



# Systems Modernization Project (SMP)

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## Organizational Change Management Plan June 2020

Version 1.3

## Document Revision History

Version Number	Date	Description	Name
1.0	10/25/19	Initial Draft	Donna Davis
1.1	12/5/19	Updates	Clare Olson
1.2	1/15/20	Updated incorporating feedback from Project Manager and Project Coordinator	Donna Davis
1.3	6/14/2020	Updated to clarify vendor role	Clare Olson

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## 1. Purpose

The purpose of this document is to provide an integrated plan to serve as the guiding document for the organizational change management (OCM) approach for the Washington State Liquor and Cannabis Board (WSLCB). This will help guide their efforts as they undertake and manage the impact of the System Modernization Project (SMP).

- Effective OCM is highly correlated with meeting or exceeding project objectives. WSLCB has had a recent history of significant change and applying OCM strategies will greatly increase the chances of successful user adoption for SMP.
- Key OCM activities to be conducted by the OCM team are delineated by major project phase: start-up (planning), design, implementation and project close out and transition. OCM activities are further delineated by target audiences.
- This is a “living” document that will continue to receive updates as tasks are completed, additional information is received, and adaptations are made to the detailed strategy and plans. This document will serve as a template for future major project initiatives.
- For clarification purposes, the term OCM referenced in this document relates to the people side of change and not the technological impacts and change as defined in the Information Technology Infrastructure Library (ITIL).

### Organizational Change Management Plan Administration

The Organizational Change Management Lead is responsible for managing updates to this plan. Changes to this document will follow a controlled change procedure with versions and edits tracked and managed via a document history. The Plan will be retained on the [SMP Project SharePoint site](#).

### Target audience for this document

The target audience for this document is the Project Management team members responsible for managing all OCM activities for the SMP as outlined in the Project Governance section of this document.

### Master document

If there is conflicting information between this document and other project documents, the [SMP Project Management Plan](#) will serve as the master document.

## 2. Project Background and Scope

“The Washington State Liquor and Cannabis Board (WSLCB) uses a series of legacy applications, including a forty-year-old mid-range COBOL application, as the primary solution for licensing

processes which includes, Cannabis, Vapor, Tobacco, Beer, Spirits, Wine, and Liquor, as well as to support enforcement activities. The legacy systems require developers with knowledge of the iSeries / AS400 coding skills. This requirement has become costly for our agency to find, and has limited us in expanding our solution to meet current legislative changes and public requests.

Current processing times for new licenses and renewals are long due to inefficient business processes, which are constrained by a lack of flexibility in our technology solutions. In addition, the legacy systems are difficult to modify, create risk of failure, plagued with undocumented work-arounds, and contain inconsistent data. Three main systems are on different platforms and do not easily interface with each other causing multiple manual keying of the same data for staff and applicants. The goal is to replace and integrate systems to streamline processes, which decrease processing time for the applicant, which in turn can result in faster collection of fees and taxes, and processing of new licenses and renewals.”

Taken from the [SMP Investment Plan October 2019](#).

### 3. Project Governance

The SMP OCM Team is the group that is designing and implementing the change including communications, process, technology, organizational, and strategic tasks. The OCM team develops and implements the OCM strategy and plans.

A high-level overview of the SMP Project Leadership team is outlined in the [SMP Project Management Plan](#). The governance structure for the SMP also includes the following: Project Sponsors, Project Executives, Steering Committee and Working Committee. Refer to the [Project Governance Model](#) which includes a list of members, for more details.

A high-level overview of the SMP governance meeting groups and their role in the project are summarized below.

Governance Meeting Group	Responsibility of Group	Meeting Cadence
Steering Committee	High level decision and oversight body	Monthly
Working Committee	Bridge gap between project and divisions and provide input on OCM activities	Monthly

## 4. Approach

### OCM Approach

Organizational Change Management (OCM) supports the people side of change to increase user adoption. OCM provides a framework for managing the effects of change resulting from a business process or technology change. The WSLCB divisions that will be impacted by this project include: Licensing, Enforcement, Adjudication and Finance.

The OCM strategy has been developed in conjunction with the SMP Slalom OCM Manager, Rob Platt. The division of the execution of the strategy is as follows:

Donna Davis: Adjudication and Licensing

Rob Platt: Enforcement and Information Services.

Historically, technical project teams have primarily focused on the technical requirements and implementation from the system perspective. However, if the project stakeholders are not engaged, they will likely resist using the change and will delay recognizing the benefits of the new technology and/or business process. By leveraging OCM models such as Prosci and industry best practices in coordination with a technical project plan and activities, end user adoption will increase and result in a higher success rate for the overall engagement.

