

OCM to Support Digital Transformations PLM Road Map @ GPDIS—27 September 2022

Getting People to Care: The Case for Organizational Change to Support Digital Transformations

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PLM Road Map™ @ GPDIS 2022
*Digital Transformation and PLM – a call for PLM professionals
to re-define and re-position the benefits and value of PLM*
September 27

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Agenda

- Why Organizational Change Management
- Preparing to “Sell” Digital Transformation to the Organization
- Model to Promote Understanding
- Communicating the “Why” of Your Initiative

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Digital Transformation

May not be a single activity

- Organizations often process digital transformations in stages
- Many companies digitally transformed product design when they move from paper-based drafting to CAD
 - This transformation had a fundamental impact on basically one group (the designers)
 - Even so, this was a difficult change that took years to prevail
- Today, digital transformations tend to be much broader and usually impact many, many people across the organization, not just in one group
 - Therefore, the need for a strong internal support strategy is critical
- We call this Organizational Change Management (OCM)

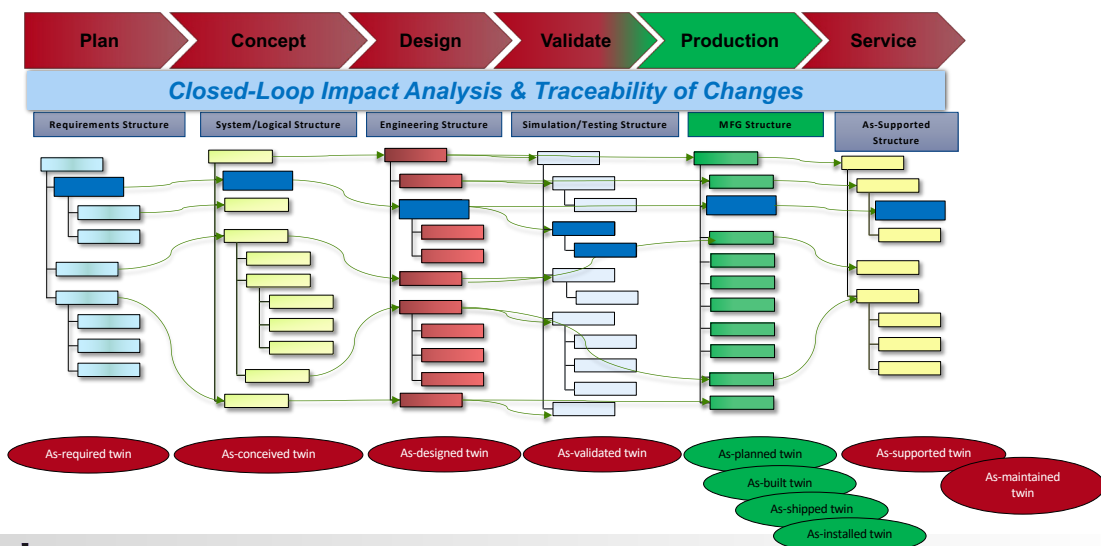
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Digitalization: Single Source of Truth, End-to-End

