

ONE SOLUTION FOR PROJECT SUCCESS

PROJECT AND CHANGE MANAGEMENT
IN THE *PMBOK[®] GUIDE*

By Thomas Luke Jarocki, Emergence One International, Ltd.

Table of Contents

Introduction	3
Change Management and PMI Standards	5
Characteristics of an integrated PM/CM approach	6
The importance of expert judgment	7
Understanding enterprise environmental factors	7
Change Management Within the Project Management Process Groups	8
The Project Management Process Groups	8
Change Management and the <i>PMBOK® Guide</i> Knowledge Areas	11
Project Integration Management	11
Project Scope Management	12
Project Time Management	13
Project Cost Management	14
Project Quality Management	15
Project Human Resource Management	15
Project Communications Management	17
Project Risk Management	18
Project Procurement Management	18
Project Stakeholder Management	19
Summary	22
References	24

Introduction

Projects are the vehicles of change. Projects are provided funding and resources not so they can simply be delivered on time, within budget and according to scope; but because they help drive the necessary changes, both individually and organizationally, that create value for the organization.

Unless project outputs and deliverables are adopted and utilized by stakeholders to create value, the project has not fully met its business objectives. Project managers play an instrumental role in helping to facilitate the adoption of project outputs and deliverables, and preparing the organization for change. They do this by ensuring the critical human, governance and organizational change management elements that are woven into project management standards are fully integrated and capitalized on during the planning and execution of projects and programs. PMI's *Pulse of the Profession®: The High Cost of Low Performance* (2014) report indicates that organizations face a wide chasm between their actual state and the state of success, mostly from a lack of focus on people, processes and outcomes.

Despite this good practice of integrating all change management activities within the project management plan, many project managers do not fully understand their role. This is due, in part, to varying definitions and understanding of change management. To some, change management is more psychology than project management, where psychotherapeutic techniques are utilized to help employees overcome a perceived emotional resistance to change. To others, it is nothing more than a glorified end-user communications plan. And to still others, it is about preparing the organization for change using a variety of interventions that have little to do with the quality of project outputs or the substance of the change. Because projects are the structured implementation of change, good project management relies on people just as much as successful organizational change requires adherence to project management rigor and standards.

For the purposes of this paper, change management captures a variety of activities that pays strict attention to the human, political and organizational readiness variables that can impact the success of projects and programs. Change management insights, whether they come from different stakeholders at various points in the project lifecycle, or from analyzing the anticipated impact certain design decisions will have on the organization, are critical to the project planning and execution process. These enhanced insights are critical to increasing the quality of project planning, design and deployment, including the facilitation of organizational readiness. These insights, in turn, increase the likelihood of stakeholder acceptance and the creation of organizational value. After all, employees do not resist change as much as they resist poorly designed or implemented projects and programs.

Even though organizational change management practices have been embedded within PMI standards and professional credentials for several years, many practitioners still have difficulty understanding how organizational change activities integrate with project management processes and knowledge areas. Thus, many project managers look beyond the standards for guidance, which can be fraught with risks.

There is a common, but inaccurate, view that organizational change management is a separate discipline from project management. This implies that change efforts do not require the beneficial structure or rigor that project management practices provide. Any change effort executed without project management rigor or structure is more likely to deliver chaos rather than beneficial organizational change. By viewing change management as something that is separate from project management, a silo mentality is created. Since change management

is often mischaracterized as “focusing on the people side,” project managers are sent the potentially harmful message that they should focus exclusively on technical issues. Project management success is as dependent upon people as it is on the proper technical and functional skills. Too often, project managers abdicate their change management responsibilities without capitalizing on the project management/change management touch points and opportunities that exist throughout a project’s lifecycle. Often there is a separate change plan that is not part of an integrated project management plan. Instead of relying on one unified approach, having separate change management plans and project management plans means the road to success is divided. Achieving overall success is now dependent upon the successful execution of two separate plans. Besides the executional inefficiencies this approach produces, the project sponsor now has to procure and manage two sets of resources—a project team and a change team.

One key thing to remember: Project management is primarily an integrative job. This includes the integration of change management principles and activities throughout the project lifecycle. Unfortunately, many practitioners—regardless of their backgrounds—find it difficult to integrate strong change management principles and techniques with project management practices.

Change Management and PMI Standards

Change management practices have been part of PMI standards and professional credentials for many years. As *Managing Change in Organizations: A Practice Guide* (PMI, 2013b) states: “From stakeholder management to communications to human resources management, elements of change management appear throughout PMI’s foundational standards but are not specifically identified as the phrase ‘change management’” (p. viii).

The above is important for at least two reasons:

- Because the *PMBOK® Guide* (PMI, 2013a) states: “The end is reached when the project’s objectives have been achieved...” (p. 3) project managers and project sponsors are judged more by the value their projects create—which requires managing organizational change and facilitating adoption—than by simply delivering on time, within budget and according to scope.
- Good change management is not simply about communicating the benefits of the project to the organization. After all, no change management plan in the world will save a poorly conceived or executed project. Good change management, through its increased emphasis on understanding and managing stakeholder needs and expectations, is also about affecting the substance of the change. By integrating change management activities into project design and decision making, the quality of the overall initiative will be increased. This will help facilitate the subsequent adoption of project outputs and deliverables.

PMI standards hold many of the keys required for developing structured and robust change management activities without the need to create a separate or adjunct change management plan. It is critical for project managers to not only recognize the various change management elements within the *PMBOK® Guide* (PMI, 2013a), but to know how to expand upon the change management concepts presented in order to augment and enhance their project management plans.