In alignment with industry best practices, OCM efforts will be woven into the overall SMP project plan. The OCM lead will work closely with designated WSLCB employees to build in-house expertise in developing comprehensive organizational change management plans.

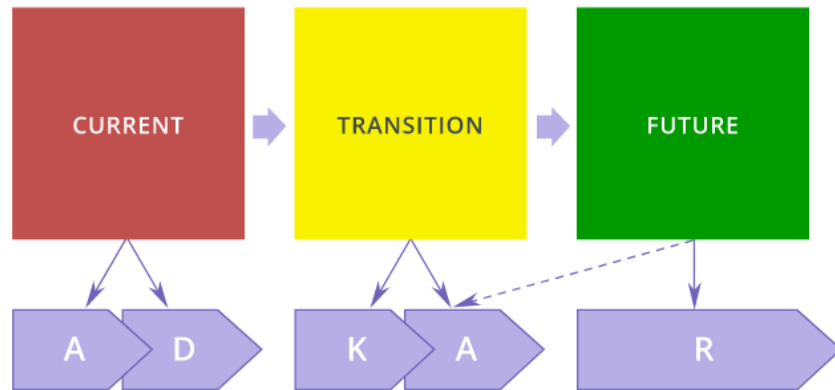
The OCM approach to support the user adoption and project rollout will heavily leverage the Prosci ADKAR Model Framework. This is the state endorsed change management model used at many state agencies. The ADKAR Model is a structured approach to OCM based on the following:

- **Awareness of the need for change**
- **Desire to support the change**
- **Knowledge of how to change**
- **Ability to demonstrate skills and behaviors**
- **Reinforcement to make the change stick**

Change is a process and the ADKAR model provides a framework to manage this.

“The three states of change—current state, transition state, and future state—provide a powerful framework for the process-oriented approach of the ADKAR Model. The model clearly establishes how an individual moves through the change process, from their current state to their future state, and provides the insight needed for successful organizational change.

## STATES OF CHANGE



**Current:** To move out of the current state, an individual needs awareness of the need for change and a desire to participate in and support the change.

**Transition:** Successfully moving through the transition state requires knowledge on how to change and the ability to implement the required skills and behaviors.

**Future:** In the future state, individuals need ability and reinforcement to sustain the change.”

Applying ADKAR, Prosci, <https://www.prosci.com/adkar/applications-of-adkar>

### OCM Best Practices

While the OCM team will leverage the Prosci ADKAR methodology, we will also leverage additional industry best practices to support the following:

1. Support active and visible executive sponsorship:
  - a. The project has an executive sponsor identified who is at the right level.
  - b. The executive sponsor has a solid understanding of his/her role.
  - c. The executive sponsor is ready, willing and able to participate visibly throughout the entire project.
  - d. The executive sponsor is ready, willing and able to build a coalition with key business leaders and managers.
  - e. The executive sponsor is ready, willing and able to communicate directly with employees.
2. Frequent and open communications about the need for change:
  - a. A communications plan is being created that identifies and segments impacted groups.
  - b. The communication plan utilizes preferred senders of change messages.
  - c. The need for change and the risks of not changing are central in the communications plan.

- d. Communications sharing on how the change benefits the organization and end-users are being prepared.
  - e. Communications are scheduled to be frequent throughout the life of the project.
- 3. Structured change management approach:
  - a. A holistic, structured change management approach has been selected and applied.
  - b. A detailed change management strategy is being developed.
  - c. A complete set of change management plans are being created.
  - d. Change management activities are being integrated into the overall project plan from the beginning.
- 4. Dedicated resources for change management:
  - a. The project has been identified and has dedicated resources focusing on change management.
  - b. Change management resources are available throughout the entire project, from planning through implementation and knowledge transfer.
  - c. Change management resources are adequately trained.
- 5. Employee participation:
  - a. Systems are in place to proactively gather feedback.
  - b. Metrics and measurements are created to evaluate employee adoption of the change.

### Business Process Impact Analysis and Alignment Approach

The OCM team will work closely with the WSLCB Human Resource (HR) Team, Executive Sponsors, SMP Project Team, division managers and supervisors, the agency Communications Director and the agency Policy and Procedure Manager to support any changes to business processes resulting from the project. These changes and any resulting communications, coaching/mentoring, training, process mapping and any other OCM functions will be carried out in partnership with HR and the Project Team.

The Business Process Impact Analysis is the mechanism used to analyze and document the impacts of day to day business processes. Review and analysis of current state and future state process diagrams enables OCM to identify where communications, training and subject matter expert (SME) engagement is necessary to close gaps and realize a “no surprises” transition. This analysis will:

- define the skill delta between the current and future state that will define areas that training is needed, and
- will serve as the basis for a training plan, and
- provide OCM with a high-level framework of proposed organizational structure changes, if applicable.

