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Foreword

"We are pleased to present this preliminary report on the findings of our survey of global Change Management Office leaders.

We think it is unique to be targeting the work and needs of CMO leaders specifically. To understand your situation, Issoria has launched a two-part survey series. Our aim is to develop a comprehensive final report at the end of the survey series. The report will provide actionable insight for people who are leading, managing, developing or looking to set up Change Management Offices (CMOs a.k.a Change Management Centres of Excellence).

This preliminary report analyses the findings of part one of this series – The Jobs of a CMO Leader. The report provides insights into the key priorities when establishing, developing and running successful internal corporate change management functions. Although it is a preliminary report, it contains some interesting and powerful insights.

I would like to extend my thanks to the participants of our survey, who provided us with valuable real-world views of Change Management Offices globally.

We would like to thank the Change Management Institute who assisted in this survey and leveraged their global network of senior change leaders to ensure a broader reach. The Change Management Institute will also share their insights from this research at the end of the series.

Richard Newton | Partner, Issoria"
Survey Participant Demographics

**PARTICIPANT GEOGRAPHIES**

Europe 35.6%
Asia Pacific 31.9%
North America 18.1%
Latin America 7.5%
Middle East & Africa 6.9%

**ORGANISATION SIZE**

- 100,000+
- 10,000+
- 5,000+
- 1,000+
- Other

**ROLE TYPE**

- Leads a CMO function 18.13%
- Works in a CMO function 41.88%
- Sets up a CMO function 14.38%
- Other 25.63%

**TOP 10 SECTORS**

- TMT
- Manufacturing & Engineering
- Financial Services
- Education
- Pharma & Life sciences
- Oil & Gas
- Business Services
- Consumer Goods
- Agriculture
- Healthcare
- Utilities
Managing your organisation’s change portfolio

CMO Leaders selected Integrated Change Planning as the most critical task in effectively managing an organisation’s change portfolio. This aligns with our experience where there is a growing realisation of the importance of considering change holistically – to enable change to be managed most effectively, as well as perform demand and capacity resource planning.

The importance of budgeting for Change Management grew significantly for Change Leaders in organisations with over 10,000 staff and 100,000 staff. We believe this is due to the tendency in larger organisations to have tighter budget management over change resources.

Change Assurance was the least critical task according to our participants. We were surprised by this as we see it as a key part of effective change management and the role of a CMO.

What are the most critical tasks in effectively managing a change portfolio?

Integrated Change Planning
Change Portfolio Management
Assessing internal customer needs
Scoping change interventions
Budgeting for change management
Individual change project planning
Writing statements of work
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There are different ways to perform integrated change planning, with no one standard being common across CMOs. Good integrated change planning is based on reliable data, but the data selected for integrated change planning in turn will give different insights. For instance, do you want to use your integrated change plan to best schedule change, optimise the allocation of change resources or understand the likelihood of achieving a benefits stream. Each of these questions requires different data to answer.

Before jumping into integrated change planning, start by deciding what it is you want to be able to do with your integrated change plan. A simple way of thinking about this is to ask yourself, “What questions do I want my integrated change plan to answer?”. Once you know this, you can determine the right data to collect and optimal data collection approach, whether that is status reports, change impact assessments, benefits plans or anything else. The first challenge is that most organisations start with the data that is available and then determine the reports / presentations that can be developed from them. Accepting this, generally, the data that is available in a well-run change portfolio includes:

- Project delivery milestones by timeline (from the Transformation, Programme or Portfolio Plan)
- Cross references from milestones to benefits stream delivery (from the Benefits Realisation Plan)
- Change impact by function and milestone (from the Change Impact Assessments)
- Understanding of size and stability of functions (from the Change Readiness Assessments)

The second challenge is ensuring that the data held in these different assets is collected and maintained in such a way as to be consolidated and cross referenced. E.g. the change impact assessments can be consolidated across projects to present a view of cumulative change by target area.

The following charts show some of the different ways of presenting an integrated change plan.
JOURNEY MAP

One tool we have found to be an excellent component of integrated change planning is the Journey Map. An example is shown below. It is easy to underestimate the power of this one-page chart.

The journey map is an excellent basis to articulate a change portfolio vision and ensure there is a widely shared understanding of how it will be achieved. It can facilitate prioritisation, both from the perspective of resource loading and from the perspective of balancing change across the organisation. It can be used as a mechanism to assist in high level progress tracking – for example board level reports. It will also support the identification of the most appropriate metrics as well as tracking value realisation.
Developing a successful CMO

Participants selected establishing credibility and achieving trusted advisor status as critical to a successful CMO, built on a foundation of a strong organisational change capability.