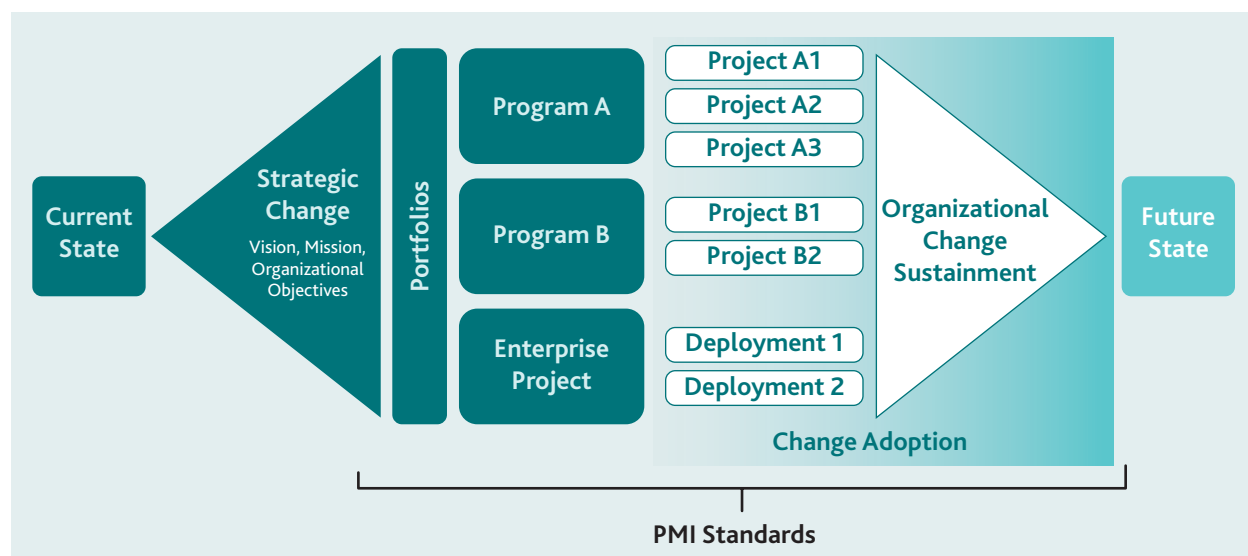


Figure 1: The role of portfolios, programs and projects in moving from the current state to the future state

Characteristics of an integrated PM/CM approach

An integrated project management approach is characterized by having a singular, unified approach to achieving project success and organizational value. Rather than divide an initiative between a “project side” and a “change side,” an integrated plan incorporates both project management and change management perspectives into a single, iterative set of activities.

For example, when developing a new IT system, one of the key tasks is to gather business, technical and functional requirements from stakeholders. Traditionally, a session like this would have an IT focus where business requirements are offered to a project team. However, an integrated project /change management approach would augment the structure of the requirements gathering session by:

- Providing more detailed information about the project and asking stakeholders how the change might be perceived by the rest of the organization.
- Identifying potential change champions among organizational stakeholders who will be directly impacted by the change and who can help facilitate its adoption.
- Asking participants for guidance on how to best go about engaging their colleagues and building positive momentum for the change.
- Gaining insights into how the impact of the project might necessitate the need for other types of organizational changes, such as changes to processes, the organizational structure or policies and procedures.
- Understanding the potential workarounds that may be used instead of the proposed or recently deployed solution. (Note: Change adoption can be facilitated with technical interventions and simply by using psychotherapeutic techniques to win the “hearts and minds” of the end user, but also by blocking workarounds so fewer options and diversions are available.)

A few of the benefits of having an integrated approach include:

- Instead of the initiative being divided between project management and change management, there is one path for achieving business objectives and organizational value.
- Because change management activities are seamlessly embedded within the project lifecycle, change management is not seen as a separate or adjunct activity that can easily be defunded or deemphasized.
- It provides the ability to leverage joint opportunities so that stakeholder engagement activities become more streamlined—for example, providing project sponsors with change leadership coaching along with project status updates.
- It provides the project team with better insights into understanding organizational impacts and stakeholder concerns, so the team can modify its approach and design decisions and proactively minimize potential resistance.

The importance of expert judgment

Throughout the *PMBOK® Guide* (PMI, 2013a), the use of professional judgment based upon expertise in a particular knowledge area or discipline—or expert judgment—is often sought out and utilized as an input to the creation of various deliverables. While project managers must be certain to develop their own change management competencies, it can also be challenging for every project manager to have the depth of expertise or the bandwidth necessary to properly enhance project tasks with change management insight. Therefore, project managers need to learn how to properly supplement (as opposed to abdicate) their change management skillset and seek out appropriate change expertise when needed.

Understanding enterprise environmental factors

Each of the Project Management Process Groups in the project lifecycle is generally under the control of the project team. However, within most projects there are enterprise environmental factors not under the team's control that may influence or constrain project management options. Included would be areas that are typically considered when devising change management activities and/or risk mitigation plans, and include:

- Organizational culture, such as how well it tolerates change and how supportive colleagues and managers may be of new behaviors.
- Internal organizational politics and informal mechanisms for how things “really get done.”
- The existence of support organizations and the processes they own, such as corporate communication protocols, human resources performance review processes or the availability of in-house training resources.

Change Management Within the Project Management Process Groups

The proper application of project management processes increases the chance of project success. This involves both the hard skills around managing project budgets and timelines, and the softer skills involving people, perceptions and relationships. In this regard, the *PMBOK® Guide* (PMI, 2013a) clearly states that for a project to be successful, the project team needs to “[c]omply with requirements to meet stakeholder needs and expectations” (p. 47).

By understanding that stakeholders also have dynamic emotional and cognitive needs that go beyond project requirements, project managers can start planning how to achieve the true objectives of the project. This includes the adoption of the project output and the demonstration of new behaviors that will enable stakeholders to create value for the organization.

The Project Management Process Groups

The Project Management Process Groups are a logical grouping of project management inputs, tools and techniques and outputs. There are five Project Management Process Groups:

1. **Initiating**
2. **Planning**
3. **Executing**
4. **Monitoring and Controlling**
5. **Closing**

Since one of the purposes of change management is to provide greater visibility into the human, political and organizational change factors that can facilitate project success and the realization of project value, it is important to recognize that within each of the five process groups there exist numerous change management concepts that should be fully leveraged.