Digital thread supporting multiple digital twins



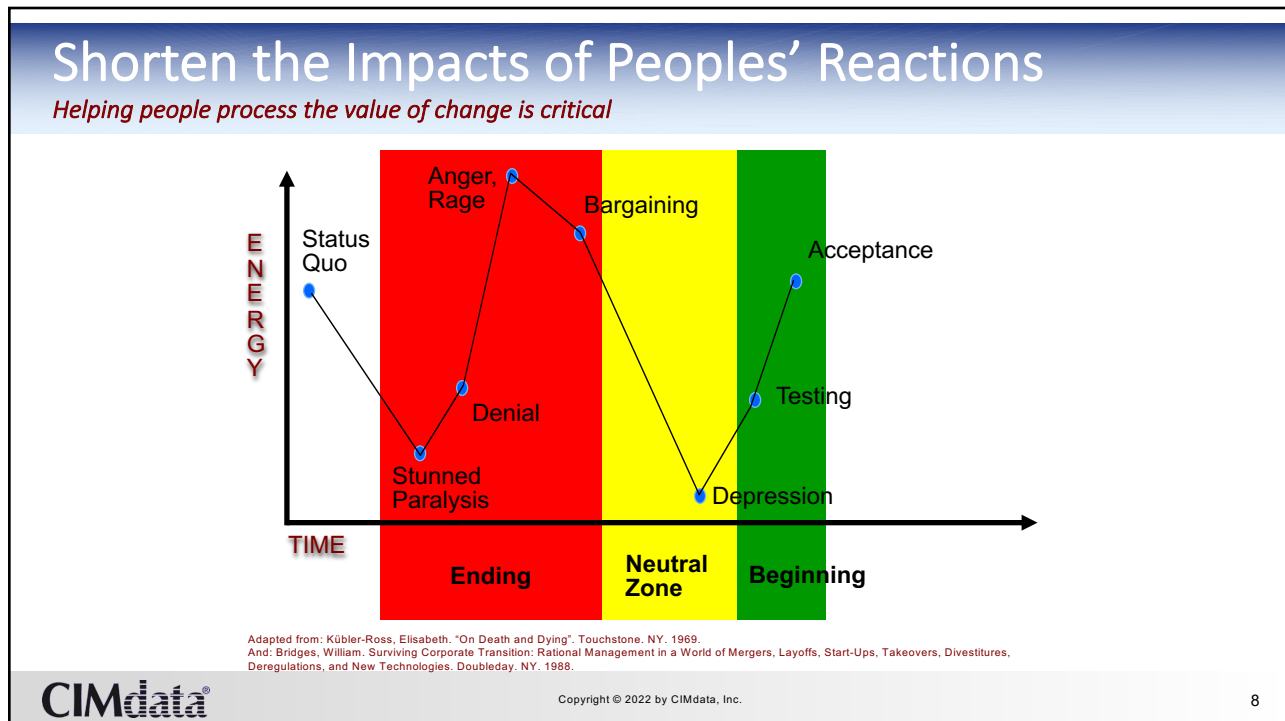
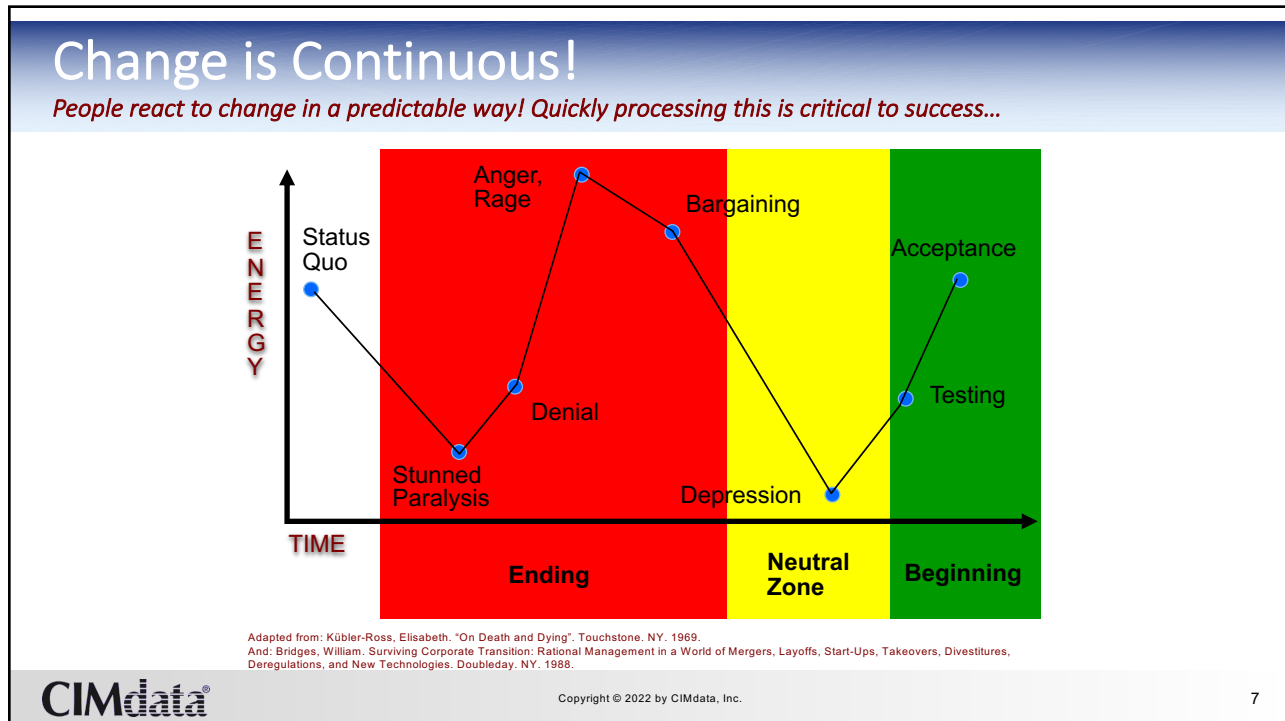
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Learning Objectives

