



Optum Advisory: Critical steps to navigating change management



Importance of change management

Now more than ever, provider organizations need to manage change effectively. Challenges like provider burnout, nursing shortages and narrowing margins are forcing organizations to think and operate differently. As organizations adapt to address these table stakes issues, the health care ecosystem is also under increasing pressure to respond to consumer demands, adopt new technology, improve health equity, manage an epidemic of chronic disease and care for an aging population. The convergence of these factors over the last few years is driving most health systems into a phase of organizational transformation. Organizations that implement change management strategies in support of their transformation agendas will outperform those that do not.

The most important and often overlooked aspect of an organization's transformation journey is its people. Change management supports the people side of change so that individuals feel prepared and equipped for the future state. With an effective change management strategy, those impacted by the change can adapt faster and more proficiently. They can stay engaged during disruptive periods and understand why the change is happening, and they have the right tools to be successful in the future state. As a result, the initial impact of change is less disruptive and lifts the overall business performance in the long term.



Nothing so undermines organizational change as the failure to think through the losses people face.¹

William Bridges
Change management pioneer

Organizational challenges during times of change

Change initiatives often fail because the projects do not manage the people side of the change as rigorously as the technical side. Some examples of the less than optimal issues that can result in failed initiatives include:

- End users don't adopt the new processes – they refuse to change because they don't see the need
- End users use workarounds instead of accepting new tools and processes, so operational efficiencies are not achieved
- Weak accountability in middle management for implementation success
- Work disruption results in resistance, so when resistance is unmanaged, change slows down
- Old reinforcements continue to be instituted when they do not match new expectations
- Leaders do not take an active role in the change implementation

These challenges compromise an organization's ability to deliver on the business results of an initiative. If risks are not proactively addressed, the effects can be long lasting. One failed change initiative may impact an organization's ability to implement other changes for years to come. A series of failed changes can lead to a negative ROI. Change management allows you to anticipate and develop mitigation tactics to minimize risk of challenges related to resistance, communication, training and sponsorship.

Importance of an integrated approach

Two important concepts for an integrated change management strategy include organizational change management and individual change management. Organizational change management focuses on the organization as a unit, while individual change management focuses on the individuals within the organization. Integrating these 2 concepts into the change management strategy will help to ensure a more successful transition to the future state.

Another point of integration critical to the success of a change management effort is related to project management. In many ways, change management and project management are opposite sides of the same coin. Project management focuses on **building** the solution, while change management focuses on helping the organization **adopt** the solution. Due to this close connection, integrating change management activities with project management activities increases accountability and sponsorship of change, improves change adoption and accelerates the journey to the future state.



According to Gartner, **more than 80%** of organizations manage change from the top down.² Senior leaders exclusively make strategic decisions, create implementation plans and roll out organizational-wide communication to gain workforce buy-in. Top-down change strategies slow implementation and are outdated in today's workflow.

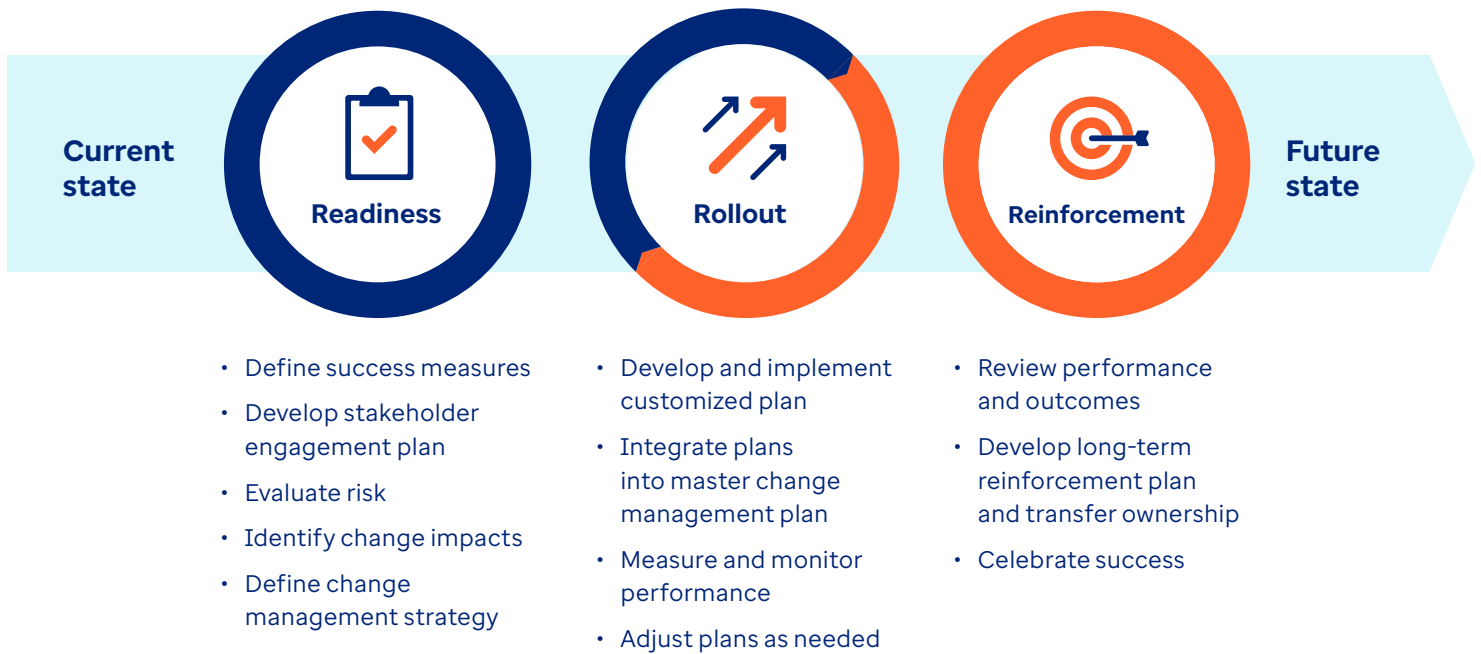
Optum Advisory (OA) change management perspective