The Initiating Process Group is performed to define a new project or a new phase within an existing project. Whenever initiating a new project or project phase, it is critical to identify the stakeholders who are important not only for requirements gathering, but also those who will be impacted by project outputs. The project management approach should be defined just as much by people-related requirements and organizational needs as it is by the more technical project-related requirements. It is also important to understand the needs of the executive and/or business sponsor.

Some of the questions a project manager should consider asking include:

- Who can provide or withhold critical resources?
- Whose interests might be considered at risk and how might those risks be mitigated?
- Are there any critical chains or dependencies that require close integration with other projects?

Projects can be seen as an extension of the sponsor's leadership and business capabilities, so project managers should explore which elements of the project are most important to the sponsor. Similarly, in a political environment, it is essential to identify the organizational leaders at all levels within the organization who can influence key project elements. Who can provide or withhold critical resources? Whose interests might be considered at risk and how might those risks be mitigated? Are there any critical chains or dependencies that require close integration with other projects? These are the types of questions the project manager should consider as the project is starting and should continue to assess throughout the project's lifecycle.

The Planning Process Group is where the scope and objectives of the project (or project phase) are more fully defined with the appropriate course of action. When defining the scope, it is important to keep the ultimate objectives in mind and create something that, once adopted by the organization, will create value. As an example, new technology in and of itself will not create value. Value will only be created once the organization embraces the technology (project output) and utilizes it in such a fashion to create value for the organization. By embracing the mindset that a project is ultimately about utilization of deliverables, not just the delivery of an end product or service, key project sponsors will come to understand the value of incorporating robust change management planning. Similarly, stakeholders on the operations side of the business—as they are the ones utilizing those deliverables—must be engaged throughout the project to ensure they are appropriately prepared to leverage the new capabilities.

The Executing Process Group includes those processes utilized to complete the work that is defined in the project management plan—such as managing stakeholder expectations and integrating the various project activities, including the people-related activities. A well-run project will be attuned to the change management factors that affect project execution, and will account for these factors throughout the project lifecycle. In some instances, it may be important for the project to include both a subject matter expert (SME) and a change agent on the project. SMEs may know the business needs that the project should address, while the change agent may be expert at understanding which factors will or will not support the desired business behavior that leads to successful outcomes. So, the project manager needs to think carefully about how to resource the team to achieve the overall business results, not just the project results.

The Monitoring and Controlling Process Group is where the progress and performance of the work is tracked, reviewed and regulated. Continuous monitoring provides insight to the health of the project and the areas requiring additional attention. This includes the need to meet the ever-evolving needs and expectations of stakeholders. For instance, if the project team hears skepticism or discontentment with the initiative, they should engage those stakeholders to understand their concerns and make the necessary changes in response. This may require making changes to the substance of the project itself, such as: modifying designs; or changes in how the project is being supported or promoted by sponsors.

The Closing Process Group is utilized to conclude activities and formally complete the project or project phase. The closing process perhaps requires the most attention when it comes to managing change. Often times, a project sponsor may close a project prematurely when a tangible deliverable is provided to the organization. However, as stated earlier, the end of a project is reached when the project's objectives are met. Since project objectives include the creation of project value, and that project value is often dependent upon organizational adoption and utilization, the project should not be considered closed until organizational adoption and other project success metrics have also been achieved.

While it may not be the direct or ongoing responsibility of the project manager to manage an initiative until project value is created, it is the responsibility of the project manager to lay the necessary foundation to help make this happen prior to transferring ownership to operations.

Another key element of the closing process is to ensure that lessons learned are captured and utilized to enhance the organization's performance. Static project management practices can lead to project failures if elements of the organization's culture, business needs or environment change and those changes are not considered or reflected in the evolution of project practices. Feedback, enhancement and improvement ensure that project management practices are also subject to change as needed to achieve business objectives.

Table 1 summarizes change management activities within each of the Project Management Process Groups.

Table 1: Change management considerations by project management process groups

Project Management Process Group	Key Change Management Considerations
Initiating	<ul style="list-style-type: none"> ■ Ensure that the "people" factor is given just as much consideration as more technical elements are at the outset of a project. ■ Identify all the relevant stakeholders, including those who can affect—or be affected by—a decision, activity or outcome of the project.
Planning	<ul style="list-style-type: none"> ■ When planning for a project, it is important to keep the end in mind. A project needs to create value for an organization, and one of the necessary prerequisites for value creation is organizational adoption. ■ Keep both organizational adoption and value creation in mind during the planning process.
Executing	<ul style="list-style-type: none"> ■ Manage stakeholder needs and expectations. ■ Utilize both subject matter experts and change agents during project executing processes.
Monitoring and Controlling	<ul style="list-style-type: none"> ■ Assess and meet the ever-evolving needs and expectations of stakeholders. ■ Adjust project plans and designs based upon stakeholder needs and concerns.
Closing	<ul style="list-style-type: none"> ■ Projects are not formally closed until organizational adoption and value creation are realized. ■ Lessons learned are captured.

Change Management and the *PMBOK*® *Guide* Knowledge Areas

The Project Management Process Groups integrate with ten Knowledge Areas. Because change management is an umbrella term used to describe a suite of activities and principles, there is not a separate change management knowledge area. Rather, change management concepts and activities are embedded in each of the areas.

While change management concepts and activities are fairly easy to recognize within certain knowledge areas—such as project communications management and project stakeholder management—change management concepts and activities actually exist in each of the ten areas. It is the responsibility of the project manager to recognize the change management principles and activities that are inherent in each and expand upon them as appropriate.

Project Integration Management

The *PMBOK*® *Guide* (PMI, 2013a) states: “Project Integration Management includes the processes and activities to identify, define, combine, unify and coordinate the various processes and project management activities within the Project Management Process Groups” (p. 63). This includes the integration of both the project management and change management processes and activities that are embedded within each of the Knowledge Areas.