Develop a strategy that serves your company's objectives

- Activities such as digital transformations challenge the fundamental ways in which people work
- People are averse to change—but to different degrees
 - Some are accepting and adapt quickly
 - While others will fight hard and long to not change
- The key is to help people understand **WHY** change is important, even desirable—to them and to the organization
- “Selling” change to the impacted people leads to faster successes that accelerate value to the stakeholders

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Getting People to Care

It begins and ends with education

- Educate and communicate
- Listen to the users
- Get people involved
- Change plans if appropriate
- Use symbolic gestures by sponsors
- Educate and train...



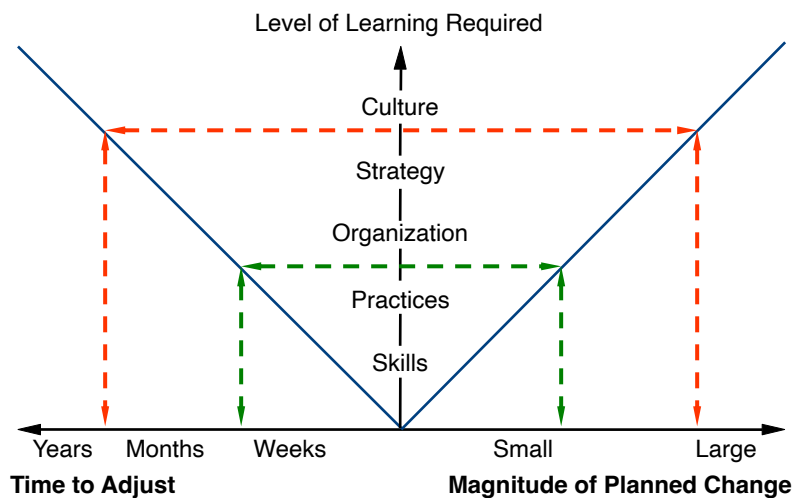
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People Resist Change

Why change is so difficult—it takes time (and resources)!



Adler, Paul S. and Aaron J. Shenhar. *Adapting Your Technological Base: The Organizational Challenge*. Sloan Management Review, Vol. 32, No. 1, pp. 25-37, 1990.

