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## Change Management It's No Longer Optional ?!?!?

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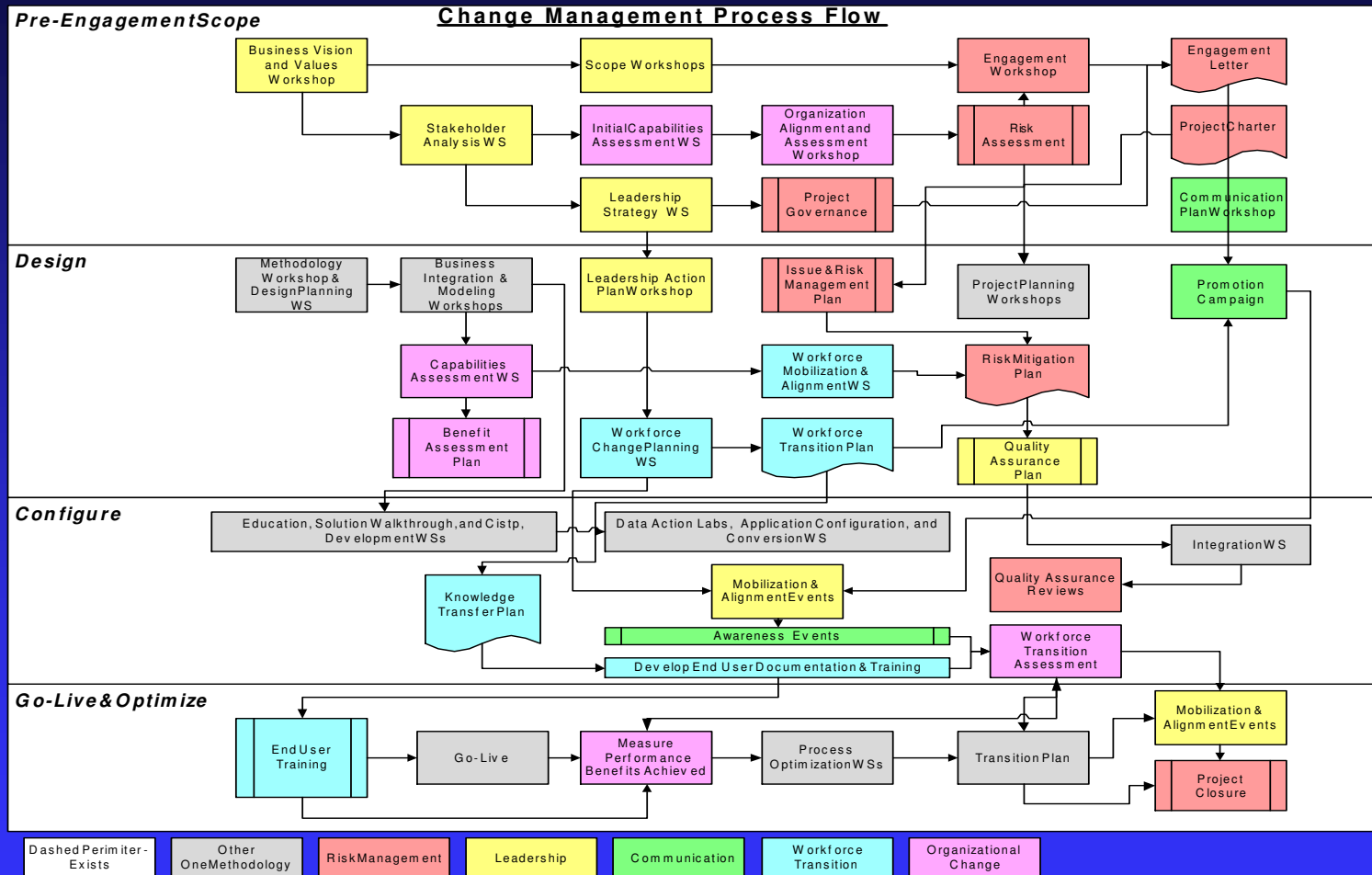
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# What is Change Management?