Some of the areas under Project Integration Management that can be augmented by adopting a broader change management focus include:

- **Developing a project charter.** This typically comes from the developed business case that is proposed for the project. This should also include incorporating an organizational case for change that goes beyond financial forecasts and includes the benefit of organizational changes. For example, if a component of the project’s success depends on building new or reshaping existing elements of the business, such as new supply chains or upgrading key components, then those changes and their implications should be highlighted in the charter.
- **Developing the project management plan.** This is the document that describes how the project will be executed, monitored and controlled. It integrates and consolidates all of the subsidiary plans which includes the change management elements such as:
 - A communications management plan
 - A risk management plan (that includes organizational and user adoption risks)
 - A stakeholder management plan (including the need to manage user adoption needs)
 - A project sponsorship plan
 - Activities required for assessing organizational readiness

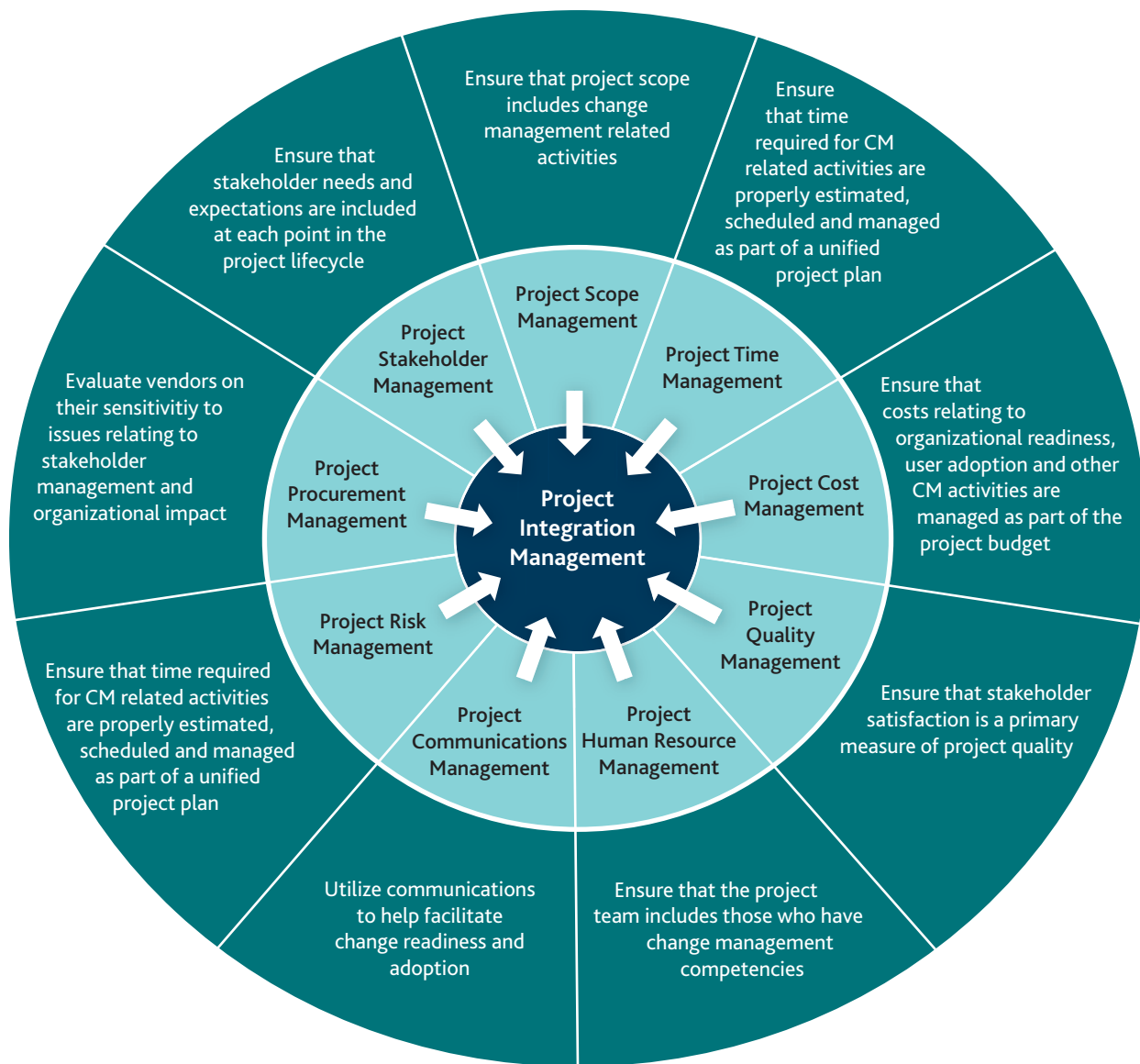


Figure 2: Integrated change management in the *PMBOK® Guide* knowledge areas

Project Scope Management

The *PMBOK® Guide* (PMI, 2013a) states: “Project Scope Management includes the processes required to ensure the project includes all the work required, and only the work required, to complete the project successfully” (p. 105). One of the key outputs of Project Scope Management is the scope management plan, which “describes how the scope will be defined, developed, monitored, controlled, and verified” (p. 109). When defining and developing the project scope, it is important to include such elements as communication planning, competency development and ongoing stakeholder engagement.

When a project manager hands the change management portion of an initiative to a separate team who manages their own separate change plan, the project manager loses control of one of the most critical aspects of the project scope. By putting these elements in the project scope statement, it is much more likely these activities will be understood as being necessary for project success and that funding for them will be maintained.

Within Project Scope Management, there are other processes that also have significant change management elements:

- **Collect requirements** is the process of determining, documenting and managing stakeholder needs and requirements to meet project objectives. It is a critical process when it comes to defining and managing scope. As the *PMBOK® Guide* (PMI, 2013a) states “Requirements include the quantified and documented needs and expectations of the sponsor, customer and other stakeholders” (p. 112). Some of the needs and expectations of the stakeholders may include:
 - Adequate and timely information
 - Clear understanding regarding how their roles and responsibilities may be impacted
 - Direct engagement and involvement in the change
 - Visible support for the change from senior-level leadership
 - Emotional support when experiencing change-induced stress
 - Reward and recognition systems that reflect the expected new performance requirements

- **Alternative generation** is a technique used to develop as many potential options as possible to identify different approaches to execute and perform the work of the project. Alternative generation is especially common in large and complex projects, and may even be a distinct project phase within a project lifecycle. Change management concerns should play a big role in alternative generation and selection. How various options might impact people in the organization should be a key decision criterion in determining the best option. For example, Option A might be a marginally better technical option than Option B; but, in assessing and considering the impacts that Option A will have on the organization and the workforce, the project team may conclude that Option B is more feasible and the better option because this path would lead to a quicker user adoption rate and a faster return on investment.

