# 24th XBRL International Conference

## "Transparency:  with Available, Reliable, Comparable and Re-usable Data"

### March 20-22, 2012
### Abu Dhabi, UAE

Project Implementation Track

The Bermuda Monetary Authorities: project Rain

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Wednesday, 21 March 2012

# AGENDA

- Brief Overview of the Project
- Governance Structures & Execution Frameworks
- Project Planning and Portfolio management
- Approach / Methods
- Lessons Learned

# The 2008 – 2013 IT Strategy

**Key Findings**

- ❖ Paper Management versus Paper Reduction
- ❖ Project Based Environment without a Project Execution Discipline
- ❖ Information sensitive environment without the structure to support it

**Strategic AIM**

- ❖ The restructuring or redirecting of the Information Technology delivery towards a customer centric model.

- ❖ The fostering of best practice Information Technology governance and management approaches.

- ❖ The delivery of a flexible, "holistic" information management tool set that increases the overall efficiency and effectiveness.

**Primary Initiatives**

- ❖ Reinvent the Infrastructure
- ❖ Develop the team
- ❖ Project RAIN
- ❖ ERICA

**Containment**

**Positioning**

**Advancement**
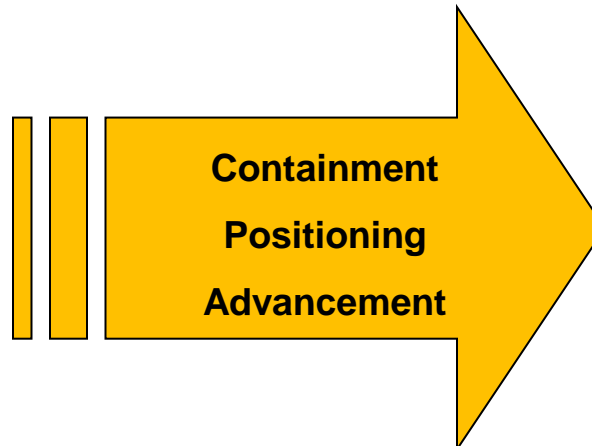
**Vision: The seamless and efficient flow of information amongst all stakeholders within the regulatory supervisory process.**

- ❖ Information reuse is maximized.
- ❖ Stakeholders are focused on their core competencies.
- ❖ Information is used to create value for all stakeholders

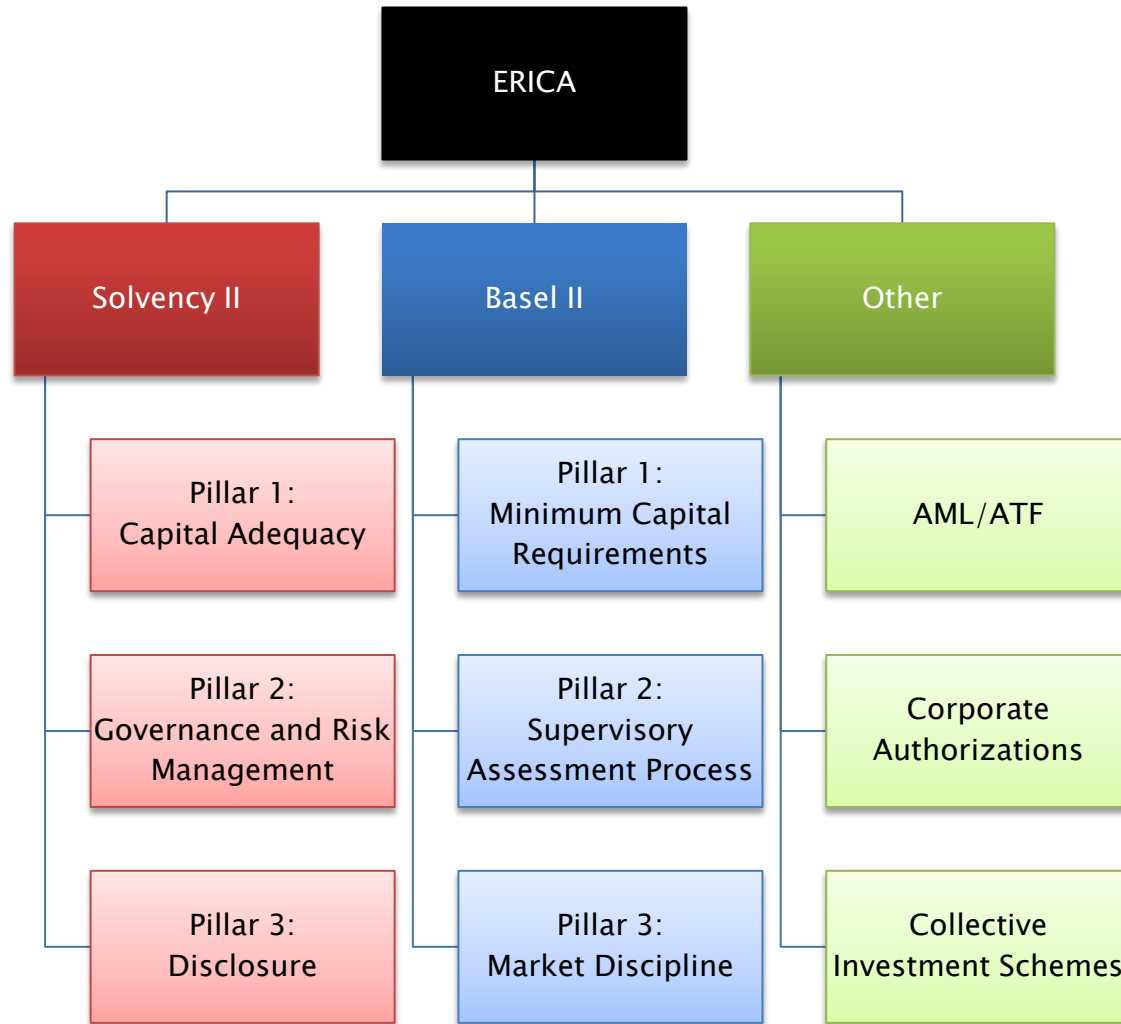**Vision:**

Information reuse is maximized.
- ❖ Stakeholders are focused on their core competencies.
- ❖ Information is used to create value for all stakeholders