- Organizational Change and Impact
- Risk Management
- Change Control
- Workforce Transition
- Communication
- Training
- Testing
- Compliance
- Performance Assessment

# Overall Process....



*it can get complicated!!!*

# What is Change Management

- ◆ Organizational change affects people in very significant ways.
- ◆ It creates turbulence and uncertainty.
- ◆ People react strongly.

*Change Management is creating and maintaining a framework for people to accept, integrate and build upon the changes in their working lives*

*...A Systematic Approach*

# Readying the Organization for Change

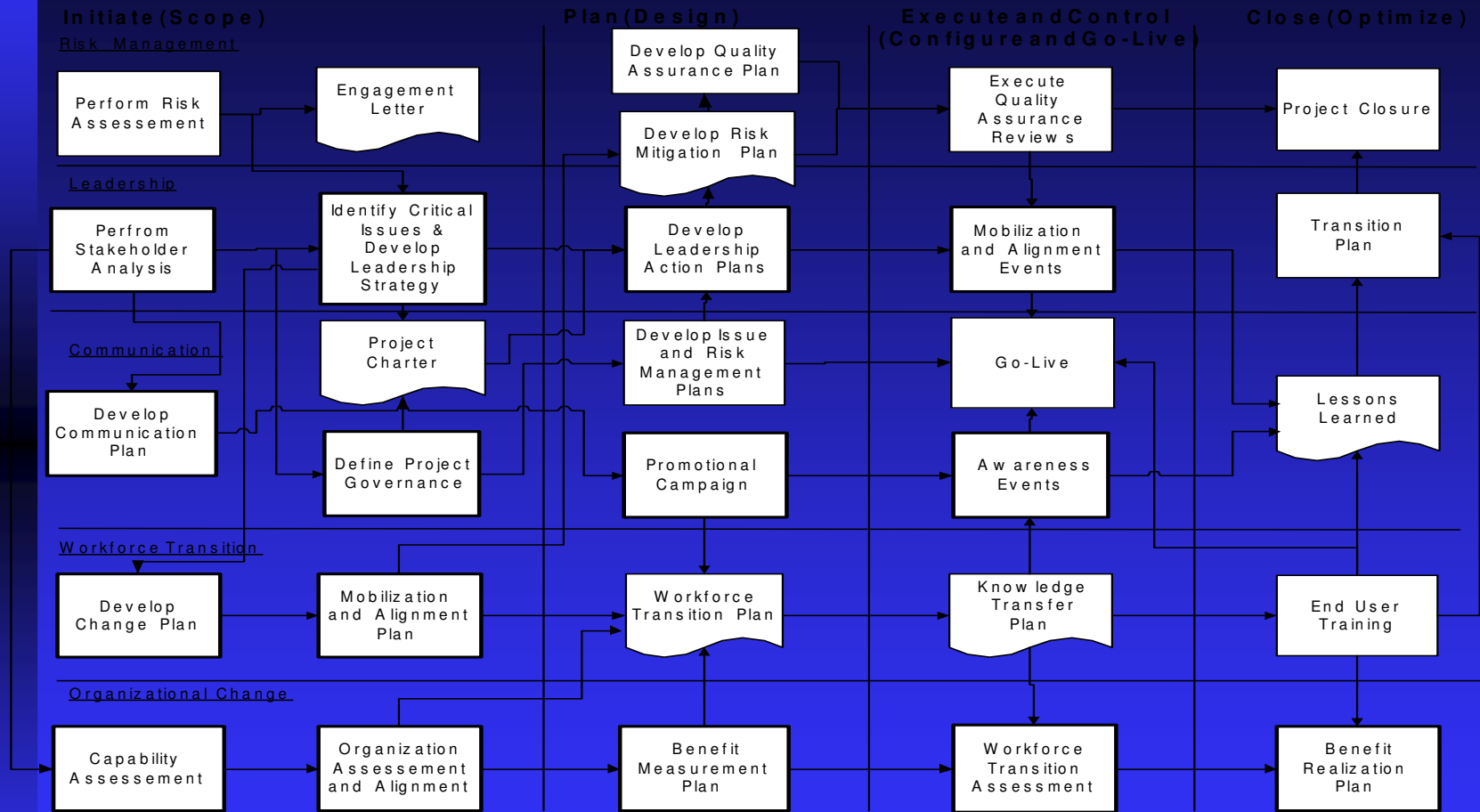
Change Management includes these processes:

- ◆ Analyzing and understanding the impact of the project on people and the organization
- ◆ Monitoring the organization's understanding of the upcoming change
- ◆ Monitoring the organization's receptivity and acceptance of the upcoming change
- ◆ Planning the methods to appropriately communicate the upcoming change
- ◆ Implementing ongoing feedback loops on the impact of the change on people and the organization

# Change Work Streams

- Risk and Quality
- Leadership
- Communication
- Workforce Transition
- Organizational Change

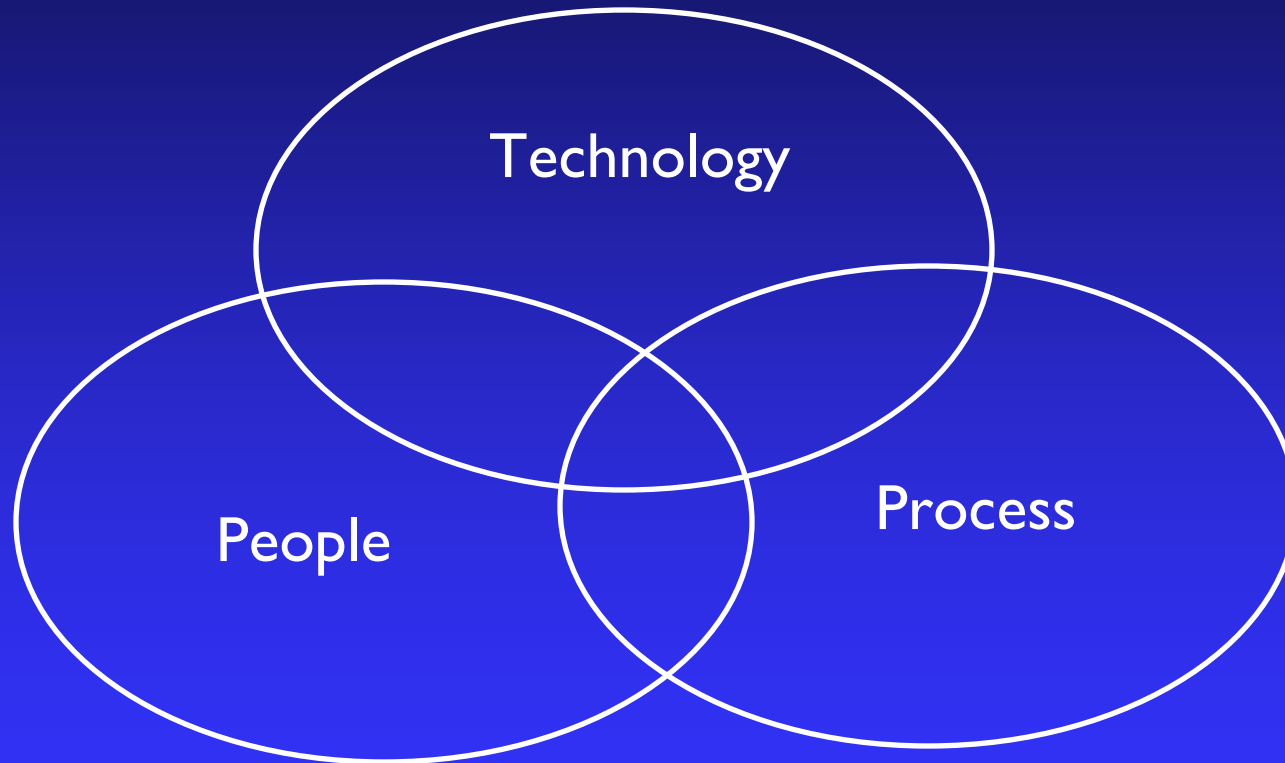
# Change Management Flow



but what about People, Process and Technology

# Change Process Model

Every Oracle Application includes ...



