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Utility Disruption and the Drive for Change

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As the pace of electrification and grid modernization accelerates throughout the utility sector, the ability to execute strategy effectively is challenged by change fatigue. Three strategies provide the path to success.

Change fatigue is well-known among employees in sectors heavily impacted by a rapidly shifting economic and technological environment. Post pandemic, we've witnessed the importance of organizations working to curb the effects of this change fatigue by paying attention to employee psychological well-being, empowering teams with autonomy and finding ways to enable people to manage their energy levels and foster balance in their lives. However, despite these positive initiatives, challenges persist. As employees look for balance, employers are struggling to remain competitive in shifting markets with dynamic labor force trends not seen in over a generation — it's all about change!

The competitive advantage for organizations thriving in today's environment lies in their ability to adopt and adapt to change effectively and efficiently. According to Prosci, the creator of a popular proprietary change methodology, utilities are the sector experiencing the most change saturation and change fatigue among the 25 sectors they recently surveyed. This is due to unsurprising factors including rapid technological innovation, evolving customer needs, changing regulatory landscapes, decentralized energy generation and the

integration of new forms of electricity generation. Much like the telecom sector in the 1990's, utilities are experiencing a complete overhaul of their traditional operating models.

How can the utility sector successfully navigate such massive changes?

Knowing the challenge ahead, the solution lies in the execution of these three strategies.

Build internal change management capability

Building robust organizational change management capability is a highly effective way for organizations to proactively respond to a rapidly changing world. Broadly speaking, it involves establishing a baseline of change management knowledge and awareness across senior management teams and divisions. Start by:

- Incorporating change management as a fundamental module within existing corporate learning strategies.

- Facilitating Change Management 101 workshops with senior management.

- Integrating dynamic learning opportunities through new change management gaming platforms.
- Offering formal certification programs to key stakeholders and corporate leaders.

While each corporate culture is unique, the approach to building internal change management capabilities needs to be thoughtful and deliberate. Simply launching an off-the-shelf change management course won't cut it. Consideration needs to be given to a multi-year strategy that deeply engrains the principles and practices of change for long term success.

When enabled by a focused corporate strategy where employees can clearly align with the direction set by senior leadership, managing change and making it visible is akin to air traffic control.

Create an Enterprise Change Management structure

With foundational knowledge established, it is then critical to create the processes and procedures to facilitate change effectively. Returning to the air traffic control analogy, this is where you construct the flight tower. This includes creating a team of individuals who are both seasoned and new to the change management profession. This diversity of experience and perspectives will result in an effective Enterprise Change Management Office. They become the individuals who will manage and monitor the skies for collisions.

This involves developing credible, repeatable processes to:

- Assess both internal and external changes that are upcoming or underway.

- Analyze — systematically, intelligently, and empathetically — how changes are likely to impact stakeholder groups, including any interactions with other changes past, present and future.

- Plan and execute precision-targeted campaigns intended to make all stakeholders aware of what is happening, how they can prepare and what the post-change world will look like.

- Track and report the sentiment and readiness levels of stakeholders through the change journey.

- Evaluate the success of changes, including tracking proficiency, adoption and benefits realization both at go-live and in the months following.

Go digital to manage and monitor enterprise change

With the staggering amount of quantitative and qualitative data generated by large-scale change, it is no longer sufficient to use simple Excel spreadsheets to track stakeholders, impacts and activities across portfolios and projects.

Visibility needs to be established to avoid catastrophe. If an organization typically has anywhere from 50 to 60 medium-to-large initiatives underway at any given time, these questions should be on the leadership agenda:

- How are employees being impacted and to what degree?

- Are the initiatives or projects appropriately timed to avoid overburdening a particular department or work group?

The usual answer is: We don't know. However with digital change platforms, we can access this data in real time.

Project managers have long utilized dedicated project management applications to digitize their work and increase efficiency. It's widely acknowledged that digitization brings compounding benefits due to the time savings and improvements in organization, communication and coordination. Indeed, organizations are typically very good at establishing project budgets and creating detailed timelines.

What's lacking is an enterprise view of changes and initiatives already in flight that will impact foundational project outcomes — on time and on budget.

Our solution — ChangePlan — is a digital enabler that allows organizational change teams to boost efficiencies in project delivery by combining activities across projects, allowing re-sequencing of projects to avoid potential resistance points due to saturation and more effectively tracking whether the new system has been adopted and that users are proficient.

Make change a core competitive advantage

Navigating today's dynamic environment is not easy. Like most challenges before us, to tackle them effectively, they must be managed appropriately. The competitive edge for organizations looking to thrive, not just survive, is beginning the change journey. Build competency, manage your change initiatives and go digital.

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