**Critical Success Factors**

- • Adequate human resources
- • Adequate finances
- • Executive support through the change cycle
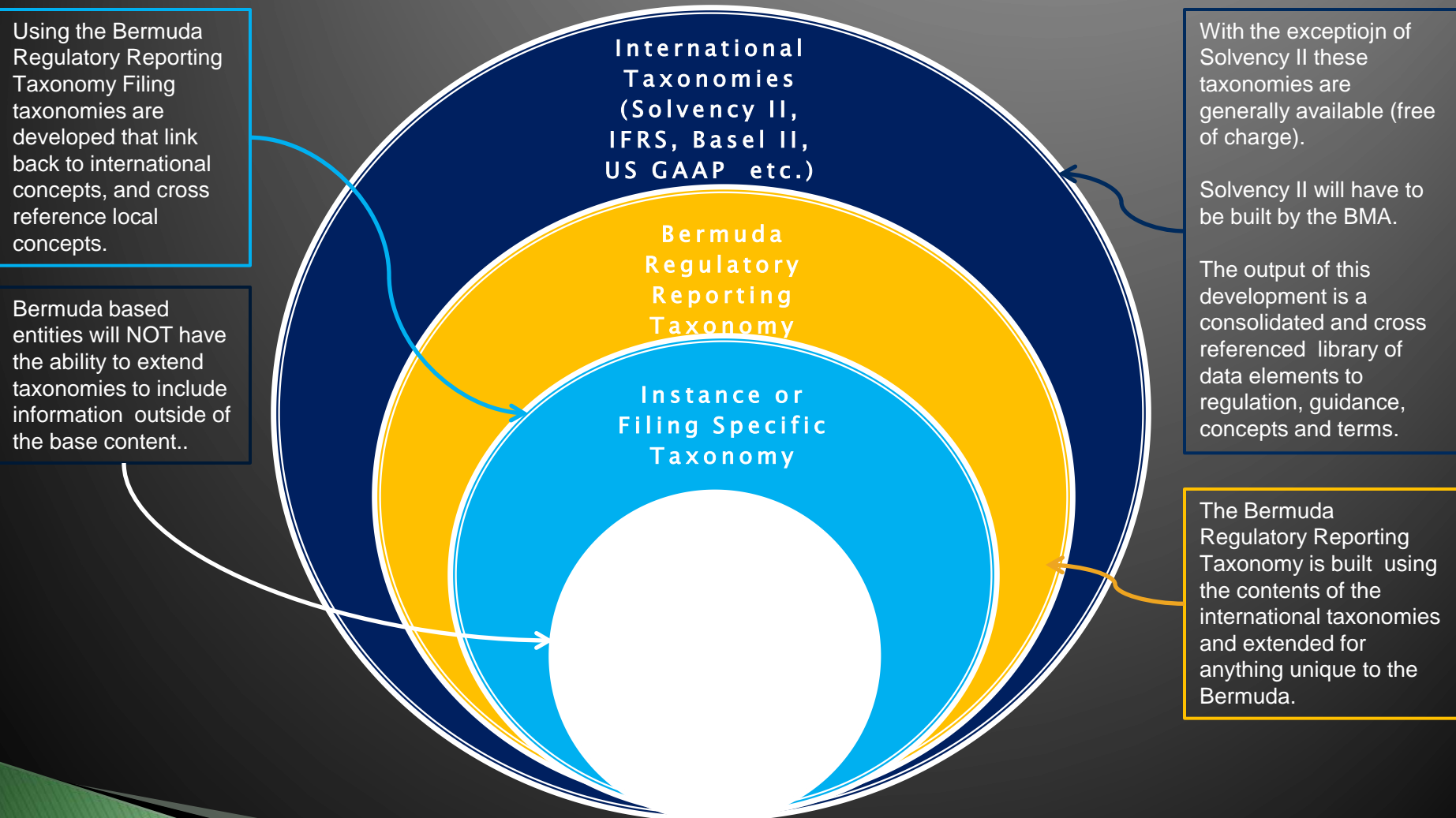- • Effective IT Delivery

# Project RAIN Scope

# Project RAIN

Project RAIN Objectives

It is envisaged that Project RAIN will facilitate:
1. Improvements  in the accuracy and quality of the Authority's information
2. A reduction in overall operational costs
3. An agile regulatory framework that is able to very quickly adapt to changing regulatory needs
4. Deeper intra-sector analysis as well as cross sector analysis;
5. Wider systemic modeling opportunities;
6. Reductions in the effort it takes to complete regulatory filings
7. Enhanced supervision
   A. Shifting resources from front end data capture and routine analysis to more substabtive analytical activities
   B. Broader sector coverage and improved cycle times
8. Enhancement in the Authority's Business Continuity Position

# BMA Taxonomy Development Approach

Using the Bermuda Regulatory Reporting Taxonomy Filing taxonomies are developed that link back to international concepts, and cross reference local concepts.

Bermuda based entities will NOT have the ability to extend taxonomies to include information outside of the base content..

**International Taxonomies (Solvency II, IFRS, Basel II, US GAAP etc.)**

**Bermuda Regulatory Reporting Taxonomy**

**Instance or Filing Specific Taxonomy**

With the exceptiojn of Solvency II these taxonomies are generally available (free of charge).

Solvency II will have to be built by the BMA.

The output of this development is a consolidated and cross referenced library of data elements to regulation, guidance, concepts and terms.

The Bermuda Regulatory Reporting Taxonomy is built using the contents of the international taxonomies and extended for anything unique to the Bermuda.

# Current Adoption Approach

**1. BMA provided XBRL enabled excel, word, and PDF templates and Web Interface**



The BMA will provide submission options using the BMA RAIN portal and via XBRL embedded word documents, excel workbooks, and PDF templates

**2. Bolt-on via Outsourcing or internal Utility**



Printers and other third party service providers provide outsourced solution for mapping the disclosure elements on the financial statements and note disclosures (in block text) to the BMA Taxonomy

**3. Bolt-on via Internal Process**



XBRL can be adopted by companies at the "highest" reporting level (i.e. consolidated) solely for purposes of complying with regulatory requirements. However, potential XBRL process enhancement benefits are not fully realized.

**4. Embedded Processes**



- Enables automation of currently manual assembly and review processes
- Requires companies to assess information needs and provides an opportunity to eliminate inefficiencies in current compliance and reporting processes.
- Enables process enhancements that lead to more timely higher quality data for decision making purposes
- Maximizes benefits of XBRL to preparers and internal users of financial and non-financial information.

# Accomplishments

## 2011

- ❖ BSCR Class 3A, Groups, Long Term, Dual License, CISSA
- ❖ Investment Funds
- ❖ Enhanced Bermuda Regulatory Reporting Taxonomy (BRRT)
- ❖ Solvency II Taxonomy
- ❖ IFRS for Insurance Taxonomy

