Shared Risk, Shared Gain:
A Change Management Approach to Implementing Ideas Into Production
Introduction

The speed of disruptive change in both technological and business models, combined with the need to differentiate one’s product or service and exceed customer expectations, create extreme challenges for companies today. New technology products, processes and communication channels are pushing organizations to be more nimble and perform with acrobatic agility, not just sometimes but constantly. Companies have no choice but to keep changing, or lose to the competition. Corporate leaders must initiate these crucial changes in the business in a way that is effective and fully achieves the goal for which it is undertaken. To do that, the team initiating and managing the change must bring a variety of stakeholders and teams together, creating an enterprisewide commitment to the change and developing a comprehensive process to realize the benefits of that change across the organization.

This is easier said than done. In countless cases, organizational leadership will embark on an ambitious new initiative only to see it fail in delivery, leaving leadership frustrated and the rest of the company unsure of what all the effort was about. Typically, this happens when organizations rush to the finish line eager to see a change implemented while skipping over the fundamentals of getting organizational alignment on what is being done, why, and how. Departments that do not understand the reasons for a change initiative or see the value in it will not support it. Similarly, those that perceive the change as a risk for them without a commensurate reward will be reluctant to be champions of change.

A shared risk, shared gain model can go a long way to span the gap between a vision for change and its delivery. This concept creates crucial upfront alignment among the stakeholders and a true sense of ownership in everyone for the successful delivery of change — whether it is a new product, new technology, a cultural change, or any other transformation. Because it allows individuals to be involved in the creation and implementation of the new idea and own a stake in its success, the shared risk, shared gain model ultimately produces a smoother adoption process — without which the entire exercise is nothing but a very expensive headache.

The opposite of the shared risk, shared gain approach is a laborious change process marred by misunderstandings, poor communication and mistrust, with poor adoption at the end. A great vision is reduced to an assembly line of disconnected tasks: the business line completes its piece, then hands it to technology who passes it to engineering, and so on, without a shared understanding of the goal among the disparate groups. This causes a lack of accountability and ownership for the new project and does not foster the adoption the organization desires.

This paper outlines the critical steps necessary to launch a successful, large-scale change initiative using a shared risk, shared gain approach. Some of the steps seem common sense — but those are often the items that get overlooked. It is important to ensure that each of these steps is followed so that the organization can not only implement the changes it desires but welcome them and make them stick.
Step 1: Identify & Align
Preparation and Kick-Off of the Initiative

Overview

This step is the first one companies tend to overlook — but it is the one that lays the groundwork for success. You can build a house with no foundation, but it is likely to get damaged in the first serious storm. Identify & Align is the foundation you need to make sure the change endures because everyone in the organization is behind it.

Here is a typical scenario: An executive in the organization perceives a need for change, a digitalization project, for example, that will help pull the company ahead of its competitors. That person knows the change is good for the company but is so eager to get it done, he or she fails to get the agreement or opinion of those who will be affected by the change — customer service, for example — with disastrous adoption results. Or, several stakeholders will agree that some “thing” isn’t working and needs to change, but they lack clarity around what that “thing” is exactly and how it needs to change to meet everyone’s needs, resulting in half-changes or a stalemate. To avoid such pitfalls, a broad section of stakeholders must identify the goal and key components of the new initiative, ensuring it aligns with everyone’s needs and the organization’s vision as a whole.

The following Identify & Align steps can help organizations achieve the necessary alignment:

1. Establish a vision for change with key stakeholders. This is the first, and critical, step in the change process, as it aligns the expectations of stakeholders about the ultimate outcome of the initiative. The vision should reflect the anticipated return on investment in the change and the desired operational structure, culture, customer impact, and/or employee value the initiative is expected to deliver. These anticipated results encompassed in the vision help guide the new initiative and keep the project from running the risk of misalignment from the beginning.

2. Identify an internal champion team within the stakeholders. To help the project move forward, a team of designated individuals must be selected from among the stakeholders, focused on seeing the initiative succeed. Internal champions must be identified for each of the key areas related to the project. Their job is to ensure the vision established by the key stakeholders is followed in each of these areas.

3. Define the roles and responsibilities of the internal champion team. Each champion must have a clearly defined set of responsibilities for their assigned area within the project. This drives accountability for each of the individuals and provides coverage across the organization.

4. Pinpoint and document all processes that will be affected by the change. For each initiative, there will be a number of processes that need to change, as well as new processes that may need to be created. All of these processes should be documented and communicated to ensure all parties being touched by the new initiative understand how it will affect existing processes. It is the job of the internal champion team to identify all of the processes that need to be documented and reviewed prior to delivering the change.