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Managing Change: Tactics by Phase


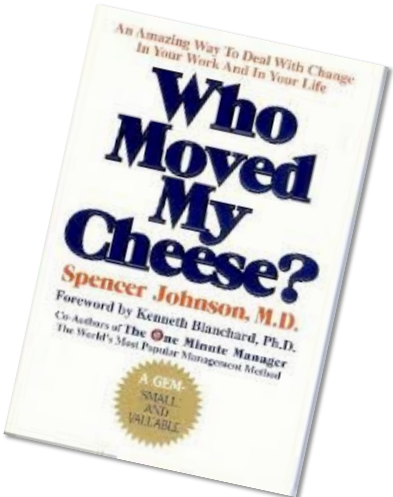
<i>Ending</i>	<i>Transition Zone</i>	<i>New Beginning</i>
<ul style="list-style-type: none"> ◆ Communicate the What, Why and How ◆ Acknowledge emotions, don't get defensive ◆ Mark Endings 	<ul style="list-style-type: none"> ◆ Allow resistance to surface ◆ Provide information about the future/use HR support structures ◆ Encourage creativity and innovation 	<ul style="list-style-type: none"> ◆ Reward and Recognize ◆ Celebrate ◆ Ensure organizational support for new beginning
<ul style="list-style-type: none"> ◆ Get leadership to play a role ◆ Expose key leaders and stakeholders to these concepts/ conduct trainings 	<ul style="list-style-type: none"> ◆ Talk to employees about individual transitions ◆ Integrate details into meetings and events 	<ul style="list-style-type: none"> ◆ Communicate the What, Why and How ◆ Consider how it integrates into other areas of the organization's change plan

Adapted from *Managing Transitions*, William Bridges

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It's All About Finding the Cheese

People are happy when they find the cheese

Source: Johnson, Spencer. "Who Moved My Cheese?" G.P. Putnam's Sons, NY 2002.

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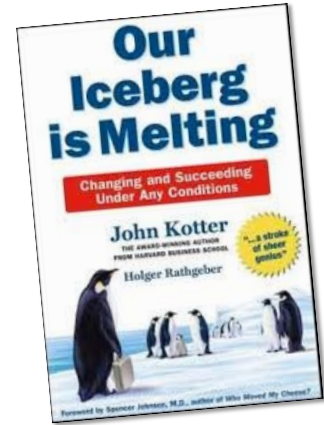
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Is Your Iceberg Melting?

Motivating people to understand & embrace change

“On the surface, Our Iceberg Is Melting is a simple story of a colony of penguins facing a dilemma. But contained within the story and the characters is a powerful message about the fear of change and how to motivate people to face the future and take action.”

Dr. John Kotter



Source: Kotter, John and Holger Rathgeber. "Our Iceberg is Melting." St. Martin's Press. New York. 2005