- **Change requests** can come from anyone involved in—or impacted by—the project. The better the project team is in listening to and accommodating (when feasible) requests for changes, the less likely it will be that stakeholders resist the change. For instance, Davis (1989) and others have found that “perceived usefulness” and “perceived ease of use” are the two most important factors that facilitate user acceptance when it comes to the acceptance of new technology.

In most workplace settings, many employees expect their company will continue to change and evolve. Whether or not there is the expectation that change will occur in the workplace, change still needs to be managed and should be part of any scope management efforts.

Project Time Management

The *PMBOK® Guide* (PMI, 2013a) states: “Project Time Management includes the processes required to manage the timely completion of the project” (p. 141). The schedule management plan is one of the primary outputs of this Knowledge Area.

Organizational culture can influence project schedule management. Some organizational cultures have a strict 9-5 workday mentality; others bond over late-night work sessions. To gain a better understanding of expectations, a cultural assessment of the organization will help develop a realistic project schedule. This approach is particularly important when projects require virtual team members to participate from different locations, in different time zones and even across different geographies.

Other processes and deliverables within this Knowledge Area that can influence—or be influenced by—change management activities include:

- **Setting milestones:** Milestones are a significant point or event in the project. As such, project milestones often serve as triggers for certain change management activities, such as when to release key project announcements to stakeholders. Without knowing the project milestones, it is difficult to determine the optimal timing of certain change management events.
- **Determining project task dependencies** helps to craft an accurate project schedule. There are many key project activities, such as deployment, that are dependent upon the organization first being ready to accept the change.
- **Establishing activity resources and duration** helps identify the types and quantities of resources required for each activity in a work package. This includes such activities as training, which can be resource and time intensive.

Organizational readiness also impacts the project schedule. Organizational readiness generally refers to the organization's ability to accept and utilize the final outputs of a project so that they can be adopted by the workforce and utilized to create business value. To assess this, a change or organizational readiness assessment is usually conducted at a set point prior to deployment. If the organization is not ready to embrace the change due to a lack of understanding, motivation, competency or some other criteria, then the deployment should be delayed while the organization becomes more thoroughly prepared (Combe, 2014).

Project Cost Management

The *PMBOK® Guide* (PMI, 2013a) states: "Project Cost Management includes the processes involved in planning, estimating, budgeting, financing, funding, managing and controlling costs so that the project can be complete within the approved budget" (p. 193).

Key activities associated with this knowledge area include:

- **Estimate costs/determine budget.** Project costs should factor in expenditures associated with organizational readiness and change adoption activities. Certain project activities that help facilitate organizational readiness, such as having a robust competency development and training plan, can sometimes make up a significant portion of the project budget.
- **Control costs.** When change management activities are separated out as something external to project planning and execution activities, they often fall victim to "cost trade-off" decisions. For instance, if the project team is behind schedule and more resources need to be applied to hit key milestone dates, funding for certain change management activities such as preparing the organization for change is likely to suffer. If the project fails, there will be no resulting organizational change. Thus, the need to prepare the organization for change becomes unnecessary.

Project Quality Management

The *PMBOK® Guide* (PMI, 2013a) states: "Project Quality Management includes the processes and activities of the performing organization that determine quality policies, objectives, and responsibilities so that the project will satisfy the needs for which it was undertaken" (p. 227).

Project team members, whose attention is divided between project deadlines, long hours and rapidly shifting requirements, are often a poor judge of the quality of their work. This is why engaging stakeholders, who can be more objective, is so critical.

Stakeholders, especially those stakeholders who will be impacted by the change, are in many ways "customers" of the project. The International Organization for Standardization quality standards recognizes the importance of customer satisfaction (ISO, 2014). The more you can measure and address customer satisfaction concerns throughout the project lifecycle, the less likely there will be resistance to the changes that the project drives into the business.

Quality metrics are typically utilized to describe and measure a project or product attribute. However, with an integrated approach, the concept of quality metrics can be expanded to also include stakeholder satisfaction metrics in such areas as:

- Satisfaction with the amount of information they are receiving about the project
- Level of support for the project (typically measured with a stakeholder analysis assessment)
- User adoption rates
- Training plan effectiveness
- Level of self-sufficiency (for example, number of calls into the support desk for an IT project)

Gathering data on the above can help evaluate and improve on communications plans, training plans, user adoption strategies and, ultimately, the project management plan itself.

Project Human Resource Management

The *PMBOK® Guide* (PMI, 2013a) states: "Project Human Resource Management includes the processes that organize, manage, and lead the project team" (p. 255). This includes identifying project roles and reporting relationships, and has many important implications for change management.

While it is recommended change management activities be seamlessly integrated into the overall project management plan, this does not mean that there should not be specialized change management expertise within the project team. Individuals with that expertise provide expert judgment and augment project management practices by adding a human resource perspective to project activities and tasks.

