Rethinking Return on Investment: A New Approach to Evaluating Change Management Effectiveness

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Introduction

What happens when you flip the idea of change management effectiveness on its head? What if you focused on the effectiveness of individual tactics that will lead to a greater return on investment (ROI), instead of looking at ROI at the end of a project and wondering how to quantify change management’s impact?

When U.S. Cellular®’s Change Management team began looking into change management effectiveness, the team decided to approach it from this new angle. Instead of quantifying change management’s return on investment at a project level, the team wanted to evaluate the effectiveness of individual change management tactics. This paper details the effort to quantify the effectiveness of individual tactical tools, describes lessons learned along the way, and provides information for others who are interested in capturing this type of data.

History

In early 2012, the Change Management team created a goal to “establish an effectiveness measurement strategy in order to enhance strengths and discover opportunities for improvement.” This measurement strategy would help assess the efficiency, reliability, and effectiveness of certain services. The Change Management team provides certain core services on most projects, and felt it was important to assess if the services continued to meet the needs of their intended audience. For example, are the conference calls used to introduce new projects really the best way to communicate the information to the audiences?

A task force of three team members was selected to spearhead the change management effectiveness effort. These individuals were responsible for laying the foundation for data collection and educating other team members about the process that was created. The task force was also responsible for reporting back to the team throughout the year to keep the team updated on the repository’s progress.

Design and Delivery

To manage the data, the task force established a Change Management Effectiveness Data Repository. The guiding principle when setting up the data repository was to follow the R.A.V.E. model: make sure the data was Relevant, Adequate, Valid, and Easy to obtain.¹

Given that this was a new process, the task force wanted to make the change easy to adopt. If the process was too cumbersome, the team wouldn’t reach the desired level of adoption. Once the behavior of entering data into the repository became routine, however, more detail could be added.

Since the repository – and the process for collecting data – was new to the team, the task force decided the best approach was to roll the repository out gradually. Instead of collecting data for all services, four of the most common tactical tools were selected for ongoing evaluation. The tools selected encompassed a variety of communications: informational conference calls with frontline associates, internal online news articles, internal web pages, and emails sent and received by the project team mailbox.

Change Managers were responsible for collecting data each time one of the four tactical tools was used. The team then entered the data into the repository: an Excel spreadsheet with a separate tab for each tactical tool. Although the exact metrics captured varied by tactical tool, Change Managers always captured the project, activity description, ¹Tague, Nancy R. The Quality Toolbox, 2nd Ed. Milwaukee: ASQ Quality Press, 2005.
audience size, and some measure of participation rate (e.g., site hits, unique visitors, call participants).

The task force decided participation rate was the key piece of information for each tactical tool. All the data in the repository centered on collecting this information. For example, out of the entire audience who had access to the online news article, how many clicked through to actually read it? There was some debate about the best measure of participation rate, and in some cases, the team determined there was a need for multiple measures to provide a more complete picture. When measuring internal web traffic, for example, the team felt it was important to capture both number of site hits and unique visitors, since each measure told a slightly different story.

After determining how to measure the participation rate for each tactical tool, the next challenge was establishing an appropriate target participation rate. The team decided to set an ambitious target, in large part because this rate was supposed to help them assess whether or not to use the tool in the first place. For example, if only 10% of invited participants joined a call, was a call really the right way to convey the information?

The team established 75% as the baseline for participation for conference calls, and an 85% participation rate for the remaining three tactical tools. The intent of a 75% participation rate was to account for people who may be out of the office or who may have a conflict with the call schedule. It assumed that all others who could attend would attend. The assumption for those tactical tools that didn’t require participation at a specific time (e.g., online news articles) was that a higher percentage of individuals would participate.

Data Use

The Change Management team partnered with an Analyst team in their department to receive ongoing readouts from the data repository. The Analysts are responsible for analyzing the data in the repository, and presenting the analysis to the Change Managers on a quarterly basis. Meanwhile, the Change Managers use the results of the analysis to determine any process modifications that are needed. While the Change Managers could obtain and analyze the data without an Analyst, this partnership has been helpful and has allowed another outside source to provide an unbiased perspective on the data in the repository.