**NOTE:** This section will continue to be developed as the scope of the project is finalized

### Training & Curriculum Plan

The training and curriculum plan details the strategy, approach and training materials necessary for a successful training delivery statewide on impacts from SMP. Based on data captured through internal and external stakeholder analysis, the intent of the training and curriculum plan is to enable WSLCB stakeholders to learn how to use new systems and navigate new business processes. Using adult learning methodology and the anatomy of good instruction (tell, show, do, apply) the training and curriculum plan identifies the key roles, material, delivery mechanisms and measurements to maximize training effectiveness.



The OCM team will work with the SMEs to define any additional training requirements such as business processes, procedures, policies and computer literacy training required to support the changes resulting from SMP. Please refer to the SMP Training plan for more information. The Training plan will be developed as a deliverable later in the project.

### Reinforcement and Resistance Management Plan

The Reinforcement Plan, which is included in the Project Transition Plan, will be used to reinforce and celebrate the right behaviors that sustain transformational change. This results-oriented plan facilitates continual gap analysis, identifying opportunities to course correct and thereby minimize resistance through added stakeholder support, addressing the root cause of detractors, and celebrating early adopters and internal project advocacy. The reinforcement plan considers overall agency readiness, culture, and change history.

### Risk Mitigation Action Matrix

The risk mitigation action matrix is an actionable working document that identifies and addresses gaps that could cause issues or reduce the adoption levels. By reduction of these gaps, a project is more likely to succeed in meeting business objectives.

## 5. Organizational Change Management Framework

The Prosci Framework is based on three phases:

- **Phase 1: Preparing for Change**
  - Define Your OCM Strategy
  - Prepare Your OCM Team
  - Develop Your Leadership Model

- **Phase 2: Managing Change**
  - Develop OCM Plans
  - Take Action and Implement Plans
- **Phase 3: Reinforcing Change**
  - Collect and Analyze Feedback
  - Diagnose Gaps and Manage Resistance
  - Implement Corrective Action

Below is a summary of the actions and deliverables and/or outcomes to illustrate the change activities in each of the phases.

### **Phase 1: Preparing for Change**

#### **5.1.1 Define Your OCM Strategy**

**Action:** Identify the change and size and impact of the project. Clarify overall end vision for project.

**Outcome:** Create an OCM strategy.

**Deliverables:** OCM Strategy Presentation leveraging data from the Prosci Change Management Strategy Presentation, Organizational Attributes Worksheet, Prosci Risk Assessment, Change Characteristics Worksheet, Change Characteristics Assessment and Organizational Attributes Assessments.

**NOTE:** Readiness assessments and surveys will be developed in this phase. Assessments will continue throughout the lifecycle of the project.

#### **5.1.2 Prepare Your OCM Team**

**Action:** Start resourcing and preparing the team including assessing their change competencies.

**Outcome:** If there is more than one person responsible for OCM activities, ensuring that they have a high level understanding of the methodology. Also, make the entire project team aware of the OCM approach as well.

**Deliverables:** Team Preparation – Sponsor Interview Template and Team Member Competency Assessment.

#### **5.1.3 Develop Your Sponsorship Model**

**Action:** Identify, assess competency of and prepare sponsors for the change.

**Outcome:** List of sponsors for project and provide sponsors with the sponsor section from the Best Practices in Change Management.

**Deliverables:** Sponsor Competency Assessment and a sponsor model.

## Phase 2: Managing Change

### 5.2.1 Develop OCM Plans

**Action:** Review information gathered from Phase 1 to create plans and take action on plans.

**Outcome:** Creation of plans outlined below in deliverables.

**Deliverables:** Communications Plan, Sponsor Roadmap, Coaching Plan, Resistance Management Plan, Training Plan and Master OCM Plan.

### 5.2.2 Take Action and Implement Plans

**Action:** Integrate OCM plans into overall schedule.

**Outcome:** Delivery of plans, track progress and evaluate results. Adjust plans as needed.

**Deliverables:** Draft Integration of Project Management and Change Management Activities template and draft OCM plan.

## Phase 3: Reinforcing Change

### 5.3.1 Collect and Analyze Feedback

**Action:** Listen to employees and gather feedback; audit compliance with new process, systems and job roles.

**Outcome:** Analysis of effectiveness of OCM activities.

**Deliverables:** Employee Feedback Worksheet and Feedback and Compliance Presentation Template.

### 5.3.2 Diagnose Gaps and Manage Resistance

**Action:** Determine root cause of resistance and develop corrective action plans.

**Outcome:** Based on root cause analysis, develop corrective actions based on the ADKAR Model.

**Deliverables:** Create Corrective Action Plans.

### 5.3.3 Implement Corrective Action

**Action:** Implement corrective action, if applicable.

**Outcome:** Celebrate the change and reinforce the change. Conduct post mortem review and transfer ownership of the change to operational managers.