Key activities associated with this knowledge area include:

- **Acquiring the project team.** Avoid using a packaged approach that might not be aligned with specific project needs and objectives. Evaluate the answers to the following questions to ensure a robust human resource management plan:

- Does the resource understand the change management implications? For instance, if the project involves implementing a Customer Relationship Management (CRM) system, a resource who understands the typical pain points a CRM has on the sales organization would be much more qualified than someone who only has a generic understanding of change management principles.
 - How well can this resource work in a team environment, as opposed to being more individually focused?
 - Can this resource act as a change agent—someone who will be an early adopter of the change who can then become an active proponent and driver of the change?
 - Can this resource play a change integrator role and be responsible for the preparation and integration of the change into the business?
 - Does the resource understand project management processes? If not, the resource will have a difficult time integrating with the rest of the project team and will tend to isolate him- or herself.
 - Can the resource execute the needed activities utilizing rigor and structure? Unfortunately, there are many resources who view their work as an “art form” rather than a structured approach. This makes it difficult for the project manager to gain the necessary inputs to the project management plan and project schedule.
- **Developing and managing project teams.** Barriers to achieving high performance often involve a number of change management related issues:
- Project team resources may be pulled from operations and are unable to handle the change of working in a project environment where processes and expectations are different.
 - Some teams are required to work in virtual team environments, which may be a major change in how certain teams members communicate and collaborate with each other.
 - Team members may not understand the value and key principles behind change management, nor understand how to properly utilize change management inputs to enhance their work efforts. Developing change management understanding and competency within the project team can help everyone make stronger project-related decisions.

By utilizing change management principles and activities within the project team, many barriers to achieving high performance can be minimized.

- **Developing and managing project sponsorship.** Project Human Resource Management involves managing all ways—downward, sideways and upward. Effective sponsorship is a critical success factor for any initiative. As *Managing Change in Organizations* (PMI, 2013b) states: “A sponsor provides resources required for change and has the ultimate responsibility for the program or project, building commitment for the change particularly at the senior management level across the organization. Direct responsibility and accountability for the change needs to be clearly defined and accepted at an appropriately high level within an organization” (p. 11). Sponsors, and the effective execution of their role, should be part of an integrated Human Resource Management plan. Harrington and Nelson (2013c) present a more in-depth discussion on the importance of sponsorship including the concept of “sustaining sponsorship” which illustrates the need to have a network of sponsors to sustain the project’s future progress.

Project Communications Management

The *PMBOK® Guide* (PMI, 2013a) states: "Project Communications Management includes the processes that are required to ensure timely and appropriate planning, collection, creation, distribution, storage, retrieval, management, control, monitoring and the ultimate disposition of project information" (p. 287). Project communications generally fall into two categories:

1. **Internal project communications**, where communication activities center on project team members, subject matter experts and other project contributors. Activities typically involve:
 - The creation and distribution of project work-related information (i.e., project orientation packages, documentation of roles and responsibilities, communication of key project-related decisions, etc.)
 - The collection, storage and retrieval of project documentation (also referred to as Project Information Management)
 - Project performance reporting (i.e., status reports, forecasts, project metrics, etc.)
 - Maintaining the risk register and issue log
2. **External project communications**, where information is crafted and communicated to those external to the immediate project team. Activities typically include:
 - The creation and distribution of messages and collateral that helps to build awareness, understanding, knowledge and motivation
 - Project updates that are relevant to those outside of the immediate project team
 - The creation and execution of communication events (i.e., town hall meetings or "lunch-and-learn" events)

Key activities associated with this knowledge area include:

- **Communications management plan** – Section 10.1.3.1 of the *PMBOK® Guide* (PMI, 2013a) provides a list of 14 elements included in a comprehensive communications management plan from format, content and detail to timeframe and frequency, to methods for updating and refining the communications management plan. By using the good practices of the *PMBOK® Guide* (PMI, 2013a), communications team members can be assured they will be provided robust guidance on all the elements they need to craft a competent and comprehensive communications management plan.
- **Project document updates** include feedback from stakeholders where stakeholders' concerns regarding project operations is captured and used to modify or improve project performance. This is again why communication needs to be more than simply communicating project benefits to stakeholders. When communication is two-way and regular communication feedback loops are utilized, both the project team and project stakeholders will benefit.
- **Control communication** which "is the process of monitoring and controlling communications throughout the entire project life cycle to ensure the information needs of the project stakeholders are met" (PMI, 2013a, p. 303). During this process, it is important that communication is open and transparent with all stakeholders, regardless of where they may sit in the organizational hierarchy. The use of feedback loops will again provide the necessary opportunities to interact with stakeholders and remove any potential barriers to achieving clear and effective communications.

In most mid- to large-size organizations, there are generally several concurrent projects taking place. It is important not to overload organizational stakeholders with premature information. One of the keys to success is to provide stakeholders with the right information at the right time.

Project Risk Management

The *PMBOK® Guide* (PMI, 2013a) states: “Project Risk Management includes the processes of conducting risk management planning, identification, analysis, response planning, and controlling risk on a project” (p. 309).

In keeping with the concept of having an integrated, unified approach between project and change management, it makes little sense to have one risk management plan for technical related risks and a separate risk registry or risk management plan for people and change related risks. Organizational risks that may have an impact on organizational adoption and utilization should also be considered as part of any project risk management process.

Key activities associated with this knowledge area include:

- **Identify risks.** By making organization- and people-related risks part of the official project risk registry, change management-related risks gain greater legitimacy and visibility than they otherwise would have if they belonged to a siloed change management team. The identification of organizational and people-related risk will be greatly enhanced by the engagement of stakeholders throughout the project lifecycle. Stakeholders’ concerns, needs, anxieties, etc. should be interpreted as risks that can derail the attainment of project objectives and value realization. Some example of organizational change management related risks include:
 - Lack of middle management support that can make project objectives difficult to achieve.
 - The easy availability of workarounds, which may tempt users to circumvent the new processes and results in a lack of adoption and an unattractive project return on investment.
 - Lack of active, visible sponsorship that may give the organization the impression that this initiative does not have the full support of leadership; thus, it may be more difficult to impress upon the organization’s staff the importance of this change.
 - Cost-cutting measures that reduce or eliminate the change management activities in the project plan.
- **Plan risk responses and control risks.** In planning the appropriate risk responses to organizational change management-related risks, it is important to draw on the competencies within the team and utilize the recommendations of expert judgment. Developing risk responses and controlling risks often require iterative stakeholder engagement sessions. Once assessed, various interventions can be tried and results evaluated.