To date, the Change Management team has used data from the repository to discuss opportunities to improve the services offered and increase ROI at the tactical tool level. During the first review of the repository data, the team brainstormed opportunities to improve call participation rates for a specific audience. While it is too soon to measure the impact that these modifications had on call participation rates, the brainstorming session was a useful exercise for the Change Management team. It required time to think critically about how audiences experience the calls, and what opportunities are available to improve that experience.

The data serves as a springboard for conversation about the delivery of tactical tools, and calls into question some of the beliefs about how best to use that tool. For example, one of the items the team has reviewed is the best day of the week on which to host a call. Previously, the team had been counseled not to hold calls on Mondays, but at present, call participation rate is substantially higher on Mondays as compared to other days of the week. Certainly, there are other outside factors that may influence these rates, but one of the
great opportunities provided by the repository is the ability to re-evaluate these standard practices based on new information.

Next Steps

As the team moves forward with the Change Management Effectiveness effort, the next step will be to review the tools for which data is being gathered, and determine if there are any additional tactical tools that should be included as the effort moves forward. Although the repository will continue to evolve over time, sufficient time has elapsed for the team to evaluate if enough data has been collected for meaningful analysis.

The team will also begin linking participation rates to audience comprehension when possible. For example, if a conference call suggests that attendees visit a project website, the team will begin evaluating the traffic to the website before and after the call. To date, feedback regarding the actual content of the tactical tools being measured, such as the materials presented on the calls, or the content of the web pages, has been anecdotal. As the data in the repository grows, the team would like to do more with linking participation rates to expected behaviors.

Finally, the Analyst team will continue to refine the way in which the data is presented to the Change Management team. And, as the amount of data in the repository grows, the team’s conversations can shift to more detailed analysis. Questions to consider may include: is there an ideal time to host calls for a specific group of associates? How much does participation rate rise (if at all) if there are three times offered to join a call instead of two? Currently, there isn’t enough data in the repository to support meaningful answers to these questions, but as the amount of data increases, the team will be better able to evaluate these opportunities to improve participation rates and overall impact of the change management effort.

Lessons Learned

Although there have been many lessons learned, five areas stand out: 1) Don’t underestimate the size of the change when implementing a repository. 2) Consider the availability of data when determining which tactical tools to analyze. 3) There is perpetual tension between keeping the repository easy-to-use and the possibilities that exist with more data. 4) Expect the repository to change over time. 5) Expect data to be somewhat skewed.

1) Don’t underestimate the size of the change when implementing a repository:

In theory, it seems like it should be easy to collect data, but there have been several challenges to get the repository up and running. Since most data collected requires pre- and/or post-work (e.g., contacting someone to make sure Google Analytics is active for an internal website), it has been a challenge to build a data-collection mindset and consistent associated behaviors. There has been significantly more data when the data is easy to collect (informational calls to associates) versus when the data collection is more cumbersome.

For others who are considering setting up a similar repository, it may be best to start with a single tactical tool that will be used frequently. Doing so may build comfort and familiarity with the data collection process. Additionally, the amount of data collected on a project varies based on how close the project is to implementation. It’s important to make sure that any training on the repository is completed when people are at a place where they can start collecting data.
2) Consider the availability of data when determining which tactical tools to analyze

Another challenge has been that some tools (such as internal web pages) are used with less frequency – usually only once per project. Although these tools are used on almost every project, they have much less repetition than other tools, such as informational calls to associates. This has made it difficult to get sufficient data for meaningful analysis and get people to remember what data to collect when it’s time. When determining what to measure, be sure to consider whether there is sufficient data flow for meaningful analysis. Currently, the team is contemplating whether to continue collecting data for those tools, or to shift toward data that is easier to collect and more frequent.

3) There is perpetual tension between keeping the repository easy-to-use and the possibilities that exist with more data

This challenge comes from the fact that although a streamlined repository makes it faster to enter data (and possibly more likely that data will be collected), there is so much data that could be collected that it is tempting to keep adding fields to the repository.

