



Delivering major change

Making best use of both internal and external resources

- Do you fully understand the resourcing options available for delivering major change successfully?
- Do you understand the trade-offs between resourcing in-house versus the various external options?
- Do you have the management capability to make best use of all sources of resources?

This paper sets out some of the resourcing options available for delivering major change, and how to get the most from them.

What are the options for delivering major change?

The diagram to the right shows different options that an organisation has for delivering major change.

- **Top right:** outsource both project management and expert deliverables (IT systems, organisational design, process mapping etc) – for example a fixed-price SAP implementation
- **Bottom right:** small number of experienced interim managers to project manage the change – for example a major post-acquisition integration where the organisation’s internal consultancy has experience only of smaller projects
- **Bottom left:** in-house resources both to manage the project and to create the expert deliverables – for example a post-acquisition integration using an experienced and respected internal consultancy eg transition to a new regulatory framework where experts are scarce

		Specialist, technical projects	Classic “big” consultancy job
External expert resource	High	<ul style="list-style-type: none"> ✓ No need for expensive specialists on staff ✗ Reliance on outside market for key skills ⚠ Managing a disparate group of specialists 	<ul style="list-style-type: none"> ✓ Consultancy has full responsibility ✗ Risk of doing it to, not with, you ⚠ Embedded, sustainable benefits
	Low	Internal consultancy support	Interim management support
		<ul style="list-style-type: none"> ✓ You keep control of entire project ✗ Overhead of managing internal consultancy ⚠ Internal consultancy that really delivers 	<ul style="list-style-type: none"> ✓ Influence over delivery but with strong control ✗ Higher internal overhead to manage ⚠ Getting the right quality interim managers
		Low	High
		External Project Management	

Which is the best approach?

In practice, organisations can (and typically do) mix and match the approaches above. For example, you might have a small but respected internal consultancy which simply doesn't have capacity for a major project, and so you supplement this with carefully selected and experienced interim managers. Or you might package up a SAP implementation into (i) an IT workstream delivered by a big consultancy, and (ii) the communications, training, organisational design etc elements managed by an internal consultancy and supplemented by an external SAP training expert who is a trusted former employee.

What capabilities should you develop?

Each of the approaches above needs different capabilities within the organisation:

- **Big consultancies:** Managing a big consultancy on a major project requires specialist skills from experienced individuals. There are the obvious skills - contractual negotiations, agreement of scope, milestones, acceptance criteria etc – and there are the less obvious. For example, how will you make sure that the transition from project to BAU leaves you with embedded and sustainable benefits? To avoid passive aggression or sabotage from the business (“they didn’t ask us what we wanted!”), you will need to find ways to generate trust with the consultancy at all organisational levels and at all stages of the project, not just at the top and at the end.
- **Interim management:** Whilst interim management might seem an easy solution for short-term needs, there are important pitfalls to avoid. The selection process for interims is typically one or maybe two interviews – and unfortunately, interviews are notoriously poor indicators of future performance (see references below for powerful evidence of this). A much more robust indicator is a personal reference from a trusted colleague or business associate of the interim’s performance on a similar project – and first-hand experience is best. Developing processes and networks to get as close to this ideal as possible is an important element of using interims effectively.
- **Internal consultancy:** Where this is done well, it can create an extraordinarily powerful group which not only has the skills to deliver complex change effectively, but also develops in-depth knowledge of how the business operates and savviness about how to manage the politics effectively. To get this right, however, you need to attract and keep the right calibre of individual. This means a credible career path within business change that gives each individual marketable skills (to eventually join an external consultancy or go it alone), or to join the line at a level as high or higher than alternative more traditional career paths. If you don’t achieve this, you risk having a team with a poor reputation for delivery within the business, in turn generating a vicious circle of not attracting the right calibre of individuals.
- **Specialist, technical projects:** These are rare and should typically be addressed on an ad hoc basis as and when they are needed.

Links

[Blink](#) - Chapter Three offers powerful evidence for why interviews are poor indicators of future performance

[How would you move Mount Fuji?](#) - “The Two-Second Interview” section in Chapter One offers further evidence for why it is dangerous to rely on interviews

Will it work for you?

If you would like to discuss the ideas in this paper further, contact Ian Hadden of Root Six Consulting for a conversation.