Many change management models exist to help organizations maneuver complex change processes. Although most models have threads of commonality, they typically differ along several factors:

- Whether the model focuses on the individuals or the organization
- Whether the model applies to large or small initiatives
- The model's ability to adequately support simple or complex projects.

None of the change management models describe a perfect change management process because change is unpredictable and does not follow the same pattern. But choosing a model that is flexible, scalable and comprehensive in its approach will help organizations prepare for, and successfully address, any obstacles they encounter along the way to their future state.

OA change management model and capabilities



As the graphic shows, the change management model from Optum Advisory (OA) offers a 3-phase approach to prepare, implement and operationalize a change. It is flexible, scalable and comprehensive in addressing the people side of change. It is extremely effective for large, complex initiatives as well as small, less complex projects. It can also help fill the gaps that exist in other change management methodologies.



Readiness is the first phase of the OA model. The goal of this phase is to prepare the organization to undertake a change. During the readiness phase, change management activities are geared toward better understanding what needs to change, why it needs to change, who will be impacted and how they will be impacted. This is when the change practitioner gathers information about the current state and the desired future to develop the plan that will help prepare, equip and guide the people side of the change.

Some of the key activities that take place in the readiness phase include:

- Defining a change charter and success metrics
- Conducting a stakeholder assessment
- Completing a risk assessment
- Assessing change impacts and project health

It is important in this phase to gain alignment on what the future state will look, feel and sound like. A main component of this process is developing success criteria around the speed of adoption, utilization and proficiency in the future state. It's also critical to understand what barriers exist to achieving the future state and develop a prioritized plan to address them.



Rollout is the second phase of the model. The goal of this phase is to implement the change and the associated plans to help individuals and organizations adopt the change. During the rollout phase, all the planning that happened during the readiness phase comes to life.

The rollout phase is visually represented by a circling arrow to illustrate the iterative nature of the activities that take place in this phase. Sometimes, plans need to be adapted because change does not always happen as we might expect.

Some of the key activities that happen during rollout include developing and implementing the communications strategy and plan, the training strategy and plan, and the master change management plan. It's important in this phase to continue to monitor stakeholder engagement, resistance and risks so that you can adjust plans accordingly.

There are many activities happening in parallel, which makes it critical to stay focused on the end goal. It can feel chaotic, overwhelming and even disheartening at times. The role of the change practitioner is to enable everyone to work together to achieve the future state.



Reinforcement is the third and final phase of the change management model. It consists of activities that ensure the organization is driving toward institutionalization and benefit realization from the initiative.

Some of the key activities that happen in the reinforcement phase include measuring success, collecting lessons learned, developing a long-term reinforcement plan and transferring ownership of the change management effort to the client. At this point, it should start to feel like the disruption caused by the change has subsided. It's important in this phase to ensure that the change is sustainable.

Summary

Organizational transformation requires an integrated change management approach to support adoption of change. When deploying change management, an enterprise must assess, manage and monitor the change from both the organizational and individual perspectives. It is critical to begin change management activities early in a project lifecycle to mitigate risks like resistance, poor sponsorship or low adoption of the change.

Provider organizations with a transformation agenda should follow the advice of William Bridges and ensure a disciplined focus on how changes will impact their employees. A framework like the OA change management model provides a structured and standardized approach. This framework equips organizations to create lasting changes that will modernize the patient experience, lower the cost of care and improve health outcomes.



OA change management model: client application

The OA change management model includes 6 core change management capabilities: stakeholder management, change readiness, change impact, resistance management, communications and training. These capabilities are integral to the change management model and are leveraged throughout the 3 phases of readiness, rollout and reinforcement. An end-to-end change management approach tightly integrates these capabilities with program and project management.

This case study illustrates the typical activities and positive impact of the 6 change management capabilities.



Stakeholder management

Better understanding the interests, concerns and disposition of key stakeholders and creating strategies to align their engagement with project success.



Change readiness

Assessing readiness and preparing an organization for change within the context of its organizational attributes and change characteristics. This provides the foundation for increased adoption.



Change impact

Identifying, prioritizing and addressing impacts of the change to people, processes, technology and organizational structures.