Advancement

## 2010

- ❖ BSCR Class 4+3B
- ❖ Base Insurance Analytics Portal  (Ratio Analysis)
- ❖ ERICA Core Development
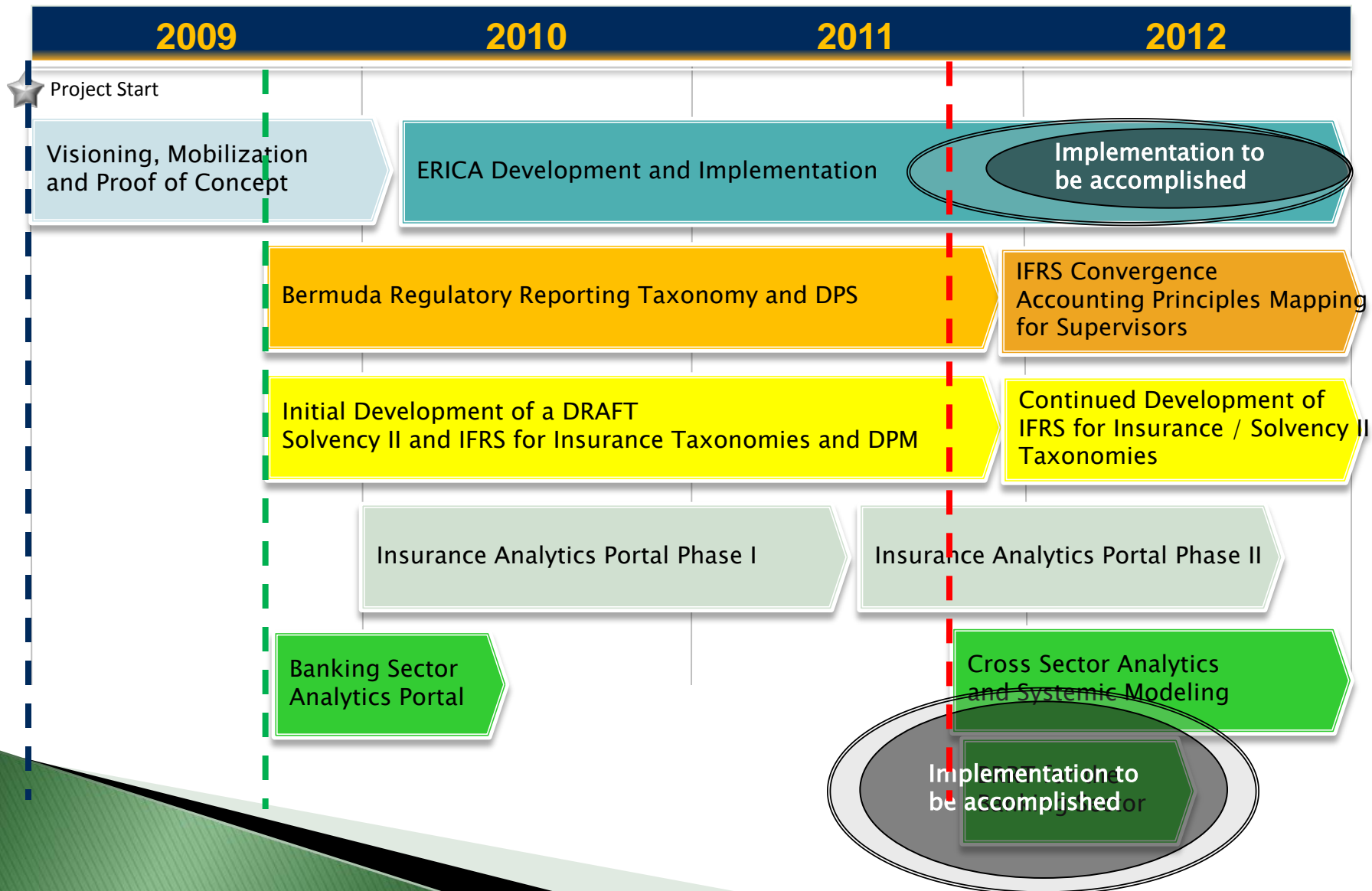- ❖ Base Bermuda Regulatory Reporting Taxonomy (BRRT)

Positioning

## 2008/2009

- ❖ Infrastructure redevelopment
- ❖ Corporate Authorizations (Business Registry)
- ❖ Banking Sector Statutory Return (Basel II)
- ❖ Banking Digest (Analytics Portal)
- ❖ Team development
- ❖ IT Governance and Controls

Containment

# Project RAIN Milestone Map as at May 1, 2010

| Project | Jan '10 | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan '11 | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Economic Balance Sheet | | | | | | DP | | | Market response on DP | | | | | | | | | | | | | | | |
| Eligible Capitals/Own Funds | Market response on CP | | | | | | | Trial Run Planning C4 & C3B | | | Legislation Process | Legislation in effect for C6 & C3B | | | | | | | | | | | | |
| Standardized Capital Model (BSCR) | | | Trial Run on C3B | | | Report on Trial Run Result | | | | | Secondary Legislation C3B | Legislation in effect for C3B BSCR | | | | | | | | | | | | |
| Internal Model | C4 pilot started | | | | | | | C4 Pilot Preliminary Report | | | | C4 Pilot completion | | | GN on C3B | | | | | | | | | |
| Long-term Business | | | Market response on DP | Data Call | | | DC Report | CP & Draft Legislation | | | Legislation Process | | | | | | | | | | | | | |
| Special Purpose Insurers | | | | | | | | | | | | | | | | | | | | | | | | |
| Code of Conduct, Governance and Internal Control | | Update new Codes in SOP | | | | | New Codes in effect on July 1st | | | | | | | | | | | | | | | | | |
| Own Risk and Solvency Assessment (ORSA) | | | | CP & Draft Legislation | | Legislation Process | | | | | | Legislation In effect for C6 & C3B | | | | Trial Run C4 & C3B | | Report on Trial Run Result | | | | | | |
| Authorization* | | | Data Cleanup | Material Change Procedures written | | | GN on Material Change | | | Annual Update of Information Bulletin | | | | | | | | | | | | | | |
| Disclosure and Transparency | | | | C4/3B Annual Updates in ORSA CP | | Updates included in ORSA Legislation | | | | | | Legislation in effect for C6 & C3B | | | | | | | | | | | | Legislation in effect for C4 & C3B |
| Groups | | CP | Primary Legislation | Primary Legislation in effect | | Secondary Legislation Process | | BMA OIS on Group BSCR | | | Report on BMA QIS | Secondary Legislation in effect for C4 & C3B | | | | | Group Trial Run on C4 & C3B | | | | | | | |
| Supervision | | | | SUPV Staff Training on Groups | SUPV Staff Training on Code of Conduct | SUPV Staff Training on C4 Internal Model | | | | | SUPV College | | | | | SUPV Staff Training on Groups GAAP & IFRS Filing | | | | | | | SUPV College | Completion of SUPV Staff Training on C4 & C3B |
| Enforcement and Approved Persons | | | | | | | | | CP & draft legislation | | Legislation | | | | | | | | | | | | | |
| Advocacy | | Bermuda response to CP70 | Launch Advocacy Website | Technical Meeting with CEIOPS | | Publish Revised Roadmap | | | | Possible start of 3rd Country Assessment | | | | | | | | | | | | | | |
| Scope/Equivalence | | Internal Gap Report 1 | | First Draft of External Gap Report (by PwC) | Internal Gap Report 2 | External Gap Report | | Internal Gap Report 3 | | | Internal Gap Report 4 | | | | | Internal Gap Report 5 | | Internal Gap Report 6 | | Internal Gap Report 7 | | Internal Gap Report 8 | |
| Training & Resourcing | | | | Groups Training | | Code of Conduct Training | | | | | L&A Workflow Tools Training | | | | Market Training on Groups GAAP & IFRS Filing | Groups, CISA, BSCR Tools Training | Supervisory Workflow Training | | | | | | | |
| Implementation (Project RAIN efiling) | | | BSCR C4 & C3B | | | Solvency II Taxonomy started | Internal Module Infrastructure | Taxonomy Library and Data warehouse | Taxonomy Recognition Process Started | | | L&A Workflow | Groups, 4+ 3B Long Term, C3SA 4+ 3B | | Groups 3A+Cap, BSCR 3A+Cap, CISA 3A+Cap | Supervisory Workflow | | | | | | Risk, Capital & Solvency Ad Hoc Analytics | |
| Commercial 3As (part of Authorization Project) | | Initial Market Comm. | | CP on ORSA Lite | BSCR-SME Data Call | DC Report, CP on BSCR-SME | | | Market response on BSCR-SME CP | | CP on Groups & Enhanced Disclosure | | | | | Trial Run on BSCR-SME & CISA Lite | ICM GN, Report on BSCR & CISA Lite Trial Run Result | | | | | | BSCR-SME Legislation Process | BSCR-SME & CISA Lite Legislation in effect |