5. Develop the communication methods and channels that will be utilized to ensure transparency, knowledge sharing and collaboration. Communication within the internal champion team and key stakeholders should happen frequently at regularly established intervals. This will keep everyone on the same page regarding progress and challenges, and create opportunities to address problems earlier rather than later.
6. **Socialize the vision with the organization to create awareness and ownership.** Communicating the vision to employees outside of the internal champion team will help set expectations for how they may be affected, give them time to adjust and ensure a smoother transition and adoption, free of surprises. This socialization can happen through email, presentations or company-wide meetings or town halls, depending on each organization’s size, geography and culture.

7. **Survey the organization for change readiness.** It is important to understand where employees of the organization, and not just the C-suite and management, are in their desire and ability to change. By collecting feedback to gauge the organization’s change readiness, leadership will have a better idea on how much buy-in will be required from various parties.

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**Step 2: Document & Map**

**Document the Processes Affected by the Initiative**

**Overview**

The documenting of processes, performed in Step 1, yields important insights on what processes will need to change and how. In addition, if this process mapping is done well, it will identify all of the individuals involved in a particular process and enable the organization to obtain their buy-in and cooperation in the development of a changed process. Documenting processes effectively and obtaining the buy-in of the right people will set the project on a solid track to meet or exceed expectations.

Key **Document & Map** tasks for the organization include the following:

1. **Assign owners to each process within the project.** It is critical that each process subject to change has its own designated owner and that this person owns just this process. This process owner will manage the process change and troubleshoot unforeseen gaps or difficulties that may arise. Individual process ownership drives accountability and ensures continued progression of each of the process areas.

2. **Perform process mapping with cross-functional teams.** Process mapping should not be done in silos. It requires the participation of all individuals who will be responsible for the delivery of the changed process. This may span several departments — for example, legal, procurement and finance; or marketing, sales and customer service. By including all process stakeholders, the process mapping exercise ensures that all potential risks and key deliverables are highlighted. The process map should track the process from beginning to end and identify where each function expects inputs, outputs and cross-functional collaboration.
3. **Develop process documentation.** The process maps can be developed using a variety of tools, but in the end, they need to show how the changed processes will flow from initiation through completion. The documentation of processes should highlight which team or function has ownership of each process step, as well as reflect inputs from other parties affected along the way. A complete process map should act as a guide for how the changed processes will work.

4. **Communicate the changed processes to the organization.** Distribution of the new process documentation to the affected parties will provide transparency of the goals of the new initiative, which is an important factor in its successful adoption later on. It allows all parties to understand exactly how they fit into the broader initiative and provides them with a sense of shared responsibility.

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**Step 3: Design & Develop**  
Solution Design and Training Preparation

**Overview**

At this step, the collaboration among stakeholders sought in Steps 1 and 2 bears fruit. For companies that have achieved alignment from the get-go, change management proceeds smoothly because all key business areas, including the crucial technology department, have been engaged in the development of requirements and process steps from the beginning. The relationship between the business and the development teams already exists, creating the shared risk, shared gain mentality that is so important for a successful delivery.

For companies that failed at alignment in the first step, the journey will be much rockier: the initiative is treated like a hand-off from the business line to the development team, and since the development team is just now being brought into the project, the likelihood of misunderstanding, frustration, resentment and missed deadlines is increased, making the promulgation of change a difficult task.

**Key Design & Develop tasks include the following:**

1. **Complete a fit-gap analysis.** Identify the areas where the initiative already fits within the organization (the organization is ready for it) and where it does not. This will allow the project team to understand what areas will require heavier lifting. Keep in mind, this analysis is not limited solely to process and technology task-oriented items, but also includes the people side of change. It’s important to understand where the new idea aligns with the appetite of the firm for change and where it is likely to meet resistance, and thus require more attention.

2. **Prepare training materials for the broader organization.** An organization cannot successfully adopt a new initiative without proper employee training. Training materials must be relevant to the varying parties and easy to understand, providing a clear path to help the rest of the organization readily adopt the new idea when it is implemented.
3. **Ensure an effective issue resolution mechanism.** Throughout the transformation, there will be times when issues will arise. It is critical to have a process and an issue management system in place for receiving signals and resolving issues effectively. If an employee exposes three issues within a week and receives no response or the issue never gets resolved, the desire to adopt the change is drastically lessened.

4. **Participate in user acceptance testing.** User acceptance testing ensures that the new product or process is tested against users’ expectations and adjustments are made to meet them. If the final solution is as users expect it to be, its adoption will require less effort.

5. **Conduct a survey for implementation readiness.** Implementation will only be successful if the project team has completed the necessary steps listed above, which are intended to gain organizational alignment and buy-in. To find out whether that's the case, it is important to survey the broader organization to gauge comfort level with the change. This allows the project team to tackle areas of concern and any other issues that may not have been brought up before.

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### Step 4: Implement & Adopt
Training, Ownership and Adoption

**Overview**

Implementation of the new initiative should not be owned solely by the development team; it is a shared responsibility across all groups. Ownership in the outcome should be shared as well, and the groups must collaborate to develop the best way to adapt the organization to the change. One of the surest ways to fail at adoption is to “outsource” the effort to one group, while everyone else goes home because their piece of the work is done. This undermines the shared responsibility approach and places the burden on one group, putting the entire effort at risk.