# Organizational “Readiness for Change”?

An assessment of the ability of the organization to successfully undergo the implementation of planned change

- ◆ Achieve change objectives
- ◆ Sustainable change
- ◆ Manage impact on organization

# Organizational Impact

## Emotional

How does this affect the people/things I care about?  
Will we still be true to our values?  
I am not supporting anything developed by them which I haven't contributed to!

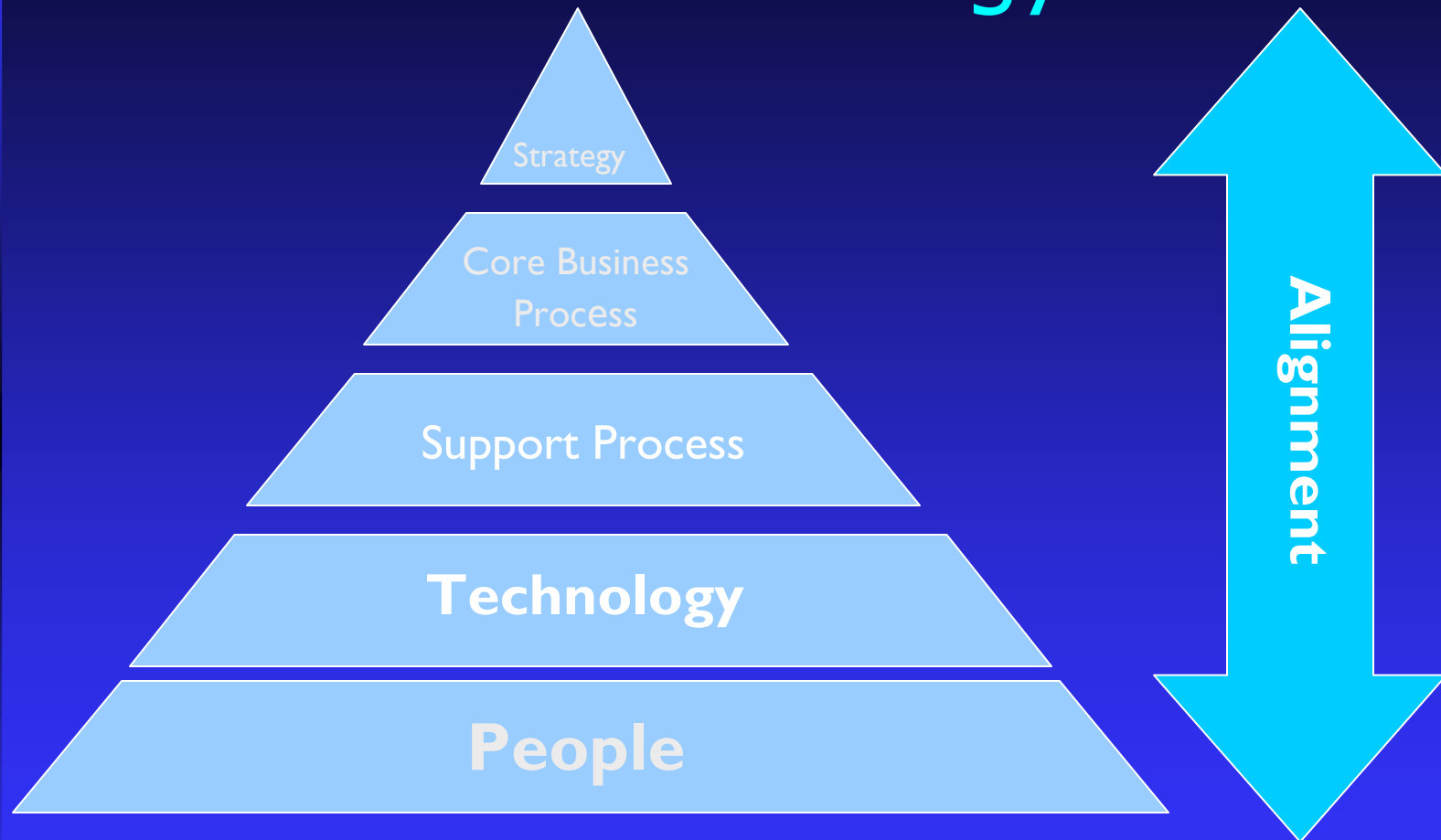
## Political

The change will reduce my power base!  
I will not let the support center tell me how to run my business!  
What does this mean for me/my career path?  
How will this affect my ability to influence?  
Who will win from this?

## Rational

I do not believe the change will actually improve performance!  
I cannot see how the savings will be made.  
Is this "do-able"?  
How will this work?

# The Correct Alignment of People, Process and Technology...



...ensures that business objectives are achieved

# Change Process

- Governance – whom
- Planning – when
- Risk Mitigation – not now
- Issue and Impact – what
- Change Control – how
- Testing – works
- Training – now
- Migration – where

# A Practical Approach to Change

- *Pragmatic, action-oriented approach tailor-made for rapid change*
- *Explicit emphasis on successful change as a means to drive cultural change, rather than the reverse*
- *Focus on the issues that could get in the way of success*
- *Unique but simple approach to measuring the progress of the change effort*
- *Effective integration with the support office*
- *Recruiting and hiring strategies—professional management with broad business and life experience*

# Five Key Change Strategies

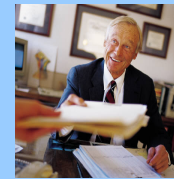
Assess and Monitor Risk



Address Organizational Implications



Mobilize & Align Leaders



The organization change approach mitigates risk and aligns the organization across the enterprise to successfully implement the initiative

