



Change Management: Forgotten? Afterthought? Or Strategic Investment for Success?

INTRODUCTION

The significance of change management cannot be overstated in today's evolving business landscape. Do you genuinely value change management? How do you effectively drive change? What strategies do you employ to ensure success?

Often, organizations miss the crucial opportunity to integrate change management at the optimal stage of their projects. When the tide of transformation begins to recede and business as usual (BAU) returns, what emotions do you experience? Is it confidence or angst?

Without a robust change management plan at this pivotal moment, the fruits of your transformation may go unrealized, undermining the extensive efforts invested in initiating that change.

UNDERSTANDING CHANGE MANAGEMENT STRATEGY

A change management strategy is a structured approach that empowers leaders to effectively navigate their organizations through periods of change while minimizing disruption and mitigating risks associated with unforeseen consequences. However, numerous pitfalls can jeopardize this strategy.

COMMON MISTAKES TO AVOID

- 1. Late Involvement of Change Management Teams:** Engaging change management teams too late—either at the tail end of projects or when nearing completion—can severely diminish their effectiveness.
- 2. Understaffing or Misstaffing Change Management Teams:** Relying on underqualified personnel or junior staff who lack adequate change management training can lead to ineffective implementation.
- 3. “Penny Wise, Pound Foolish” Approach:** Allocating significant resources to transformation efforts and technology while neglecting change management in both planning and budgeting often results in suboptimal outcomes.
- 4. Unfocused Scope of Change Management:** Failing to define the scope of change management initiatives leads to vague objectives and poorly directed efforts.

You may have encountered, or even been part of, projects that exhibited one or more of these common mistakes. Reflect on your experiences: how did it feel to witness these oversights? Were you ever called upon to address challenges that a comprehensive change management strategy could have preempted?

If so, you likely understand the negative ramifications that arise from these missteps.

NEGATIVE OUTCOMES FROM COMMON PITFALLS

The mistakes outlined above can lead to several detrimental outcomes, including:

- **Neglect of Cultural Change:** Ignoring the importance of cultural transformation can engender backlash and resistance from within the organization.
- **Inadequate Support for Partner Groups:** Failing to prepare and inform partner teams results in their inability to support transformation efforts effectively.

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NEGATIVE OUTCOMES FROM COMMON PITFALLS (continued)

- **Accountability Issues:** Organizations may struggle to adapt without clear accountability for new operating workflows, organizations may struggle to adapt.
- **Resistance from BAU Teams:** Silent resistance from BAU teams can manifest when groups do not vocally object to changes but choose not to support them.
- **Overburdened Change Management Teams:** A poorly staffed change management team can become overwhelmed, leading to insufficient preparation and support for the business.
- **Lack of Engagement:** Insufficient engagement from key business stakeholders can hinder the overall success of the transformation.

LEARNING FROM SUCCESS

While the pitfalls of change management are significant, there are also instances where effective strategies yield positive results. Change management, like any other skill in the investment industry, requires dedicated training, experience, and continuous professional development.

For instance, one major corporation successfully navigated a significant change by thoroughly briefing senior leaders on the necessary transformations. Engaging a center of excellence in change management, they collaborated with department leaders to disseminate information and develop tailored training materials. Departments held multiple meetings to discuss the rationale behind the changes and their implications for employees, in the short and long term.

KEY SUCCESS THEMES

From this case, we can extract vital themes that can enhance your change management efforts:

1. **Create a Compelling Vision and CM strategy:** Before you begin the project, engage leaders to create the vision and desired outcome. Use this, along with research, to create a change management strategy.
2. **Early Engagement:** Involve senior leaders and key stakeholders from the outset to secure buy-in for the project and the change management strategy.
3. **Right Sizing the Team:** Ensure that experienced professionals with varying levels of expertise in change management adequately staff the team.
4. **Structured Leadership:** Establish a clear reporting structure that includes leadership, management, and direct lines to a senior project sponsor.
5. **Involvement from the Start:** Ensure the change management team is engaged from the project's inception to guarantee alignment and effectiveness.
6. **Ground-Level Communication:** Foster open communication channels with employees at all levels, engaging them in the change process from the ground floor.

CHANGE MANAGEMENT IN PRACTICE: CASE STUDIES

Case Study 1: Asset Manager with Over \$100 Billion in Assets

A major asset manager initiated a program to modernize its data governance through new software implementation. However, the project suffered due to a lack of senior leadership buy-in and a lack of comprehensive change management strategy. While the software was successfully deployed, the change management efforts faltered, resulting in low employee engagement and minimal adoption of the new system. Consequently, the organization invested significantly in software but failed to realize the intended benefits.

Case Study 2: Asset Manager with \$1 Trillion in Assets (on next page).

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CHANGE MANAGEMENT IN PRACTICE: CASE STUDIES (continued)

Case Study 2: Asset Manager with \$1 Trillion in Assets

In another instance, an asset manager sought to modernize its front office operations. The initiative failed because it did not secure early buy-in from employees or department leaders, leading to misalignment between business requirements and the IT team's development efforts. The resulting platform did not meet the front office's needs, rendering the entire project a sunk cost and negatively impacting the company's balance sheet. After a year, the program was relaunched with an experienced program manager and a dedicated change management team embedded from the start. This time, with senior leadership engagement throughout, the initiative achieved alignment and success.

These case studies illustrate the critical importance of early engagement and a robust change management strategy in driving successful organizational transformation.

CONCLUSION

As you reflect on your experiences with change management, consider the potential gaps in your approach. Have you encountered the challenges outlined in this paper? Are you confident in your organization's ability to navigate change effectively? If you find that your organization could benefit from enhanced change management strategies, perhaps it's time to seek external support.

At Meradia, we specialize in guiding organizations through complex transformations, ensuring that change management is not an afterthought but a strategic investment in your success. Are you ready to explore how we can assist you on your journey? Visit our website: <https://meradia.com/>



Andrew Jacob, CFA, brings a well-rounded data management perspective to Meradia's global portfolio of clients. Throughout his career, Andrew has supported constituents across the investment management industry, including retail investors, advisors, wholesale teams and institutional investors. He is a seasoned investment professional with diverse experience in business and entrepreneurship, possessing strong acumen of front office operations, data governance and management, and retail client journeys. Andrew's passion for helping people and driving outcomes aligns with Meradia's principles of Perspective, Passion and Impact.