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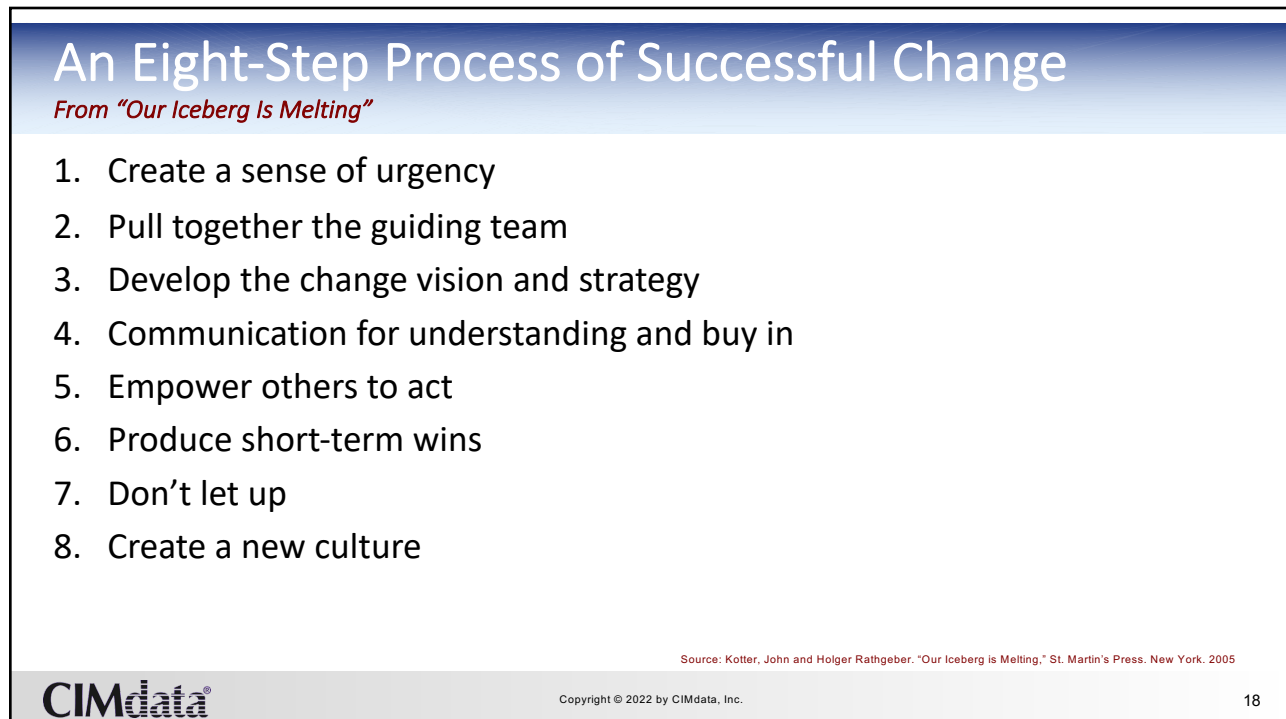
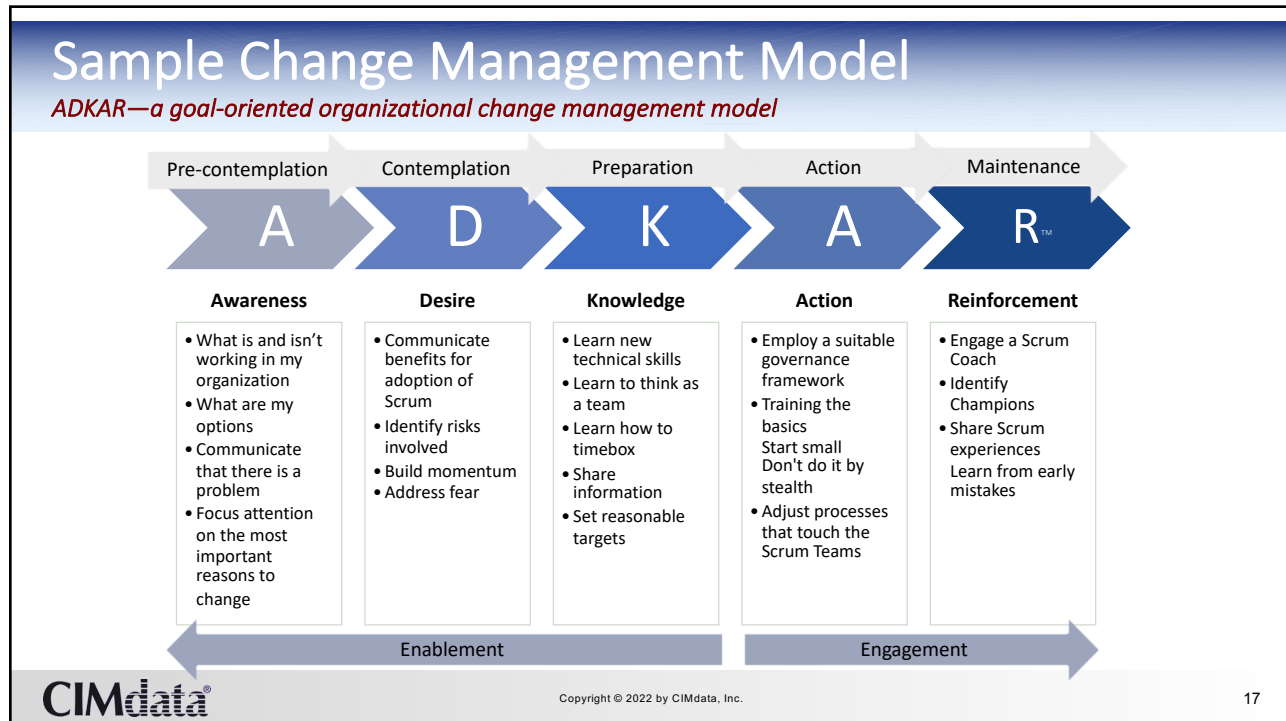
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A Decision-Making Model