Project Procurement Management

The *PMBOK® Guide* (PMI, 2013a) states: “Project Procurement Management includes the processes necessary to purchase or acquire products, services or results needed from outside the project team” (p. 355). For projects that require procuring goods, services or resources from suppliers or vendors outside of the project, change management perspectives should be incorporated into the vendor evaluation process. This is important whether a supplier or vendor provides the organization with new goods (such as new technology that can subsequently impact stakeholders in the organization) or new services and personnel resources (in which case an organization

should assess their own capability and readiness to absorb the new knowledge, expertise and capabilities a vendor will be introducing to the organization). Key activities associated with this knowledge area include:

- **Plan procurements.** Change management needs and concerns should be incorporated into all relevant requests for proposal (RFP) processes. For example, when developing an RFP for a new software system, questions for the vendor should not just focus on technical capability, but also on how its technology might impact stakeholders and the organization. Some change management related questions that might be asked include:
 - What are the organizational impacts of new software?
 - Have customers of your products ever had to deal with issues around organizational resistance or end-user adoption? If so, how was this dealt with?
 - What kind of support does your company provide in terms of communication and training when conducting a large-scale deployment?

By gaining a better understanding of the potential organizational impacts and user adoption challenges during the RFP process, a more thorough evaluation of organizational fit can be made. An integrated procurement approach will also allow team members to assess and plan for potential user adoption challenges that may manifest later in the project lifecycle.

- **Control procurements.** “Control Procurements is the process of managing procurement relationships, monitoring contract performance, and making changes and corrections to contracts as appropriate” (PMI, 2013a, p. 379). However, when procuring services and/or resource personnel, it is important to remember suppliers and vendors often introduce new processes, knowledge and expertise into the organization. If the organization is to benefit, then it needs to be prepared to accept and utilize the change that will be introduced by the supplier or vendor.

Project Stakeholder Management

The *PMBOK® Guide* (PMI, 2013a) states: “Project Stakeholder Management includes the processes required to identify the people, groups or organizations that could impact or be impacted by the project, to analyze stakeholder expectations and their impact on the project, and to develop appropriate management strategies for effectively engaging stakeholders in project decisions and execution” (p. 391). Stakeholder Management has been part of the *PMBOK® Guide* for several years; but the need to place more emphasis on its importance and value has been highlighted as a distinct Knowledge Area in the fifth edition.

The fifth edition goes on to state: “Stakeholder satisfaction should be managed as a key project objective” and “[t]he ability of the project manager to correctly identify and manage these stakeholders in an appropriate manner can mean the difference between success and failure” (p. 391).

Key activities associated with this knowledge area include:

- **Identify stakeholders.** Stakeholder identification is a critical first step to developing an effective stakeholder management plan. Since “[a] stakeholder is an individual, group, or organization who may affect, be affected by, or perceive itself to be affected by a decision, activity, or outcome of a project” (PMI, 2013a, p. 30), it is helpful to further clarify the different types of stakeholder groups and their relationship with the project.

In *The Next Evolution—Enhancing and Unifying Project and Change Management* (Jarocki, 2011), stakeholders are categorized as having one of three types of associations with the project. In order for organizational adoption to occur (which is a prerequisite to value creation), adoption must first occur at each tier starting with the top tier and cascading downwards.

- **Tier 1: Project decision makers** are the stakeholders who are responsible for funding and providing the material support for the project. Though other stakeholders have influence on the ultimate success of the project, Tier 1 stakeholders essentially have go/no-go authority, especially when it comes to project funding. If these stakeholders do not buy into the vision, mission, purpose and costs associated with the project, it is unlikely the project will proceed and thus project-driven change will not be introduced into the organization.
- **Tier 2: Project contributors/collaborators** are stakeholders who are responsible for providing the necessary input and support for developing a well-planned and competently executed project. This group would include project team members, subject matter experts and may also include peripheral project resources such as corporate communications, legal, procurement, human resources, help desk/user support and corporate standards departments. Unless project contributors and collaborators have bought into their role and are willing to expend the time and energy to make the project a success, the project will suffer. This will put the project at even greater risk of being rejected by the organization.
- **Tier 3: Recipients** are stakeholders who are responsible for utilizing and creating value from the project output. This group may include employees, end users and customers. Unless their needs and expectations are proactively identified and addressed, there is a very high chance that the necessary motivational and competency levels will not be achieved and that minimal value will be realized.

Figure 3 shows the relationship between the five Project Management Process Groups defined in the *PMBOK® Guide* (PMI, 2013a) and the Three-Tier Organizational Adoption Process (Jarocki, 2011). Depending upon the exact project lifecycle utilized, there may be some variations in application.

Stakeholder Tiers	Project Management Process Groups				
	Initiating	Planning	Executing	Monitoring and Controlling	Closing
Tier 1 – Project Decision Makers	Dark Blue	Dark Blue	Light Yellow	Light Yellow	Light Yellow
Tier 2 – Project Contributors/ Collaborators	Light Yellow	Dark Blue	Dark Blue	Dark Blue	Dark Blue
Tier 3 – Recipients	Light Yellow	Light Yellow	Light Yellow	Dark Blue	Dark Blue

Figure 3: Relationship between the project management process groups and stakeholder tiers

- **Stakeholder analysis.** A stakeholder analysis (sometimes referred to as a stakeholder assessment) is often a prerequisite to developing a stakeholder management plan. A “Stakeholder Analysis is a technique of systematically gathering and analyzing quantitative and qualitative information to determine whose interests should be taken into account throughout the project” (PMI, 2013a, p. 395). When assessing stakeholders, it is important to keep in mind those who can support or undermine the project, what their level of influence may be relative to their peers, who might need to be managed closely as opposed to simply be kept informed, etc. Stakeholder analysis can often provide useful information when it comes to understanding the political landscape and can help with not only facilitating change adoption, but on maintaining project funding and support throughout the project lifecycle.
- **Plan stakeholder management.** A strong stakeholder management plan will account for the needs and expectations of all three of these stakeholder groups, being mindful of whose needs and expectations are most prominent at each particular phase of the project. For instance, in the beginning of a project lifecycle, providing a strong business case and rationale to those holding the project purse strings will result in continued funding of the project and assistance in securing the proper resources. This senior-level sponsorship and commitment will provide incentive for other stakeholders and corporate departments to provide the necessary inputs to craft a relevant, value-added solution and quality execution, and organizational change readiness process. This will make for an easier change for employees and end users to accept and utilize in order to create value for the organization.