| Project | Jan '10 | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan '11 | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Banking | | | | | | Workflow Tool RFP Closed | Workflow Tool Implement | Workflow tool Technical Training | | Tools Training BTI | PIR | | | | Tools Training Supervisory Process | Banking Supervisory Process Workflow | | | | | | | | Risk, Capital & Solvency Ad Hoc Analytics |
| Collective Investments | | | | | DP | CP Issued | | CP Final | | NAVS, CIS, Trust | | | | | Tools Training Supervisory Process | CIS & Trust Supervisory Process Workflow | Banking Retrofit | | | | | | | Risk, Capital & Solvency Ad Hoc Analytics |
| AML/ATF | Fund Mark, Investment Mgrs, Trust | | Non-Licensed Insurance | Investment Operators, Banks, Money Service Providers | | | | | | | | | | | | | | | | | | | | |
| Corporate Authorization | | | | | | | | | Corporate Auth. Webservice | | | | | | | Corporate Auth. Retrofit | | | | | | | | |

**Remarks:**

GN = Guidance Note
Comm = Communication
ICM = Internal Capital Model

DP = Discussion Paper
DC = Data Call
CISA = Commercial Insurer Solvency Assessment

CP = Consultation Paper
QIS = Quantitative Impact Study
RED = Supported by RAIN Phase I

RED = Supported by RAIN Phase II
RED = Supported by RAIN Internal Models

# Project Portfolio Management (PPM)

◦ PPM is the process and framework to maximize the value of a collection of projects (the portfolio) for an acceptable level of risk

◦ Leading enterprises are adopting portfolio management techniques to gain benefits

◦ Project portfolio management (PPM) is a 5-step process for prioritizing and managing a collection of initiatives

| 1. Define Initiatives | 2. Evaluate Initiatives | 3. Prioritize & Balance | 4. Match Resources | 5. Manage Portfolio |

◦ Process is not purely sequential, but has feedback loops throughout

# Step 1: Define proposed investments in a comprehensive, uniform format

**1** ▷ ▷ ▷ ▷

- ◦ Determine whether to use one- or two-stage evaluation
- ◦ Gather comprehensive data about each proposed and current investment and document using a uniform format
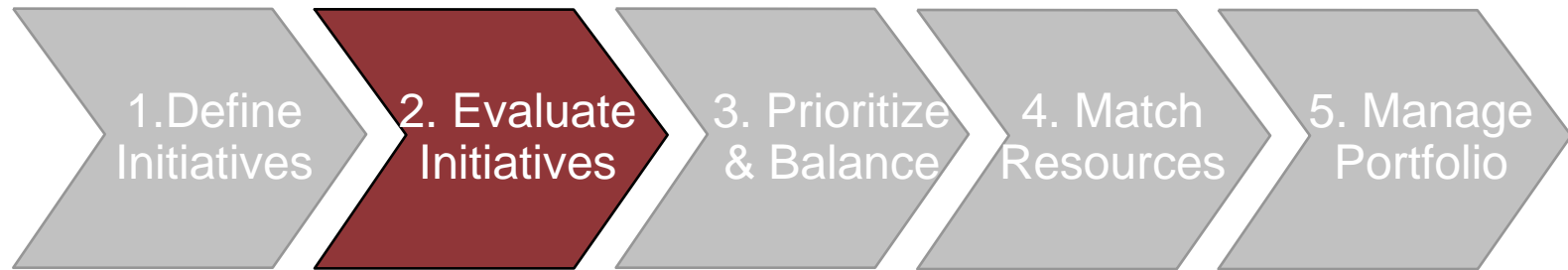
**PRELIMINARY PROPOSAL**
1. Project name/description
2. Business need/objectives
3. Project sponsor
4. Rough cost estimates
5. Rough benefits estimates
6. Fit with business/IT strategies

**BUSINESS CASE**
1. Project name/description
2. Business need/objectives
3. Project sponsor
4. Alternatives
5. Assumptions
6. Cost estimates
7. Benefits estimates
8. Fit with business/IT strategies
9. Implementation strategy
10. Infrastructure requirements
11. Risk factors
12. Project schedule

# Step 2: Create an objective framework to make prioritization decisions

| 1. Define Initiatives | 2. Evaluate Initiatives | 3. Prioritize & Balance | 4. Match Resources | 5. Manage Portfolio |

- ◦ Use logical investment categories to allocate resources
- ◦ Choose clear, objective evaluation criteria
- ◦ Factor-in risk so initiatives can be compared fairly

# Use clear, objective evaluation criteria

◦ Use a combination of financial and non-financial measures

| Focus area | Evaluation criteria | Definition |
|---|---|---|
| **Value** | Business value | The expected business benefits of the investment, usually expressed by business value metrics, such as time-to-market, customer satisfaction, product quality |
| | Financial return | The expected return from the investment; usually a calculation based on the degree to which the planned benefits exceed the estimated investment cost |
| **Alignment** | Strategic fit | Degree to which the investment supports the enterprise's strategic business objectives |
| | Technical fit | Degree to which the investment fits with the enterprise's technical architecture |
| **Risk** | Implementation risk | The risk of implementation being more expensive or taking longer than planned, or of not completing |
| | Operational risk | The risk of not getting the planned benefits from the investment |
| **Other** | Resource Availability Implementation schedule Cash flow requirements | |

# Use clear, objective evaluation criteria
## (cont'd)

○ Use traditional financial measures as one of multiple criteria

| Measure/Format | Definition | Desired Outcome | Pros | Cons |
|---|---|---|---|---|
| Return on Investment (ROI)/ Percent | Comparison of total return to total outlay | Higher than equivalent risk investment | Simple to compute and understand | Does not indicate the magnitude of the investment<br>Ignores time value of money |
| Payback Period/ Months/Years | Elapsed time until outlay is paid back | The shorter the better | Simple to compute and understand | Ignores time value of money |
| Net Present Value (NPV)/ Cash Amount | Current value of future cash flows discounted at risk-adjusted cost of capital | Above 0, the larger the better | Indicates the magnitude of the return<br>Recognizes the time value of money | Poor measure when investment may have a wide array of outcomes |
| Internal Rate of Return (IRR)/ Percent | Rate of return from future cash flows | Higher than risk-adjusted cost of capital | Recognizes time value of money | Does not indicate the magnitude of the return |
| | | | | |

- **Cost estimates should cover full life-cycle costs**
- **Maintain a project repository**

