

Take Steps To Determine Projects' Effects On Personnel

As the industry sets a course for dramatic change, it needs practical approaches to make sure the people affected by the change are not left behind.

By Victor Synylo, Joe Navarre & Amy Stephens

For today's utilities and the power-generation industry, change is nearly constant. Power companies are looking to renewable energy sources to meet increasing power demands. Aging infrastructure is being re-evaluated to address safety and reliability concerns, and the installation of smart grid technologies is adding a new and interesting dynamic to business operations and customer interactions.

But the increasing amount of change is leaving the utility and power-generation workforce struggling, overwhelmed and sometimes failing to keep up, putting the projects - and, ultimately, the companies - at risk. Too much or poorly managed change can cause a number of problems, including the following:

- change "fatigue" due to supporting or being affected by multiple projects, which leaves employees exhausted and overwhelmed;
- resource constraints that compromise the ability to handle day-to-day operation safely and efficiently; or
- increased costs due to the need for additional resources or to address unplanned activities and unforeseen issues.

Historically, utilities and power-generation companies have underes-

timated the extent to which projects affect their people or have failed to conduct the change-management activities needed to help employees adjust. Managing numerous projects - smart grid projects being among the largest and most complex - can take a toll on employees, which introduces risk to a company's initiatives, operations and balance sheets.

Depending on the size and complexity of the project, change-management initiatives can be as simple as sending newsletter communications and providing user guides, or as robust as integrated alignment, communication, training and workforce-transition activities. Whether a project is large or small, simple or complex, consider adding the following six practical change-management activities to your smart grid project to help your company reduce risk. Following these practices can assist your organization in achieving a higher level of job proficiency more quickly by proactively assessing and managing the effects of the smart grid project on your personnel.

1. Clarify the vision for change. Comprehending the effects of change requires a wide-angle lens and an understandable description of the picture it takes. Creating that panoramic view must start with executive leadership, which should provide a clear picture of how a smart grid project

ties to the company's vision.

The goal is to clarify business priorities, bring the plans of the smart grid and other business initiatives in line with those priorities, and then link them to employee and other stakeholder benefits and behaviors. To do this, it is important to define, up front, what success looks like by identifying success criteria and benefits.

An essential starting point for articulating the vision for change is to identify project stakeholders internal and external to the company and initially assess how they will be affected by the smart grid project. Communicating the vision for change simply requires translating the leadership view into messages that are relevant to each stakeholder group and then delivering those messages using a variety of methods and media. The goal is to move stakeholders beyond awareness of the project and into taking more active ownership of the project.

2. Align leadership. One of the best ways to make sure company and community leaders are aware and supportive of a smart grid project is to get them involved in the change process by helping them set the tone and showing them how they, and not just those on the smart grid project team, can support the undertaking. Providing leadership with opportunities to get engaged in the project en-

courages the community's active and visible support.

The starting point for gaining leaders' support is getting them to agree on the vision for change. Then, the project team might consider holding workshops designed for project leadership to convey deeper details of the costs, benefits, activities, critical success factors and, more importantly, how the team must work together. This will encourage the team's focus on the project and goals.

To motivate leaders to stay in-

projects often create the need for new knowledge, skills, positions and, sometimes, departments or functions, such as smart grid command and control centers. Existing departments may require restructuring to manage and maintain smart grid operations and infrastructure.

Accomplishing these goals requires looking at the work that needs to be performed, determining how that work must be managed and pursued, and figuring out how many resources are required to perform the work.

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involved, the project team needs to provide them with a simple plan for upcoming activities and create any content or context they need for those activities.

Looking beyond the alignment of leadership to a single or a series of projects, executive and mid-level leaders may also require new skills to become more competent to lead and guide the company through the next several years of planned change and transformation. This goes beyond simply being active and visible supporters of a project - it requires new attitudes and behaviors at each level of leadership to lead and manage projects.