People can make or break project success. Having a comprehensive stakeholder map that is integrated with project activities throughout the project lifecycle is essential if project objectives and organizational value is to be achieved.

Summary

Projects drive change into the organization. But for value to be created, project outputs must first be adopted and utilized by the organization. Project managers can lay the necessary foundation for organizational adoption and value creation by employing a comprehensive approach to managing both projects and organizational change.

Change management is not a distinct program that is different from project management. It is a suite of concepts and activities that place an emphasis on understanding how the human, political and organizational change factors can influence project decisions and outcomes. It is the responsibility of the project manager to utilize these insights and perspectives to augment and enhance project management processes, which will lay the necessary foundation for successful benefits realization.

The keys to developing a robust, integrated project management approach can be found within the *PMBOK® Guide* (PMI, 2013a) and other PMI publications and standards. **Table 2** presents a summary of the integration of project management/change management elements within the *PMBOK® Guide*. While in some cases expert judgment is required to recognize and expand upon these embedded change management concepts, it is critical that today’s project manager develop the skills and competencies required to seamlessly manage both projects and change.

Table 2: Integration of project management (PM)/change management (CM) elements within the *PMBOK® Guide**

Knowledge Areas	Project Management Process Groups				
	Initiating Process Group	Planning Process Group	Executing Process Group	Monitoring and Controlling Process Group	Closing Process Group
Project Integration Management	Ensure that project objectives align with change vision. Include CM activities within project charter. Integrate organizational “case for change” business case financials.	Integrate CM activities into Project Plan.	Ensure CM activities are executed with same degree of rigor as PM activities.	Monitor and control CM work.	Transfer change sustaining activities (such as community of practices and user groups) to the business.
Project Scope Management		Include CM activities in scope planning and definition. Collect requirements including stakeholder adoption needs. Ensure the CM activities are reflected in Work Breakdown Structure. Consider organizational change impacts when crafting alternatives.		Refine scope based upon stakeholder feedback and anticipated organizational impacts. Incorporate change requests from stakeholders when feasible.	

Project Time Management		Align CM activities with project events. Estimate CM activities' durations. Develop integrated PM/CM schedule.		Assess org readiness before finalizing deployment schedule.	Ensure change adoption is achieved prior to close-out.
Project Cost Management		Determine costs associated with org readiness and change adoption activities.		Control costs relating to organizational readiness and adoption activities.	
Project Quality Management		Plan metrics to capture stakeholder support, adoption rates, etc.	Perform quality assurance activities as they pertain to CM.	Control the quality of stakeholder engagement and organizational readiness activities.	Measure business value and performance. Capture lessons learned.
Project Human Resources Management		Plan metrics to capture stakeholder support, adoption rates, etc.	Perform quality assurance activities as they pertain to CM.	Control the quality of stakeholder engagement and organizational readiness activities.	Measure business value and performance. Capture lessons learned.
Project Communication Management		Understand the communication needs of various stakeholder groups. Develop information management protocols for the project team.	Manage communications.	Provide information regarding the change request process. Control communications.	
Project Risk Management		Ensure that organization, change adoption, and stakeholder related risks are part of RM process.		Control risks by providing CM interventions with stakeholders when necessary.	Ensure that risks pertaining to change sustainment are captured and provided to the business.
Project Procurement Management		Incorporate change management concerns into the RFP process.	Evaluate potential organizational impacts of vendor proposed services or solutions.		
Project Stakeholder Management	Identify, analyze, and engage Tier 1 stakeholders.	Identify and analyze Tier 2 and Tier 3 stakeholders. Plan stakeholder management for all three tiers.	Manage stakeholder engagements.	Control stakeholder engagements.	Provide guidance on how ongoing stakeholder needs required for change sustainment are provided to the business.

* This table is an expansion on Table 6-3 presented in *Managing Change in Organizations: A Practice Guide* (PMI 2013b)

References

Combe, M. (2014). *Change readiness: Focusing change management where it counts*. Newtown Square, PA: Project Management Institute.

Davis, F. D. (1989). Perceived Usefulness, Perceived Ease of Use, and Use Acceptance of Information Technology. *MIS Quarterly*. Management Information Systems Research Center, University of Minnesota.

Jarocki, T.L. (2011). *The next evolution—Enhancing and unifying project and change management: The emergence one method for total project success*. Princeton, NJ: Brown & Williams Publishing.

Harrington, H. J. and Nelson, D. (2013c). *The sponsor as the face of organizational change*. Newtown Square, PA: Project Management Institute.

ISO. (2014). ISO 10002:2014. *Quality management—Customer satisfaction—Guidelines for complaints handling in organizations*. Geneva, Switzerland: International Standards Organization

PMI. (2013a). *A guide to the project management body of knowledge (PMBOK® Guide)* (5th Ed.). Newtown Square, PA: Project Management Institute.

PMI. (2013b). *Managing change in organizations: A practice guide*. Newtown Square, PA: Project Management Institute.

PMI. (2014). *Pulse of the profession®: The high cost of low performance*. Newtown Square, PA: Project Management Institute.

Beijing | Bengaluru | Brussels | Buenos Aires | Dubai | Lelystad | Mumbai | New Delhi
Philadelphia | Porto Alegre | Rio de Janeiro | Shenzhen | Singapore | Washington, DC

PMI.org

Project Management Institute
Global Operations Center
14 Campus Blvd
Newtown Square, PA 19073-3299 USA
Tel: +1 610 356 4600

©2014 Project Management Institute. All rights reserved. "PMI", the PMI logo and "Making project management indispensable for business results" are marks of Project Management Institute, Inc. BRA-125-2014 (09/14)



*Making project management
indispensable for business results.®*