# Use clear, objective evaluation criteria (cont'd)

○ Use traditional financial measures as one of multiple criteria

| Measure/Format | Definition | Desired Outcome | Pros | Cons |
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- **Ensure cost estimates cover full life-cycle costs**
- **Maintain a project repository**

# Factor–in risk so initiatives can be compared fairly

◦ A uniform set of risk types is useful for scoring

| Types of risk | Definition |
|---|---|
| Business/ Economic | Risk that business changes sufficiently so that planned benefits are not attained or the initiative is not used |
| Organizational | Risk that organizational changes preclude the full use of and benefit from the project |
| Technological | Risk that the technology selected does not live up to expectations or is not well-suited to its intended use |
| Execution/ Implementation | Risk that the organization cannot implement the project on time and within budget, or that it fails to develop a workable solution |
| Complexity | Risk of failure due to the magnitude of the complexity involved because of its scale, the degree of change require, or the number of parties involved |
| Operational | Risk that the operating costs of the new system grow to be uneconomic |

- **Many techniques are available for factoring risk into the evaluation process, as well as for mitigating risk**

# Step 3: Prioritize initiatives...

◦ Investment categories can be used to group initiatives with similar characteristics

◦ Scoring model should reflect management

| Evaluation Criterion | Score | Weight % | Weighted Score |
|---|---|---|---|
| Return on investment | 8 | 50 | 40 |
| Strategic fit | 7 | 30 | 21 |
| Probability of success | 5 | 20 | 10 |
| **Project Score** | | | **71** |

# Step 4: Match prioritized initiatives to resources and reprioritize

4

◦ Match initiatives to resources until the resources are exhausted

| Initiative Name | Weighted Score | Estimated Cost ($ M) | Cumulative Cost ($ M) |
|---|---|---|---|
| Initiative M | Mandatory | 2 | 2 |
| Initiative F | 80 | 25 | 27 |
| Initiative C | 74 | 11 | 38 |
| Initiative J | 71 | 31 | 69 |
| Initiative A | 60 | 9 | 78 |
| Initiative E | 53 | 13 | 91 |
| Initiative D | 50 | 20 | 111 |

New initiative budget: $80M

Deferred initiatives

- **Put remaining projects "on hold" for future review or consider adding external resources**
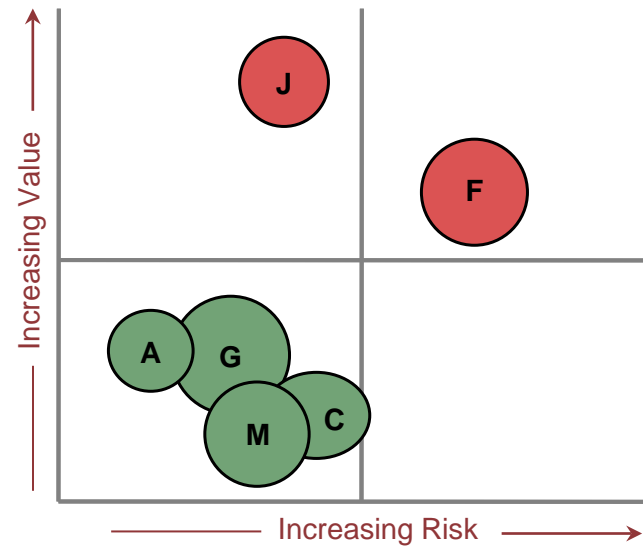- **Re-schedule to accommodate other constraints**

# Step 5: Actively manage current portfolio toward target state

◦ Manage portfolio to optimize the return for an acceptable level of risk
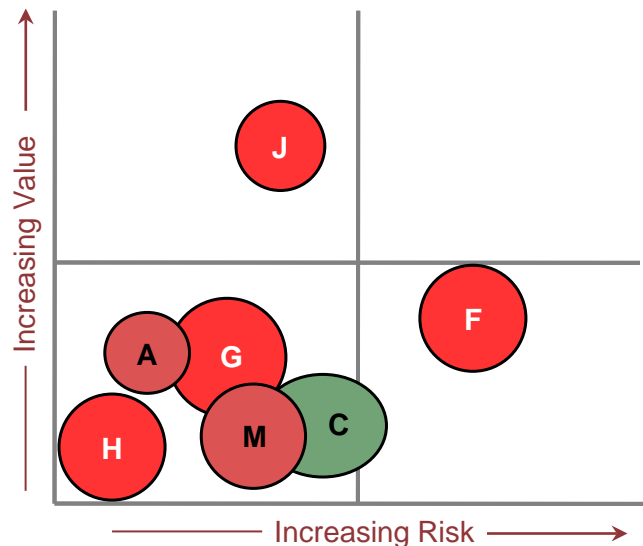


**As-Is Portfolio**

**Target Portfolio**

Increasing Value

Increasing Risk

Size of circle = Project cost     Color = Project health     On target     At risk     In trouble
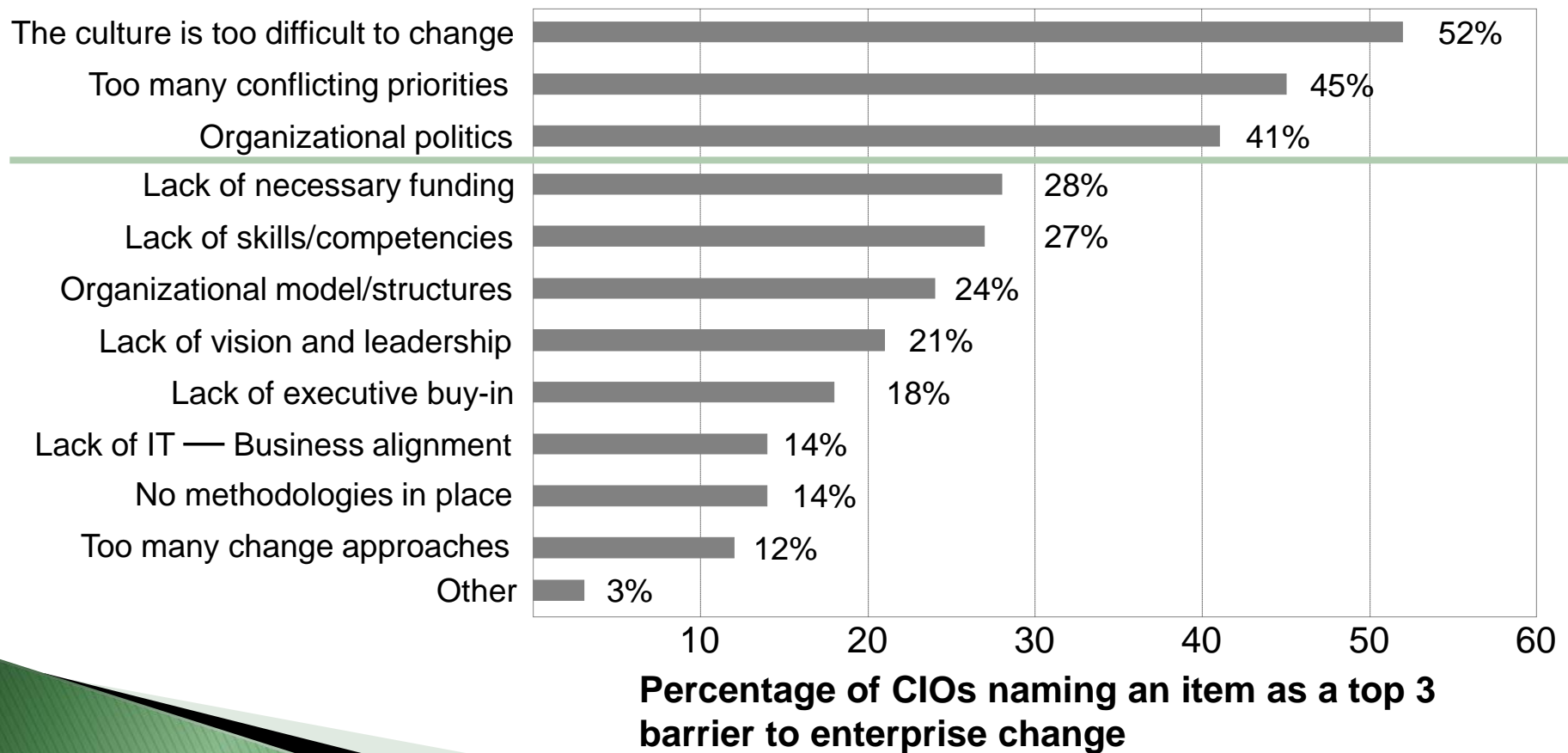
# Key Considerations