Resistance management

Identifying and managing resistant individuals and groups by better understanding the likely forms of resistance.



Communications

The process for understanding target audiences' unique communication needs and providing them with timely information to successfully adapt to change.



Training

Understanding target audiences' unique training needs and equipping them with the knowledge and skills to be successful in the future state.

Client current state

In 2019, John Muir Health (JMH) and Optum formed a comprehensive partnership that strategically aligned the organizations around a shared vision for the health system. The vision was to deliver quality and compassionate care by providing a coordinated and comprehensive care experience for patients and their families. One of JMH's strategic initiatives aligned with this vision was the opening of a new 155,000-square-foot outpatient specialty center (OSC) to serve as the primary outpatient location for oncology and related services.

The scope and scale of this initiative had a high degree of impact on care delivery, patient experience and site of service. Understanding the magnitude of change taking place, JMH engaged Optum to support the development and implementation of a robust change management strategy that integrated all 6 of the core capabilities offered by the OA change management model.



Stakeholder management

It is critical to proactively engage stakeholders to maximize the likelihood of project success. Stakeholder interviews are the primary activity for understanding their current disposition about the change and serve as input into the stakeholder engagement strategy. Optum interviewed over 40 key leaders across JMH to understand their concerns, interests and motivations related to the project. The interview findings informed action plans to help maintain or gain stakeholders' active support and engagement. From the interviews, JMH and Optum established monthly readiness meetings for key stakeholders to serve as a forum for ongoing engagement and co-creation of the new OSC. During these meetings, leaders discussed their department-specific change management needs related to communications, training and resistance, as well as overall operational readiness.



Change readiness

Change readiness is evaluated early in the lifecycle of an initiative to determine organizational readiness to take on a project and to identify risks that might hinder overall adoption. The change readiness process typically includes:

- Assessing project health and change risk
- Determining the overall scope and scale of the change management need
- Developing mitigation plans to address the opportunities for improvement and reinforce strengths

The results of the change readiness evaluation for the new JMH facility suggested the need for a comprehensive and robust change management strategy. Tactical plans to strengthen project management and change management capabilities were also needed.



Change impact

The goal of the change impact capability is to identify, evaluate and prioritize impacts to the organization and deploy mitigation tactics required to address them. In partnership with the client, Optum collected, analyzed and prioritized the impacts related to opening the new facility. This process led to developing and deploying mitigation strategies across the impacted departments to address the perceived negative impacts of the change and leverage its positive impacts.



Resistance management

Resistance is expected in any change initiative, even those we expect to be positively received. According to McKinsey, 70% of change initiatives fail, often due to employee resistance. The primary benefit of effective resistance management is the ability to minimize the impact of resistant behaviors by implementing actionable mitigation strategies. At JMH, the OA team leveraged the stakeholder assessment and change impact analysis to help identify groups likely to be resistant. Further conversations with key stakeholders provided insights about the anticipated forms of resistance, which allowed the OA team to develop customized mitigation plans for each department.



Communications

Effective communication is tailored to specific audiences to support knowledge transfer and successful change adoption. The communication informs the impacted members about the value of the change and the new processes they will need to adopt. The OA team worked with impacted departments to identify target audiences and key messages, and plan for communication delivery. Many types of communication vehicles were used to ensure impacted members were aware and engaged in the change. Some of the key communication pieces included monthly newsletters, roadshows, internal website, FAQ resources and speaking points to assist leaders in driving alignment across the organization. The OA team also used communication effectiveness surveys to gather impacted staff's feedback. This feedback made it easier to assess the effectiveness of the communication efforts and inform adjustments to future planned communications.



Training

Before training the impacted team members, it was vital for the OA team to understand JMH's culture and the unique training needs of each department. The various departments that would be co-located in the new facility had always existed in different locations. Many of these teams would meet each other and work together for the first time in the new facility. To create a more unified, collaborative culture, the OA team worked with each JMH department to introduce team-building activities and develop unique training strategies for each target audience. The impacted departments helped identify training needs, developed and delivered training content, and provided post-training coaching for the impacted staff. The training strategy equipped staff with the knowledge and skills they needed to be successful once the new facility opened.

Summary

As illustrated by the case study, the OA change management model ensures that organizations successfully move from the current state to the future state. Focusing on the 6 core change management capabilities ultimately helps organizations reach adoption.

- **Stakeholder management** ensures that key stakeholders are engaged and aligned to project goals.
- **Change readiness** helps the organization understand how ready they are to successfully implement a project and what they need to do to increase their readiness.
- The **change impact** capability identifies the many ways individuals will be impacted by the future state and provides a process for addressing those impacts.
- **Resistance management** provides a path for proactively addressing resistance should it arise.
- The **communication** capability helps an organization understand its target audiences' unique communication needs and provide them with timely information to successfully adapt to the change.
- **Training** offers a process for understanding target audiences' training needs and equipping them with the knowledge and skills to be successful in the future state.

Collectively, the OA change management model and its core change management capabilities help organizations focus on their most important assets – their people. Regardless of the complexity or size of an initiative, at the end of the day, organizations do not change, but people do.

Connect with our experts for more insights.



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