**Deliverables:** Corrective Action Plan Template and plan celebration actions.

## WSLCB Change Agent Network:

**NOTE:** This section, including number of resources needed and level of effort, will continue to be developed as the scope of the project is finalized.

Given the size and complexity of the SMP, it is vital that the WSLCB build out a change network of WSLCB employees to support the roll out and user adoption of the new technology and/or

business processes. It is important to start building out the OCM skillset within the agency to continue the change efforts after the SMP ends.

“A **change network** is a structured group of individuals responsible for supporting initiatives to successfully implement project changes.

The **outcomes** of a change network include: raising awareness and visibility of anticipated changes, building support ahead of actual change/s being implemented, creating engagement needed across of the organization and driving change my engaging influential people at different levels.

The **role** of a change agent is to prepare the organization for changes through formal and informal communication channels. The responsibilities of a change agent is to communicate program and project information, see out concerns and facilitate issue resolution, identify and communicate potential resistance or impacts to the OCM team, provide a conduit for questions and suggestions from employees, and participate in change network meetings. It is important to build the change agent responsibilities into the employee’s job description or annual performance expectations so their activities are prioritized with other important actions required from their jobs.

The **expectations** of a change agent includes: creating excitement about upcoming changes, surfacing resistance and helping to address it, minimizing disruption to division’s work, and maintaining consistent communication between divisions and OCM team.”

“Adapted from [Wield the Power of a Change Network Presentation](#) presented at the 2017 ACMP Change Management Conference. “

## 6 Assessing the Organization

Assessment activities are designed to create a baseline for all OCM tasks including stakeholder management, communications, coaching/mentoring and training. Assessing the organization occurs over the life of a project to help gauge where additional support may be needed. It is important to be open to assessment results, even if they could be perceived as negative, as the feedback provides a road map of what should be included in the OCM team’s next steps.

The assessment approach includes an evaluation of industry best practices for guiding large scale organizational change efforts resulting from a new business process and/or technology solution. Assessments can take place in many formats including face to face interviews and web-based surveys.

The three areas of focus for organizational assessments are:

1. Leadership/Sponsorship — The success of a project is highly influenced by engaged and supportive leaders and sponsors. Questions that help develop our assessment of this group may include:

- a. Does this project have a visible and vocal agency executive as the project sponsor?
  - b. Does the project sponsor have the authority to direct changes in the organization?
  - c. Can the project sponsor clearly articulate the need for the proposed change and help build awareness?
  - d. Is there a plan for engaging managers and supervisors to support and help champion the need for change?
- 2. Project Management — It is important to review the project management approach and structure especially in early stages of the project.
  - a. Has the project scope been clearly defined with relevant objectives and key milestones identified?
  - b. Has the project task plan been developed in a relevant, measurable and attainable manner?
  - c. Is the project adhering to project management best practices?
  - d. Does the project management approach position the organization to progress from its current state to its envisioned future state?
- 3. Change Management — This assessment conducts a high level review of the organization's readiness on the "people" side of the project.
  - a. Has the Change Management team been formed and educated about its role in this project?
  - b. Have pockets of resistance been identified, and has an approach been developed to handle and resolve resistance to the proposed change?
  - c. Have the necessary OCM plans been discussed and/or developed, including plans for communications, coaching, training, sponsorship, etc.?

## 7 Sponsor Plan

A sponsor plan looks at the OCM role requirements and support needed from Executive Sponsors, Project Managers and any other project leaders. The OCM team will also provide ongoing coaching and training opportunities to project sponsors, managers and supervisors as needed to clarify the importance of each role in effectively managing change.

**NOTE:** This section will continue to be developed as the scope of the project is finalized.

## 8 Change Impacts

**NOTE: TBD until Scope of work with Implementation vendor is finalized**

Below is a summary of the expected impacts resulting from the SMP as of Jan. 2020.

Release	Explanation of Change
	<i>Customer service portal that includes MAST (Mandatory Alcohol Serving Program)</i>
	<i>Once all phases are complete, WSLCB employees will only have to access 1 system to view licensing and violation history</i>
	<i>Licensing and Customer Service will not need SharePoint for tracking licensing actions</i>
	<i>Data will be more reliable</i>
	<i>Project will consolidate multiple systems (include names here)</i>

## 9 Project Closeout and Knowledge Transfer

As part of the project closeout activities, the OCM lead will create knowledge transfer documentation that will provide support and maintenance following the SMP implementation and that outlines the following:

- Transition documentation
- Post go live assessment results
- Summary of lessons learned and best practices resulting from the OCM activities