Prepare & Equip the Workforce



Engage & Communicate with Stakeholders



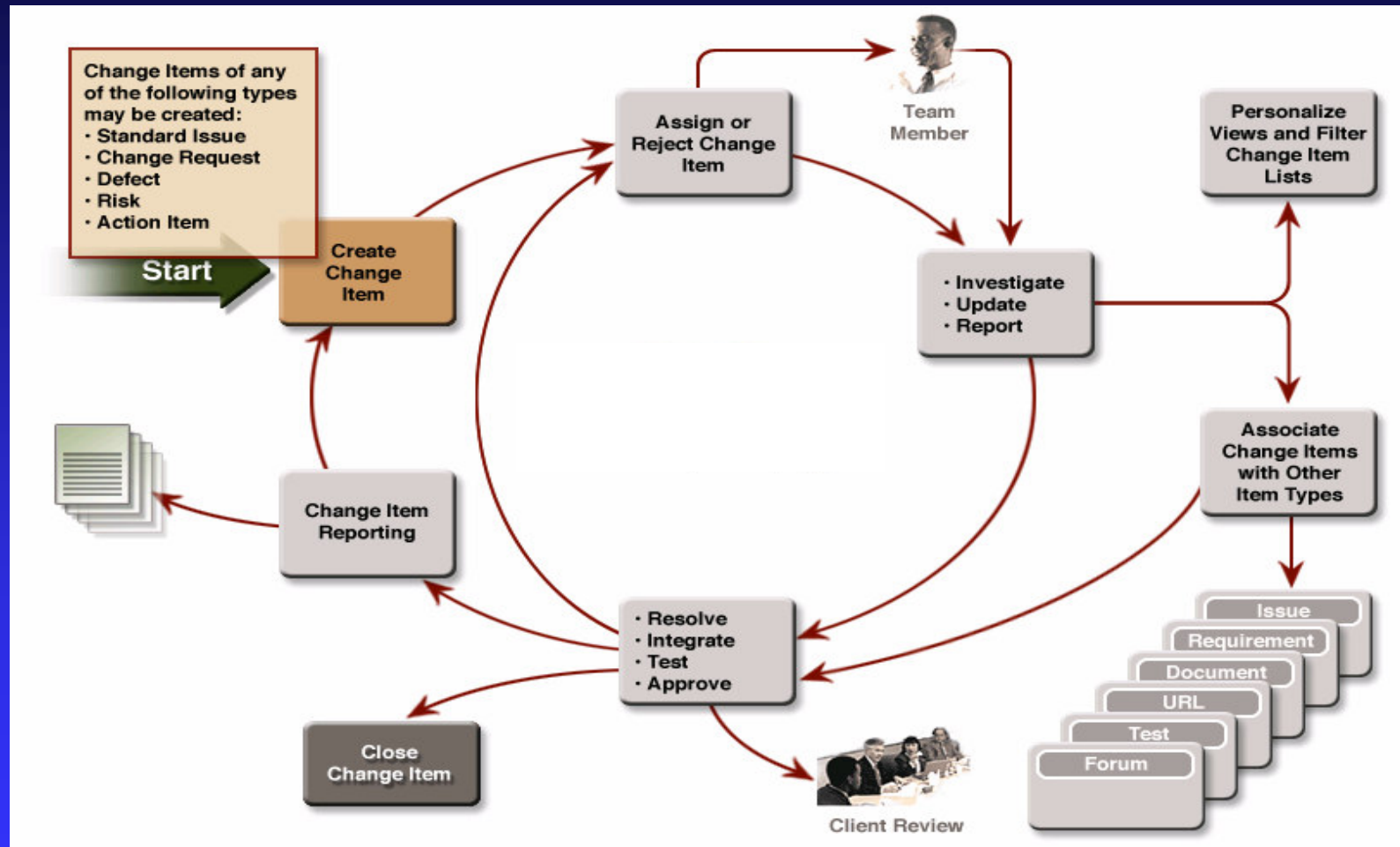
# Change Initiatives Involve Risk

- ◆ Requires much more than “good planning” & “the right technical solution”
- ◆ Presents great opportunities but also pose significant risks
- ◆ Many of the risks are “people-related” which must be managed for successful change management

# Issues and Resolution

- Create and assign
- Identify and validate
- Research the impact and opportunity
- Resolve through alternatives
- Pass to change control
- Test and approve
- Report on resolutions

# Issue Management



# Change Control

- Scope – impact and requirements
- Approval – review and approve
- Execution – application and test
- Leverage – continuous improvement
- Eliminate – customizations
- Transition – schedule and migrate
- Document – monitor and control
- Measure – effect and cost

# Configuration Changes

- Viable alternative
- Validate impact
- Combine with patching
- Requires approval too
- Requires testing also
- Update documentation
- Measure effectiveness

# Application Patching

- Software issues are typically encountered when you least have time for them → When you need it the most, it's going to break!
  - ◆ Month end (Management Reports, Payroll Filing)
  - ◆ Quarter end (SEC Reports)
  - ◆ Year end (1099s, W-2s, Sarbanes-Oxley)
- Immediate patch to current required to help Oracle Support work with you to find resolution
- It will be a major undertaking at a time when you can afford it least

# Proactive Patching – ROI

- Research the patches – understand what's new
- Leverage – continuous process improvement
- Eliminate customizations

# What should you do?

Develop a proactive patching strategy – Patches will NOT GO AWAY! And they are essential to the health of your systems!

- Determine your timing
- Incorporate sufficient testing
- Manage the change
- Leverage easily implemented new features

# Proactive Patching – Timing

What timing works for your organization?

- Monthly? Probably too aggressive for *any* organization
- Quarterly? A good strategy; reasonably timely
- Semi-annually? Probably the longest interval that's acceptable
- Annually? Too long; amount of change you can expect makes it a daunting task!