To ensure that adoption happens, the champion team must monitor the adoption results, receive and analyze feedback and ensure that cross-organizational learning is happening. This can only be achieved when all functional areas are consistently involved in providing feedback and promoting training and learning.

**Key Implement & Adopt tasks for the organization include the following:**

1. **Communicate and execute training.** Prior to the start of the implementation, the organization should begin training on the new initiative. The training materials, developed during the Design & Develop step, should be communicated in a way that is clear, appropriate for the users and highlights the key benefits of the change to the people affected by it. A well-thought-out training ensures that employees are ready for the new idea, understand how it will impact them and their day-to-day
routines, and believe the impact will be positive. If the user acceptance testing and implementation readiness survey performed in Step 3 were completed and the project team acted on the findings, by answering questions and explaining the reason for the change to employees early on, the training process should proceed without too many hurdles.

2. **Distribute implementation communication materials.** Change can be disruptive and intimidating, and some organizational resistance is normal. Clear and easily accessible information, delivered through the communication methods established in Step 1, is key at this stage. It helps communicate the progress of the implementation, as well as upcoming implementation milestone events, to the broader organization, making employees feel involved and knowledgeable of the change.

3. **Develop a response team to address questions from the organization.** As with any new initiative, a number of questions will arise from all levels of the organization. It is important to ensure that issues are managed and responded to in a reasonable and set timeframe (i.e., 48 hours).

4. **Conduct a survey to understand adoption level.** As the implementation phase ends, the project team will find it useful to understand where the organization is in adopting the new idea. By highlighting gaps (areas where adoption is not going as well as intended), the project team can focus its attention on answering questions from those users, providing additional context or facilitating additional training.

5. **Develop an implementation discussion forum.** Implementation can be a busy time for the project team. A discussion forum, moderated by a key stakeholder, can alleviate the pressure and be helpful for users in the organization to problem-solve together, find answers to their questions from other users, and be advocates for the new initiative by sharing their positive experiences. Additionally, forums are sometimes a good way to receive unsolicited feedback. The intake and monitoring of this feedback during the implementation stage can give the project team a sense of where the organization is in terms of enthusiasm about the implementation.
Step 5: Feedback & Improvement
Accountability and Enhancement of Processes

Overview
For an initiative to succeed long-term, the project team must have its ear to the ground and capitalize on the feedback it receives from both key stakeholders and the broader organization. Useful ideas can come from anywhere. To this end, the project team should create a feedback loop that not only collects feedback but allows those individuals who submitted feedback to know whether and how their ideas are being acted upon. This loop empowers users and provides them with a sense of ownership over the initiative, which in turn improves the chance for long-term acceptance of the change. Transparency and responsiveness to suggestions help foster a culture in which employees feel they are being heard and are part of the solution. Creating a culture of trust will also make future change implementations easier.

Key Feedback & Improvement tasks include the following:

1. Develop a governance plan. A governance plan helps manage the initiative post-implementation and makes future changes or enhancements easier. The plan should highlight the initiative’s structure, governing body, vision document (created in the Identify & Align step), a roles-and-responsibilities matrix and the documented process maps. It should spell out details for how to approve and implement ongoing changes to the initiative, including how those changes will continue to be communicated. The governance plan will provide the framework within which the ongoing needs of the initiative will be met, and will maintain the organizational alignment needed for these adjustments.

2. Establish metrics to monitor growth and communicate value. Metrics are the best way to measure the success of a new initiative. Select metrics that align back to the vision established back in the Identify & Align step. Recall the key expectations of the initiative and develop metrics that benchmark actual results against those expectations — then share the results with the organization. This kind of transparency is key to driving continued adoption of the new idea and maintaining a feeling of ownership within the broader organization.

3. Create a method to promote process improvement. Continued feedback from the broader organization will allow the initiative to continue to develop into its best form. Maintain a way for collecting and addressing feedback. If the project team receives ideas it wants to implement, follow the governance plan to make them happen. This will ensure that the changes are made by following an approved process with the overall project’s vision in mind.

4. Maintain a communication forum. Even after implementation, it is beneficial to keep an open communication forum readily available for users in the organization to ask questions, share knowledge and provide feedback. A person from the project team should be tasked with monitoring the activity on the forum to ensure any concerns or questions are addressed timely and effectively.
Conclusion

For any new organizational initiative to succeed, there needs to be a shared goal and shared ownership of the outcome by a functional cross-section of stakeholders. The shared risk, shared gain concept has been proven to help companies launch new business lines and product offerings successfully with the broad support of the entire organization, from the executive team to the front-line employees. By assembling an inclusive project team that encompasses all functions, including the crucial technology function, from the very beginning, and by carefully executing along the five steps discussed in this paper, an organization can create the sense of ownership and empowerment necessary to make a bold new idea take root and thrive.
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