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- An organisation’s change capability is a function of both the skills of the CMO, and the in-built capability across the organisation's whole employee base in change management. The CMO has a key role to play in developing the organisational change capability through role modelling, coaching and training. But the CMO will not get the opportunity to do this unless it is both credible and has trusted advisor status.
- Keep the standard of change management work high on all initiatives supported by the CMO to develop credibility. This is enabled through careful team member selection, effective methods and strong change assurance.
- Building trusted advisor status with key stakeholders is an essential activity for a CMO to invest in. Too often this is seen as a “nice to have” task. It should be prioritised.
Establishing credibility and internal brand

Visible measures of change, delivering tangibly improved change outcomes and consistently measuring CMO value are key success factors in establishing credibility and internal brand for a CMO.

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- Measurement of value and outcomes is one of the biggest challenges facing change managers. There are different ways of doing this, which reflect varying priorities in different organisations.
- This is an area all CMOs should invest in developing. In our view, the best measures are those which align to outcomes, such as benefits delivery and speed to benefits delivery.
- The question of how to measure the value of a CMO is one that we will be covering in part 2 of this research series. Stay involved to find out more.
Building Organisational Change Capability

Coaching sponsors and managers was selected as the most important task when trying to build inherent organisational change capability.

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• Not all change managers make great coaches, and not all need to be excellent. But we believe some level of capability in coaching should be a core requirement for all CMO members and within a CMO there should be some resource who are strong coaches. These coaches should have enough availability to allocate to coaching leaders and key change agents in change management.

• Where you do not want to deliver change management training as part of the CMO’s service line, partner with experienced third party change capability development providers.
Developing trusted advisor status

There are a range of factors that contribute towards achieving trusted advisor status, including relationship building, communications, stakeholder management and influencing skills.

5 KEY SKILLS TO DEVELOP TRUSTED ADVISOR STATUS

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- Develop a plan to achieve trusted advisor status: CMOs value trusted advisor status, but rarely take deliberate action to develop it. This is a missed opportunity.
- Make the investment: Trusted advisor status is not built through transactional work on individual initiatives but by the deliberate and planned skills development and relationship building by the CMO team. It does not need to take a huge amount of time or skills development, but it does take some!
- Going beyond being perceived as “safe pairs of hands” who are allocated to work on projects, to true trusted advisor status who have a deep influential relationship with key stakeholders, is hugely valuable. These skills are much broader than the typical set of core change management skills most CMOs target their teams to develop.
Critical success factors for CMO Leaders

Senior executive sponsorship for the CMO is the most important enabler of success for CMO Leaders.

In leading a CMO and ensuring it is a successful and value adding function in their organisation, CMO Leaders also highlighted managing the CMO’s own stakeholders as a critical task.

What is the most important enabler of success for CMOs?

- Senior Leadership Sponsorship for CMO
- Stakeholder Management for CMO
- Continuous improvement of methods
- Measurement of CMO performance
- Agreed CMO Target Operating Model
- Having standard change management methods
- Current best practice knowledge
- Driving adherence to standard methods
- An agreed rate card

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Identify the critical sponsor(s) for the CMO, who often lie outside of the CMO’s direct line management chain. Use your understanding of stakeholder engagement to build these relationships and seek their active sponsorship of the CMO. This will only work over the long term if the CMO’s track record of success, credibility and trusted advisor status grows.
Ensuring you have the right resources

Demand and capacity planning is the most difficult task in ensuring that the CMO has the right resources.

In our experience this is a result of two key factors. Poor visibility of the wider change agenda and inflexible resource pools who cannot respond to the inevitable fluctuations in demand.

Sourcing 3rd party change management consultants was the next most difficult task overall. The difficulty of this task grew significantly in Latin America, and in Japan. (see specific advice overleaf)

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- Develop relationships with the key areas of the business creating forward demand, together with standard mechanisms for requesting support.
- Gain access to flexible resource pools who can complement permanent staff within your team and who can respond to short term fluctuations to demand for skilled change practitioners.
Resourcing tips

1. SOURCING 3RD PARTY OCM CONSULTANTS IN LATAM

CMOs should look to Mexico and Brazil when sourcing 3rd party change management consultants for Latin America. Issoria sees larger pools of change management resources in these countries and higher levels of change management maturity and experience. Consultants from both countries are normally very happy to travel across the whole region and have typically had more exposure to working in international organisations. In Brazil, consultants are often tri-lingual, speaking Portuguese, Spanish and English fluently.