# Application Testing

Test all critical business processes –  
technical and functional

- Develop a library of test cases for your organization
- Consider automated testing tools (Mercury Interactive)

# Automated Testing

How to fully regression test your Patches,  
Family Packs and Upgrades

without

Pulling in your Business Users

or

Breaking the Bank!

# The Need

## The Need:

- Patches are not tested by Oracle and have a high bug rate
- Is time consuming and expensive to perform manual regression testing
- End users typically perform testing - They already have a full time job!
- Aggressive dates and limited resources end up with poorly tested software
- The results range from annoying to devastating
  - ◆ Gartner Study - Manual 17%, Automate > 65%

# The Result?

Shelfware rates for Test Automation Tools have been running 50%+ in the industry for years

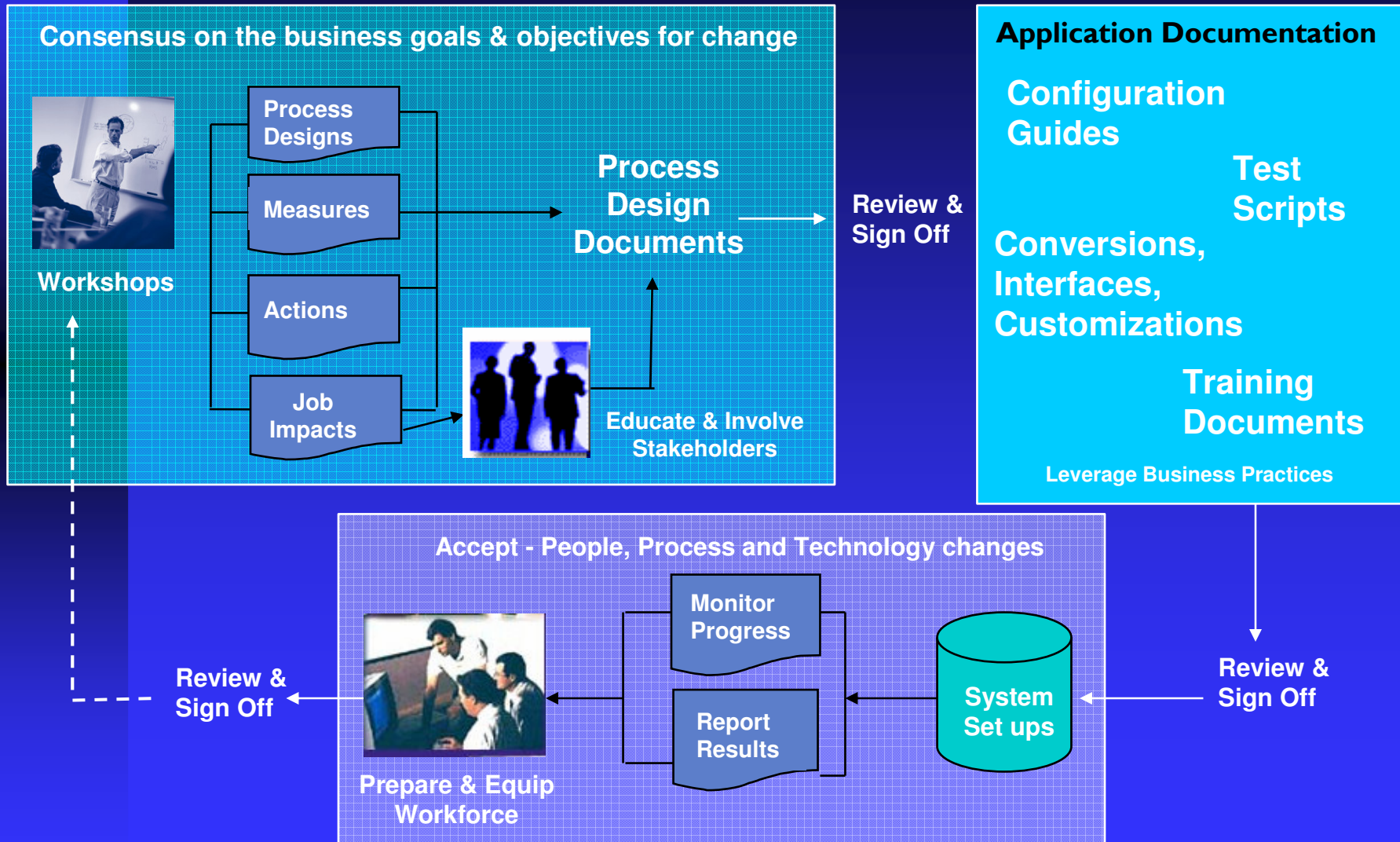
# Return On Investment (ROI)