1. Establish governance and clear accountabilities

2. Allocate sufficient resources to support the process

3. Ensure the process is disciplined, consistent, and sustained

4. Develop an objective prioritization framework

5. Maintain communication and education programs

6. Support decision-making with tools that make compliance easier

# CIO views on the barriers to enterprise change

| Barrier | Percentage |
|---|---|
| The culture is too difficult to change | 52% |
| Too many conflicting priorities | 45% |
| Organizational politics | 41% |
| Lack of necessary funding | 28% |
| Lack of skills/competencies | 27% |
| Organizational model/structures | 24% |
| Lack of vision and leadership | 21% |
| Lack of executive buy-in | 18% |
| Lack of IT — Business alignment | 14% |
| No methodologies in place | 14% |
| Too many change approaches | 12% |
| Other | 3% |

**Percentage of CIOs naming an item as a top 3 barrier to enterprise change**

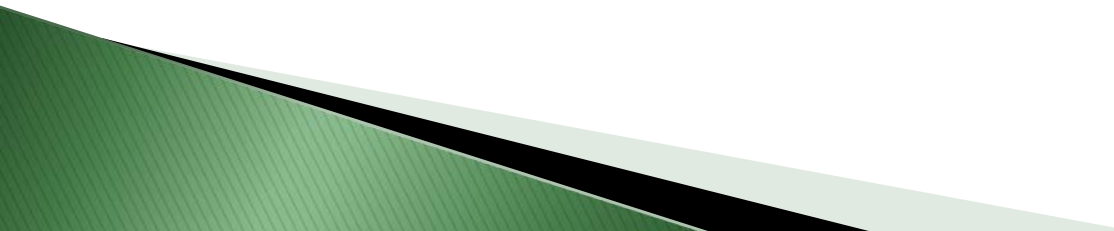# Findings

▸ CIOs know that the "soft side" change issues are the toughest, and it's the thing they're putting the least effort into.

▸ Soft side issues are predictable, so they can be managed — CIOs must learn to do so.

# Client Issues

▸ 1.  What capabilities must CIOs acquire to succeed in enterprise change?

▸ 2.  What kinds of teams must CIOs build to succeed in enterprise change?

▸ 3.  How should CIOs communicate about enterprise change, within and outside the IS organization?

▸ 4.  What steps should CIOs take to overcome change obstacles and ensure that the enterprise sustains its ability to change?

# "Nothing is easy to the unwilling."

▸ – Thomas Fuller

# Leading Change Involves Leading Change Processes, Content and Context

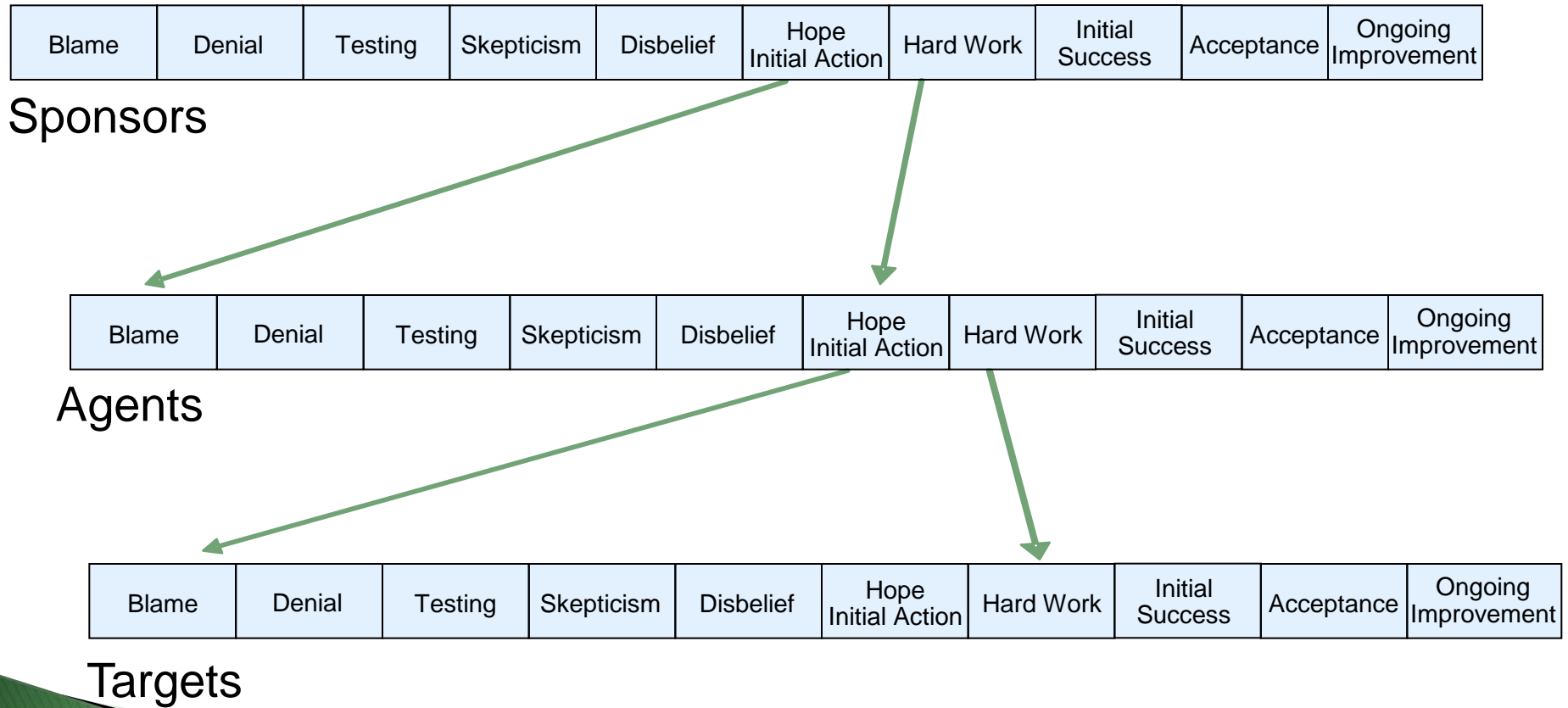| Change Context | Change Process | Compelling Case and Strategy for Change | Design Change Program | Develop and Implement Change | Sustain Improved Performance |
|---|---|---|---|---|---|
| **Change Content** | **People** | Build team<br><br>Build case for change | Define new roles and organizations | Pilot and roll out new roles and organization structures | Install new performance measures aimed at culture |
| | **Process** | Acquire change methodology | Define new business process | Pilot and roll out new business process | Implement continuous improvement |
| | **Technology** | Examine architecture and infrastructure | Select and test new technology | Pilot and roll out new technology | Implement ongoing support |