While cultural differences should be considered up front, well-travelled change management consultants from Brazil and Mexico are often adept at understanding and being sensitive to the mix of cultures across LATAM.

2. JAPAN IS THE MOST DIFFICULT COUNTRY IN WHICH TO SOURCE 3RD PARTY OCM CONSULTANTS

Organisations looking to source bi-lingual (English & Japanese) OCM consultants in Japan face the most difficult task. Both language and culture play a part in the difficulty here. Change Management as a discipline is much less common in Japan, at least Change Management in its Western form. When fluency in English language is added to the requirements, the pool of experienced consultants is minimal.

At Issoria we advise clients to look at alternative methods of staffing for change programmes within their Japanese businesses. Often providing an experienced Change Coach to work with leadership and middle management can be much more effective than sending in non-Japanese change managers. In general, the whole approach to change needs to be different for Japan and following a standard method, even one that may be very successful elsewhere, will typically fail.

The prevailing corporate cultures in Japan mean it is less likely that corporate change leaders emerge to take risks and role-model new ways of working. A consensus-orientated culture also means that pushing for changes in behaviour and ways of working, which can often be perceived as having negative consequences for others, is discouraged.

3. A PRACTICAL SUGGESTION TO ENABLE CHANGE IN JAPANESE ORGANISATIONS:

Replace your “Case for change” and Vision with a full road map and detailed definition of the target end state. Consensus driven organisations need a detailed description of the end state with which to build consensus around. The road map must be presented earlier in the change journey for Japanese organisations.

For a full guide to driving successful change in Japanese organisations, contact Issoria.
Delivering individual change initiatives

Stakeholder engagement is the most important task when delivering individual change initiatives followed closely by measuring change adoption.

Participants scored Status Reporting and Applying OCM Standards as least important. Setting and tracking success measures are more important for CMOs that live in Strategy & Transformation functions, and for participants who scored their organisation as having a higher change management maturity. We believe this reflects the capability of those CMOs and their deeper understanding of their stakeholders needs.

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- Use status reports as a lever to develop relationships: status reports were scored as one of the least important tasks by our participants. But this misses the reality that status reports are often valued by stakeholders and create a strong basis for deep engagement with them.
- Engage your stakeholder community in conversation about what measures are most valuable to them. Although it is an investment of time and effort, this will be repaid in terms of deeper relationships with your stakeholder community.
Change Management Maturity

Results show a very strong correlation between where a CMO lives within an organisation and the organisation’s change management maturity.

Organisations with the highest level of change management maturity overwhelmingly have their CMOs residing in Strategy & Transformation. In contrast, CMO’s that live within PMOs have the lowest level of change management maturity.

Overall, change management maturity levels are relatively low, with the average score across the whole survey being 2.63. Our view is that this reflects the reality that change management is still an establishing discipline in many organisations.

The highest level of change management maturity is found in North America, which we believe reflects the longer time that it has been an established discipline there.

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- Ideally, set up CMOs in functions such as Strategy & Transformation where they gain the most support and focus.
- In reality, this is not something CMO leaders can always influence. As a minimum, seek active and engaged high-level sponsorship for the CMO in itself, (in addition to sponsorship for change initiatives). Ideally this sponsorship would come from the Strategy & Transformation function or equivalent within your organisation.

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**Where a CMO lives in an organisation directly affects change management maturity**

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<th>Function</th>
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<td>Strategy &amp; Transformation</td>
<td>19%</td>
</tr>
<tr>
<td>Business / Operations</td>
<td>15%</td>
</tr>
<tr>
<td>IT</td>
<td>12%</td>
</tr>
<tr>
<td>PMO</td>
<td>11%</td>
</tr>
<tr>
<td>Independent</td>
<td>17%</td>
</tr>
<tr>
<td>Human Resources</td>
<td>14%</td>
</tr>
<tr>
<td>Corporate Shared Services</td>
<td>13%</td>
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Conclusion

The world of the CMO is evolving.

The CMO can be a frustrating organisation at times to lead, but the potential is huge. The frustrations come from factors like unstable demand, lack of clarity on stakeholder needs, as well as variable and inconsistent sponsorship. In the most extreme situations, there are ongoing challenges to the existence of the CMO which may be viewed as a low value add and non-core team. Unlike other functions, the CMO is not yet hard wired into the psychology of many organisations.