- Average time to create and debug a 2nd generation test script: 2:42 hours
- Average time to create and debug a framework-based test script: 44 minutes
- Heavy use of expensive technical coders greatly reduced - work shifted to SMEs
- Typical payback cycle for test automation: 12-18 months

# Return On Investment (ROI)

- Cost of Manual Testing - 7200 person hours \$360,000
  - Cost of Creating Automating Testing (25% of testing time)
    - ◆ Number of hours required to create scripts x30 = 1800 hours
    - ◆ Average Loaded Rate @\$50/hour \$ 90,000
  - Total Benefit to Year One Savings \$ 270,000
    - ◆ Year One Cost to Implement Quality Center for ten module \$ 250,000
  - Return of Investment for Automated Testing Savings
    - ◆ Year One Savings \$270,000 -250,000 \$ 20,000
- Five Year Benefit = 1,350,000 - Total Costs \$450,000 = \$900,000**

# Change Management Integrated Into Testing Events



# What is Communication?

“Communication is a continuous two-way process, the purpose of which is to help people understand and comment on events within their organization”

Effective two-way communication is key to the success of any business

# Communicating Change

**Communication is the process by which individuals affected by a change will:**

- ◆ become aware of the change
- ◆ have the opportunity to question the change
- ◆ become involved in the change
- ◆ support the change, and finally
- ◆ help to implement the change

# Understanding Change

**It follows therefore, that in order to achieve success it is imperative that individuals affected by change:**

- ◆ understand the reasons for the change
- ◆ understand what the change will mean to them as individuals and within their teams
- ◆ are supportive of the change, and
- ◆ are willing to be actively involved in the implementation of the change

# Training for Change Requires...

- Develop a Training Strategy
- Invest in Training
- Plan and Conduct Training
- Provide Tailored, Relevant Training
- Provide Sufficient Practice
- Assess User Competence

# Training Program

## The end-user training objectives are:

- ◆ To provide varied, interesting and relevant training of consistently high quality for users
- ◆ To provide the right training as close as possible to the time when users will need the skills
- ◆ To provide user-friendly training documentation and exercises on an ongoing basis
- ◆ To equip internal trainers and support staff with the skills and knowledge necessary to undertake support service for end-users
- ◆ To ensure that end-users transition smoothly, and are enabled to use the applications and business processes effectively in their jobs

# Executing Change

- Schedule
- Position
- Migration
- Documentation
- Evaluation

# People Own What They Help To Create



# Shape the Current Processes...

...and look at ways of improving them



# Products Supporting Change

- Kintana – IT Governance
- Remedy – Issue Management
- Applimation – Configuration Control
- Ringmaster APM – Patch Management
- Mercury – Test Management
- TurnKey Solutions – Automated Testing

# Success Factors

Change Management addresses the people component of the people, process, technology equation. Critical Success Factors include:

- ◆ Well articulated vision and objectives
- ◆ Management and key user involvement and participation
- ◆ Business driven; Not viewed as being HQ, IT or Consultant driven
- ◆ Anticipating causes of resistance and developing proactive strategies
- ◆ Frequent communication with consistent message
- ◆ Training, training, and training
- ◆ Supporting performance measures
- ◆ Reward positive contributions

# Questions and Answers



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