The Diamond of Participatory Decision-Making process

The Diamond *describes the process a group goes through* to solve a difficult problem. The *process is neither smooth nor sequential* in nature. It is *characterized by confusion and misunderstanding*. Most people find it hard to tolerate the ambiguity and the conflict that are inherent when people don't have shared frames of reference. Yet a *group's most significant breakthroughs are often preceded by a period of struggle*.

Kaner, Sam, et al. *Facilitators Guide to Participatory Decision Making*. New Society Publishers. Gabriola Island, BC, Canada. 1996

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Participatory Decision-Making Process

Core values—these are your responsibilities as participants

- Full Participation
 - All members are encouraged to speak up and say what's on their minds
- Mutual Understanding
 - The members need to understand and accept the legitimacy of one another's needs and goals
- Inclusive Solutions
 - Inclusive solutions are wise solutions
 - Their wisdom emerges from the integration of everybody's perspectives and needs
- Shared Responsibility
 - Members recognize that they must be willing and able to implement the proposals they endorse

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Goal: Organizational Transition

Lasting change is the goal of a good organizational change management program

Need for Change	+ Clear Shared Vision	+ Management Commitment & Behavior	+ People Involvement	+ Supporting Structure & Process	+ Performance Measures	=	SUSTAINABLE CHANGE
⊘	✓	✓	✓	✓	✓	=	No Action
✓	⊘	✓	✓	✓	✓	=	No Direction
✓	✓	⊘	✓	✓	✓	=	No Role Models
✓	✓	✓	⊘	✓	✓	=	No Ownership
✓	✓	✓	✓	⊘	✓	=	No Systemic Solutions
✓	✓	✓	✓	✓	⊘	=	No Results
✓	✓	✓	✓	✓	✓	=	SUSTAINABLE CHANGE

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An Organizational Change Management Structure

Sequence of persuasion for adopting digitalization

	Role	Responsibility
1	Influencers	Provide validation of rationale for adoption of PLM within center
2	Deciders	Sponsor adoption of PLM solution within center
3	Managers	Authorize and assign moderators to facilitate the adoption of PLM within center
4	Moderators	Provide communication for understanding the reasons and benefits of change and coordinate training for productive adoption of new PLM solution
5	End Users	Participate in discussions of reasons and benefits of change and train for adoption of new PLM solution

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Implementing Change Requires Good Managers

What is required of management for change to happen

- Understand the need for change
- Accept the need for change
- Understand that they have to change as well as their people
 - They have to lead, not command
- Understand that change is a major activity and that it must be managed like any major project
- Investigate where they want the changes to lead
- Investigate how to carry out the changes in their organization
- Execute change activities in conjunction with the implementation of new tools and techniques



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Some Final Remarks

Things to keep in mind

- Change management activities need to be designed to fit the needs of the different groups impacted by PLM
 - These groups include Users, Managers, Executives, Suppliers, and Customers
 - Each of these groups require a different level of understanding regarding PLM and its implementation
- From the top of the organization to the bottom, each person impacted by PLM needs to understand how PLM will impact their working environment
- It has been CIMdata's experience that the way organizational change management is carried out is critical to the success of your PLM program
- People at all layers of the organization must understand why changes to the way product data is managed is critical to the long-term success of the organization

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The Bottom Line

NO PAIN,



NO GAIN!

Change WILL be resisted, even if most people want the change!

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