# Participants in Enterprise Change Follow a Predictable Cycle of Change Resistance and Adoption

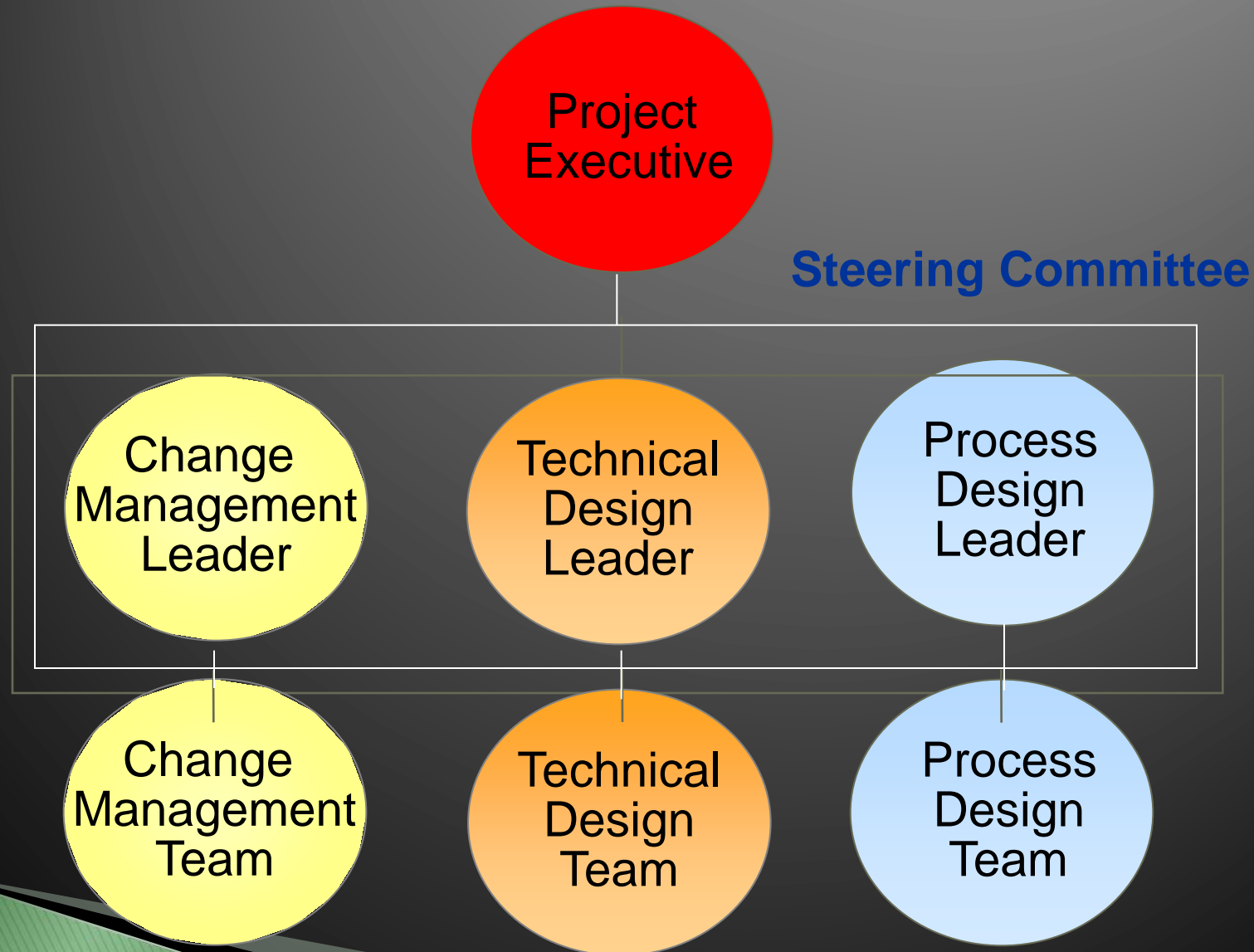| Stage | The Enterprise Context | Struggle | The Individual Response |
|-------|------------------------|----------|-------------------------|
| 1 | Something is wrong in the enterprise. | Blame | "Yes, but its not my fault, 'they' caused it, let 'them' change. |
| 2 | Something has to be done. | Denial | "Oh, the problem is not that bad. We are doing the best we can and changing would not make it better." |
| 3 | Doing something will be hard work, there is not quick fix to address the issue. | Testing | "I am lost. I know we have to do something. I don't know how to change." |
| 4 | We have an idea that could work if we give it a chance. It's new so we are going to have to change. | Skepticism | "This is not new. I can wait it out. If I ignore it then it will go away. |
| 5 | Making this change is a priority even thought it will create some discomfort. | Disbelief | "I do not believe that this change is for real, even if others do. If it does not work out, how will it impact me?" |
| 6 | The enterprise is committed and ready to dedicate resources to implementing the change. | Hope Initial Action | "I am willing to go along, now that I can see the commitment. I hope that there will be follow-through." |
| 7 | The enterprise is taking action to implement the change and new responsibilities are clear and supported. | Hard Work | "This is not a temporary thing. I'll need to invest in learning new tools, skills and behaviors — I'm changing." |
| 8 | The early actions are yielding results. The enterprise is putting more resources behind the effort. | Initial Success | "It's working because I am part of the change. I am willing to accept additional levels of change. |
| 9 | The enterprise is making its business case for change and new ways of working are becoming standard. | Acceptance | "This is going to work and I am part of that success!" |
| 10 | The enterprise is learning from its results and making continuous improvements. | Ongoing Improvement | "I knew it could be done, I am part of the success and I am ready to change to make things better." |

# Sponsors, Agents and Targets Progress Through the Change Struggles at Different Times and Rates

| Blame | Denial | Testing | Skepticism | Disbelief | Hope Initial Action | Hard Work | Initial Success | Acceptance | Ongoing Improvement |
|---|---|---|---|---|---|---|---|---|---|

Sponsors

| Blame | Denial | Testing | Skepticism | Disbelief | Hope Initial Action | Hard Work | Initial Success | Acceptance | Ongoing Improvement |
|---|---|---|---|---|---|---|---|---|---|

Agents

| Blame | Denial | Testing | Skepticism | Disbelief | Hope Initial Action | Hard Work | Initial Success | Acceptance | Ongoing Improvement |
|---|---|---|---|---|---|---|---|---|---|

Targets

▸ "Never doubt that a small group of thoughtful, committed citizens can change the world."