Yet the best and most successful CMOs have few of these frustrations. They are a core team that works at the most senior level of the organisations with open door access to executives. They are not under threat and do not feel the ongoing need to justify their existence.

The difference between the most successful CMOs and their less successful peers are complex, and inter-dependent. But we believe there are three aspects to this which are reinforced by the findings of this report:

1. The need to move beyond the transactional nature of much of the CMO’s work
2. The advantages of focusing heavily on stakeholder engagement and deep relationship building
3. Learning from the ongoing evolution of the change management domain

Much of the work of many CMOs is transactional in nature. A change project arises and then there is demand for a change manager. When the project is over that change manager goes back to the CMO. This is fine as far as it goes, but it means the CMO becomes little more than a resource management function. CMOs have so much more to offer than this.

Central to becoming a CMO that achieves more is moving beyond working as a transactional resource provider, to becoming an ongoing centre of value adding expertise.

How can this be done? There are many levers to pull, and our experience shows us that factors like creating and maintaining integrated change plans, working hand in glove with strategic functions to develop strategic plans, and helping to develop change skills across the organisation on an ongoing basis will move a CMO beyond a transactional resource provider.
To achieve this requires that resource management becomes a non-contentious area. CMOs who have the relationships in place to scale up and down quickly, with reliable temporary team members who need limited mobilisation and can work with an organisation’s change methods have a significant advantage.

Building on the transactional nature of much of the work of the CMO is the tendency to build relationships on a transactional basis. Stakeholders are engaged when a specific initiative is underway which impacts those stakeholders. Outside the activity on that specific change there is little interaction between the CMO and the stakeholders. This risks the CMO becoming a stranger to many important stakeholders. This risks the CMO having relationships that are no deeper than an external consultancy. Support for these CMOs can be tenuous and unreliable. We cannot over stress the value of the ongoing development of relationships on a long-term basis. This means ongoing stakeholder engagement, irrespective of specific changes underway.

We are moving beyond the era of the mega-programme. Now is the time when organisations have many parallel streams of smaller, more agile changes going on. The invitation for the CMO to participate does not come as part of budgeting and planning for a project. It only comes because the CMO has an ongoing relationship with the widest possible range of stakeholders across the organisation. And the nature of the participation evolves beyond the bounds of an individual project. Relationships and roles must be more flexible.

On a more selfish, but equally important level, the CMO itself needs sponsorship to perform its most valuable work. Without sponsorship access to resources, critical conversations and the ability to influence behaviour are inhibited. When we think of many of the members of CMO teams we see, they have often been chosen for specific Change Management skills. They understand pure Change Management processes well and have strong experience in delivering change. To move up the value chain CMOs must look to develop team member skills much more widely and consider factors like influencing skills, communication skills, and relationship building.

Fundamentally, the CMO needs to understand the way in which great advisors build trusted advisor status. This is the way to senior relationships. Sometimes this means looking very carefully at who is a member of the CMO and what their personal development plan contains. Our advice is to worry a little less about pure change management training, and more about the sorts of skills an expert consultant has.

This all must happen with the back drop of a rapidly evolving change management domain. It’s no good relying on yesterday’s change management skills developed for the era of the large programme. Fast moving organisations need change mangers and CMOs who spend as much time coaching the rest of the organisation to perform the appropriate change management activities – as they spend doing those activities themselves.

As another example of the evolving change management domain, you only have to look at the field of measuring change value. This is progressing rapidly, as are expectations on the type of reporting and measurement a CMO can provide. CMOs that thrive, provide value adding information to their organisations.

All-in-all this means there are challenges ahead, but it also means that the role of the CMO is evolving into a much more exciting and influential team than it has often been in the past.
About the Survey & Scoring Methodology

Issoria commissioned independent research amongst Change Management Office (CMO) Leaders, people who have set up and established CMOs, and Change Managers who are currently or have previously worked in a Corporate CMO. In total, there were 206 participants from around the globe.

On questions where participants are asked to rank responses in order of importance or difficulty, a ranking of 1 = lowest, and ranking of 5 = highest. Each participant group is given equal weighting to ensure that the overall results are not distorted by more responses from one participant group than another.

It should be noted that questions relating to change management maturity were scored based on the self-assessment of participants.
About the authors

Issoria

Issoria is a global change management consultancy that supports companies to deliver change and build inherent change capability.

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