Adding these skills to the leadership team through the company's leadership development program can help a company realize savings. To see how, companies only need to ask themselves, "How much would it cost to delay a project because an executive leader is not comfortable with or supportive of the change that is about to take place?"

3. Re-evaluate the company's organizational structure. Smart grid

You will also need to assess the organizational structure of those resources: the competencies, development programs, compensation and career paths of the individuals in those departments.

Leading practices and benchmarking can provide a jump-start, but experience and tool kits for looking at redesigning organizational structure are also needed. Whether you get that support from the human resources department or externally, the effort will vary depending on the level of experience and the complexity of the changes required.

4. Communicate effectively. Smart grid projects tend to have a broad effect on an organization. Therefore, robust communication focused on the impact to people inside and outside the company - including employees, vendors, regulators and customers - is required.

These projects can create new financial and revenue models and different rate processes that ripple into how billing is performed and how customer service representatives respond to inquiries. Making sure ev-

eryone is aware of how the changes will affect others is critical. Far too often, utilities and power-generation companies overlook or underestimate the communication needs of their external stakeholders, which can result in costly - and sometimes very public - corrective actions.

To make sure the right communication goes to the right people at the right time, project teams should consider the following steps:

■ Develop a communication strategy that specifies the themes, key messages, methods and media, roles and responsibilities, and processes for communication.

■ Develop a detailed plan for the communication events, such as newsletters, website updates and webinars, to occur throughout the life of the project. Because of the effort required to continually provide quality communication through multiple methods and media, creating a plan that can adjust to the dynamic needs of a smart grid project is especially important.

■ Establish a network of "change champions" to represent the project's key stakeholder groups. These individuals will serve as advocates and communication enablers. Establishing and managing a regular schedule of communication activities that these individuals are required to conduct, in addition to providing them with the content for their communication, is essential for providing effective communication and obtaining feedback from the field.

5. Determine readiness. Conducting a readiness assessment involves interviewing and surveying representative samples of stakeholders about the various dimensions of managing change, including communication, alignment, organizational structure and training. Then, quantitative data and qualitative information obtained are used to identify findings and risks, and then action plans are developed to mitigate those risks.

Performing a readiness assess-

ment at the right time during a project provides a look-ahead view of the people-related risks a project may face and the effectiveness of the change activities conducted to date. For example, on a smart grid project, it may be appropriate to conduct a readiness assessment shortly after the design phase of the project, in which the business processes and technology infrastructure are designed and approved.

6. Manage change across the entire company. Because of the long change cycle for smart grid projects, as well as the compounding of change from multiple initiatives going on at the same time, utility and power-generation companies need better ways to manage all the change being undertaken by their employees.

The first approach is to develop an internal capability for managing change. This includes developing a standard change-management methodology that consists of templates, tools

and sample deliverables from other projects. It also includes embedding key change activities into other processes, such as in the business-planning and project-management processes, to ensure that change management is considered when new projects are requested.

Developing an internal change capability also includes defining the organizational structure to govern and support this capability, which ranges from assigning collateral roles to individuals to establishing a formal change-management office, complete with dedicated resources.

Another approach is to develop a broader view of all the changes occurring across the company. Doing so provides officers with the ability to see the degree of change being imposed or undertaken by any department at any given time. Use a “change calendar” that lists all projects, large and small, and provides information about who will be affected and whether those effects will

be high, medium or low. This view provides leadership with the ability to better coordinate projects, adjust project timelines, or provide additional support for those projects based on the amount of change in a particular area.

Ultimately, smart grid and other large projects can significantly change how your company operates. Just as your company looks to build agility into its foundation through the implementation of new technologies, helping your people and customers gain agility to manage upcoming changes is equally important. This agility can be achieved by using some basic and time-tested approaches. #

Victor Synylo (victor.synylo@us.pwc.com) and **Joe Navarre** (joe.navarre@us.pwc.com) are directors in the utilities and power-generation human-capital practice at PricewaterhouseCoopers. **Amy Stephens** (amy.d.stephens@us.pwc.com) is a manager in the firm's people and change practice.