EXECUTE (POST)



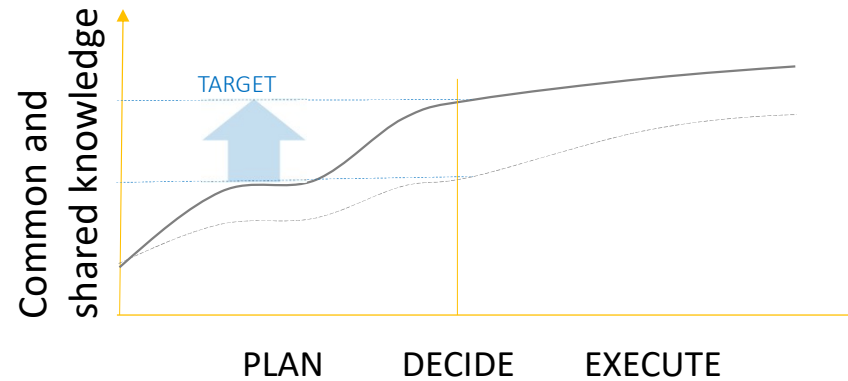
[See also Strategic Decision Group, SDG]

DECISION MAKING PROCESS – EXAMPLE OF ACTIVITIES



COMMON PROBLEM – COMMUNICATION / COLLAB.

Cross Functional Collaboration

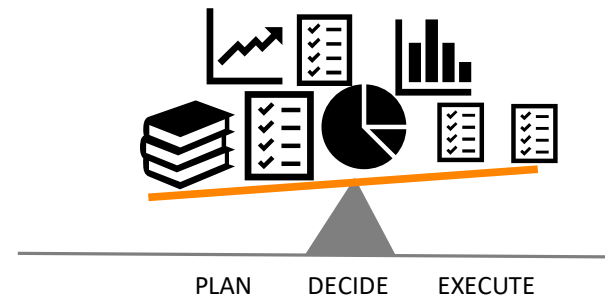


LACK OF PROCESS FOCUS and UNBALANCED PROCESS

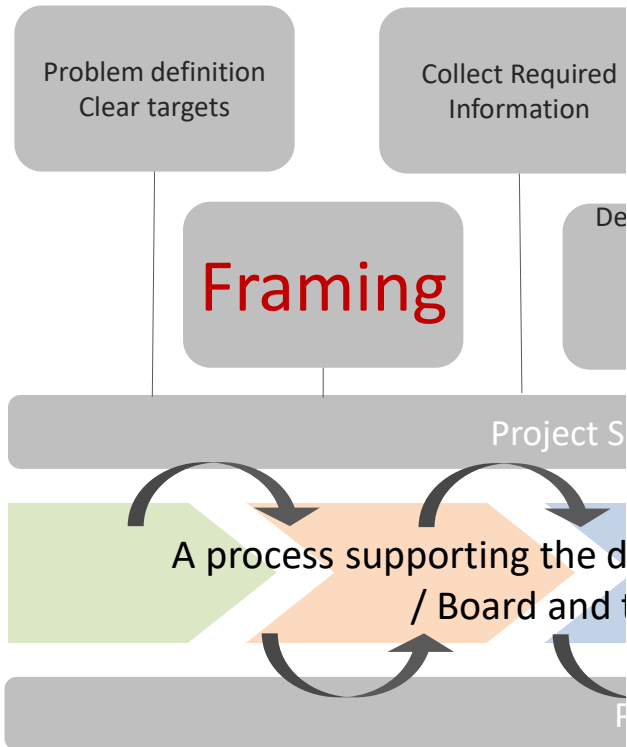
Process Focus *(more details will follow)*



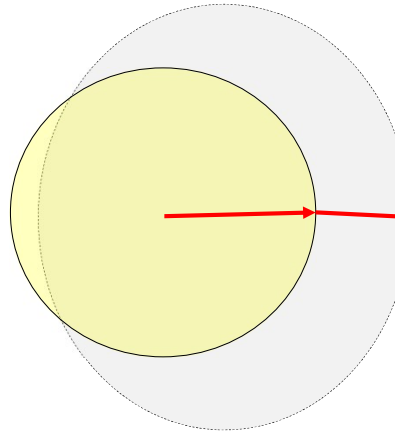
*“Lack of **process** focus and ad-hoc behavior reduces the possibility take a **well informed decision** (reduces decision quality) “*