Criteria needs to be established to determine what should be collected, and when enough data is available. This is where the R.A.V.E. model continues to be useful: a certain metric may be interesting, but if the data needed to create that metric isn’t easy to obtain, it may not make sense to include that field in the repository.

Talking through the implications of adding a new field will help the team assess whether or not they should add a field to the repository. It’s important to remember that when new fields are added, there will be additional work to ensure the repository remains current, since historical data should be updated in addition to the new data coming in.

4) Expect the repository to change over time

Although it’s a good idea to be selective about the changes that are made to the repository (and the fields that are included in the first place), the repository will likely change as time goes on. Some of the best suggestions for improvement come from using the repository. No matter how much brainstorming is done, new ideas will come up once the repository is in use, and additional fields are likely to be added. Prepare everyone for this, and provide an understanding of how historic data will be updated when new fields are added.

Once the team began entering data and seeing results, there was a better sense of the possibilities for ways in which data could be analyzed. While it’s good to spend some time thinking about the fields and data that will be captured, don’t let the brainstorming phase hold up the process. The opportunities will become clearer once people are out collecting their own data and seeing the initial analyses.

5) Expect the data to be somewhat skewed

The team learned that in a dynamic environment, there will never be a perfect apples-to-apples comparison when it comes to participation rates across time. As the team began collecting data, it increased awareness of just how many outside factors could skew participation rates in one direction or another. For example, an internal online news article about a less impactful project may have a higher participation rate than an article about a highly impactful project due to the fact that it was published during a slower week.

The repository includes a field where Change Managers can list outside factors that may have influenced the data. While this is an important step, it doesn’t fully correct the issue. Any analysis of the data should be viewed with the understanding that, for this level of effort, it is difficult to fully account for the impacts of outside factors.
Additional Opportunities

There are many opportunities to use the data to drive better decision-making and to determine ROI for the tools used. Although U.S. Cellular’s Change Management team hasn’t had the full opportunity to analyze repository data in the ways described here; it’s something the team would like to explore in greater depth. In U.S. Cellular’s case, taking the analysis to this next level would require additional data gathering, as the team does not have the specific cost and time breakouts described below. That said, those interested in setting up a similar repository may have the information available to introduce these immediately.

The first major opportunity identified was to understand the cost of each tool and use to drive decisions about when certain tools should be used. For example, what is the cost of an internal online news article as compared to a conference call? Are there instances, such as a very low-impact project, where the cost of a conference call is not justifiable? If the Change Manager decides that a conference call is necessary, previous data can be used to estimate the expected level of participation. Understanding how different factors influence participation rate, such as the importance of the topic or timing of the communication relative to the project launch, can help drive decision-making about which tactical tool to use.

The second opportunity was to evaluate tools based on opportunity cost for the Change Manager. This involves an understanding of how much time is spent (on average) end-to-end to utilize each tool. For example, calls involve not only preparation time, but also the time spent on the call itself, and if there are multiple calls, the active time required to prepare for a call could be 10 hours or more. Meanwhile, sending an email (including gaining approval of the message) might take two hours.

Again, the question here becomes: is the topic important enough to merit the investment of those extra eight hours? Providing teams with a better understanding of the true cost of each tool will allow them to make more informed decisions about when these tools should be used. It’s easy to get in the routine of using a tactical tool because “that’s the way it’s done”, and having participation rate data can help teams to understand if the way it’s done maximizes ROI.

Conclusion

When the team began their Change Management Effectiveness effort, there was minimal understanding about how many opportunities and possibilities existed. Focusing on the ROI of select individual tools led to improved delivery of communication to the frontline, and provides the team with the opportunity to improve on the delivery of services. Additionally, this approach provides built-in time for the team to evaluate what is working well and where there are opportunities to improve. As the repository is built out further and as more data is gathered, these opportunities will continue to increase.

For those looking to evaluate change management ROI at the project level, this type of data is helpful when pinpointing areas where communication could have been more effective. Data from the repository can be aggregated to provide a high-level view of the overall effectiveness of change management. In both cases, there is a wealth of information available if teams are willing to take the time to create a repository and collect the data.