COMMON PROBLEM – LACK OF FRAMING



*Poor defined frame and by just collecting some additional **not required information** increases the **complexity** and reduce the likelihood to take a decision with high quality!*



Potential problem list can be used
as a check sheet and reminder

COMMON PROBLEM – ADDITIONAL

GENERAL

- Decision making not considered as critical capability
- Roles/Responsibilities not defined.
- Sufficient resources not allocated

PLAN (PRE)

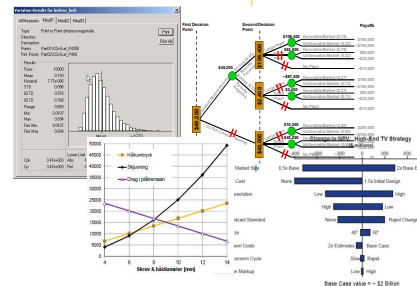
- Unclear problem definition.
- Information quality low (Wrong and too much info)
- Few feasible alternatives
- Few classical decision analysis tools used

D

- Few persons with knowledge of planned decision present => No decision / delays.
- Decisions influenced by one/several traps.

EXECUTE (POST)

- Execution plan for the taken decision pending (Vacuum).
- Follow-up pending.
- Feedback and lessons learned to line organization.



POTENTIAL TRAPS (1 AND 2 ADDED BY BJÖRN)

1. The **Expert Advice** Trap

the simple way out – rely on an external expert

2. The **Expectations** Trap

uncertain information provided due to expectations from team to provide certain input.

3. The **Anchoring** Trap

disproportional weight to first information

4. The **Status Quo** Trap

bias toward maintaining current situation

5. The **Sunk Cost** Trap

justify previous decisions that are not working

6. The **Confirming Evidence** Trap

seek supporting information only

7. The **Framing** Trap

*misstating the decision situation
– undermining entire D-M process*

8. The **Memory** Trap

over-influenced by both recent and dramatic events

9. The **Prudence** Trap

overcautious of estimates around uncertain events

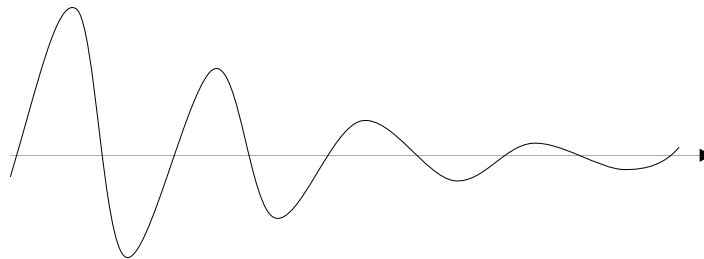
10. The **Recognition** Trap

tendency to place a higher value on what is familiar

[See for instance; Beshears and Gino, HBR, 2015 & Hammond, Keeney & Raiffa, HBR, 1998]

BENEFITS – PROCESS FOCUS

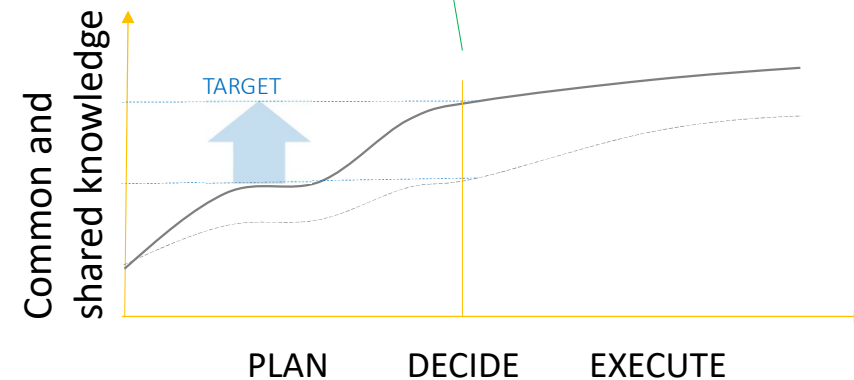
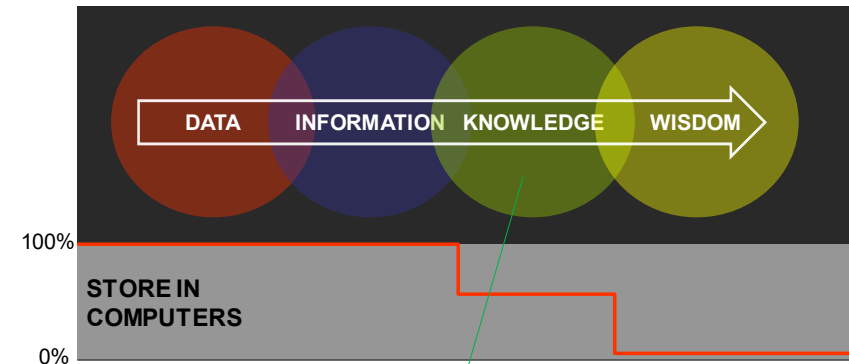
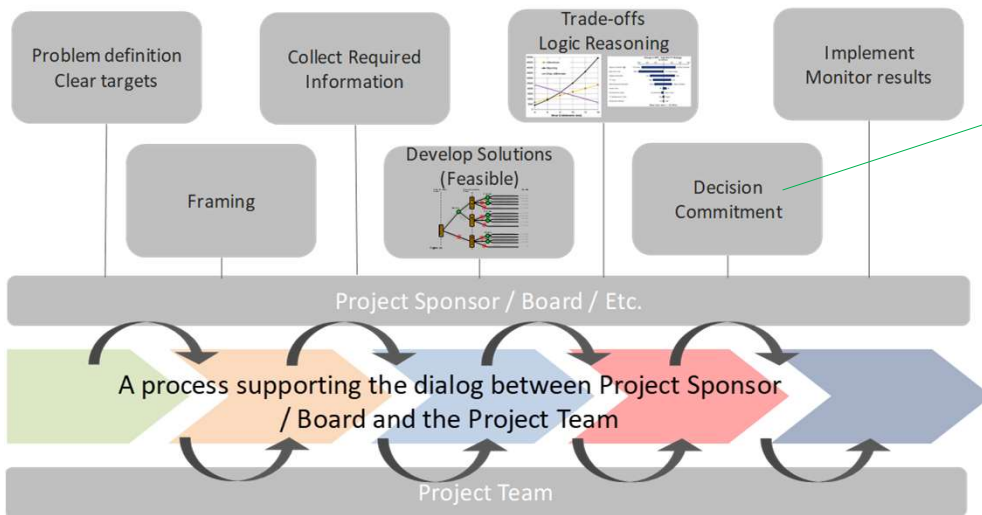
- Allows PM **enhance the decision quality**, resulting in a higher likelihood to deliver the project in line with plans and reaching goals/objectives.
- The **process** is the **motor** for **collaboration** and common creation of **knowledge**
- **People** have **two modes** (somewhat simplified): **Emotional** and **logical/analytical** – The process will help **to balance these**.
- It is normally **bad** to discuss **facts, alternatives, objectives, implementation, etc.** in the decision in the same meeting. The **process** will allow for **dedicated** meetings for certain **tasks**.
- **Manage biases**, by using several meeting to structure the problem, facts, solutions, uncertainty, frame, etc.



[See for instance; Mankins & Davis-Peccoud, Bain, 2011 & Beshears and Gino, HBR, 2015]

DIGITALIZATION

- Process still relevant!
- Framing required for information gathering
- A lot of data available, but filtering and data quality important to consider.
- Structure data into information and then put into context for knowledge sharing



CONCLUSIONS – FINAL WORD DECISION

- Few companies has realized the full potential of efficient Decision Making and implemented sufficient processes, tools, trained the staff, etc.
- Several feasible alternatives could serve as fall-back plan in case implementation of decision fails.....
- Progress in a project is directly influenced by decisions, no decisions means no progress and low quality in the decision-making might give rework.
- Taking control over the DM Process enhance your flexibility, as more problems solved upfront and more focus on several feasible alternatives.
- When we see a great disaster – That is normally caused by a series of small bad decisions, none of which would have caused a fatality on its own! [McGinn, 2013]

“Deepwater Horizon Oil Spill: blamed BP and its partners for a series of cost-cutting decisions.... (Wiki)”

- Do not wait, define your required DM process and work accordingly!

OUTLINE

- Introduktion
- Förstå helheten
- Förändringsledning – Lite vägledning
- Beslutsprocesser
- **Q/ A - Workshop**