▸ – Margaret Mead

# CIOs Build a Multi-Disciplinary Team, Drawing on Resources Within and Outside IS

**Project Executive**

**Steering Committee**

**Change Management Leader**

**Technical Design Leader**

**Process Design Leader**

**Change Management Team**

**Technical Design Team**

**Process Design Team**

▸ "Some people change when they see the light, others when they feel the heat."

▸ – Caroline Schoeder

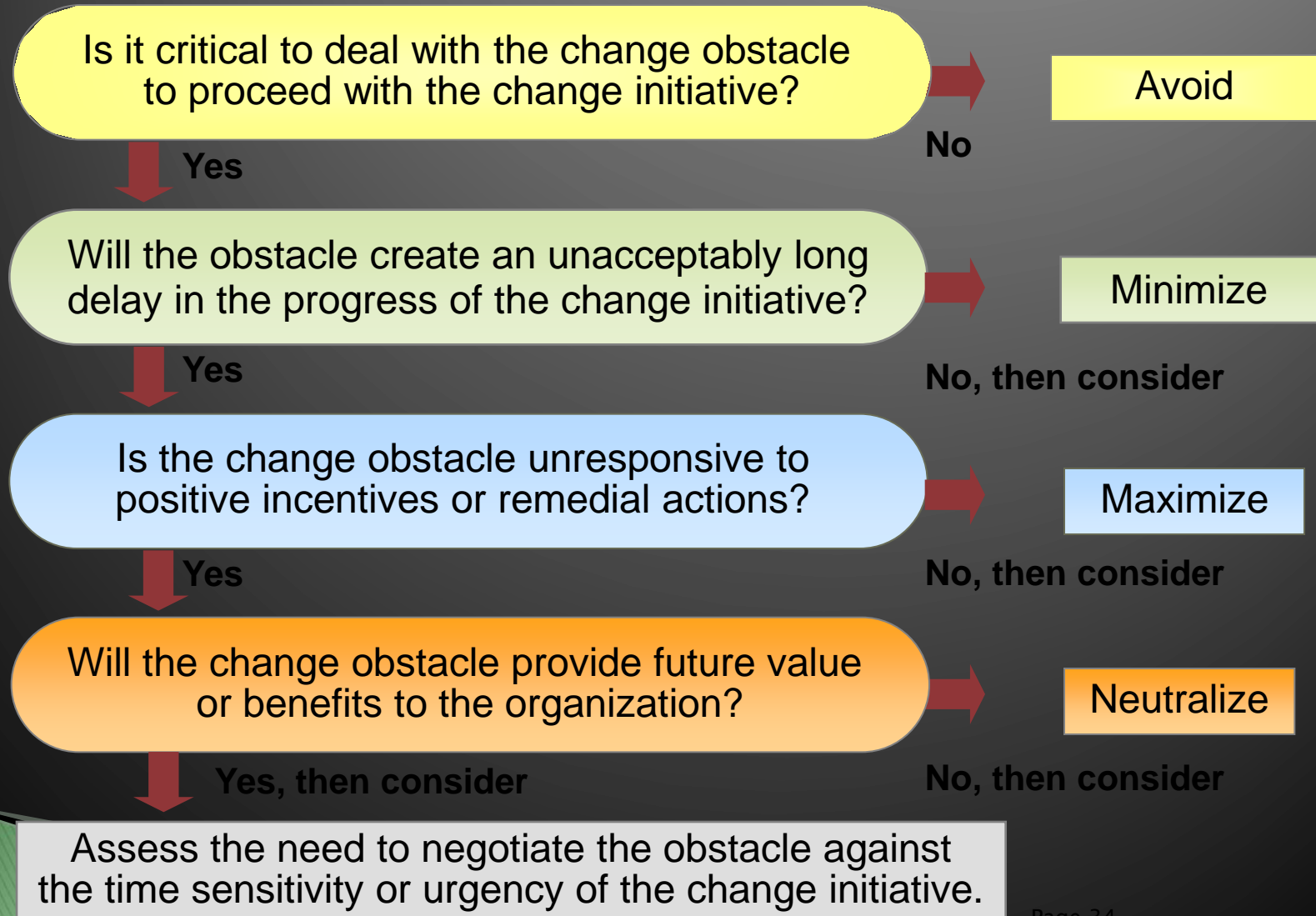# Create a Communication Plan Keyed to the Change Struggles

| Change Struggle | Audience | Messages | Who Delivers | Channel | When Delivered | Primary Feedback Mechanisms | Supporting Materials | Accounta-bility for Messages and Collateral |
|---|---|---|---|---|---|---|---|---|
| Denial | BU, department, team levels | "There is no alternative to change. All of us must be ready to change, including you and me. We will work together to define change. The results we're seeking are…The overall plan is…" | Sponsor; BU and departmental leaders; CIO | BU and departmental presentations and forums ATC, e-mail, Web site | First 60 days | Live feedback, E-mail drop for BU manage-ment, Web site | Corporate performance data, presentations | Executive team, BU leaders, CIO |
|  | Key individuals | "You are important to our success, and we will help you succeed. Here's the role we want you to play. Are you on board?" | BU, departmental team leaders | Personal conversations | First 60 days | Personal conversations | List of key individuals | BU, departmental team leaders |

# Negotiate Obstacles to Change Using Four Strategies and Tactical Toolsets

| Strategy | Tactics | Risks | Implications |
|---|---|---|---|
| **Avoid** | Communicate and Plan: **Create a stakeholder map to identify potential allies, neutrals and challengers in advance.** | **Don't mistake an individual's enthusiasm for ability to support the change initiative.** | **Stakeholders may begin as allies, neutrals and challengers, but may shift positions over time. Monitor support as it evolves.** |
| **Minimize** | Use "Carrots": **Use performance management programs and metrics to drive change.** | **Performance management programs can create a negative "punishment" culture when over-applied.** | **Reward systems must be used in conjunction with other tools to generate high performance.** |
| **Maximize** | Influence: **Use influential allies to help drive the change effort throughout the organization.** | **Know when it is no longer possible or advisable to convert challengers to allies.** | **Decide how much support for the change effort is "enough."** |
| **Neutralize** | Apply "Sticks": **Fire or move personnel who actively resist the change program.** | **Elimination of staff can create a negative tone in organizations when over-applied.** | **Strong action is sometimes required to demonstrate the CIO's determination to proceed with the change program.** |

# The Nature of the Obstacle and the Desired Rate of Change Determine Your Obstacle Strategy

Is it critical to deal with the change obstacle to proceed with the change initiative?

**No** → Avoid

**Yes** ↓

Will the obstacle create an unacceptably long delay in the progress of the change initiative?

**No, then consider** → Minimize

**Yes** ↓

Is the change obstacle unresponsive to positive incentives or remedial actions?

**No, then consider** → Maximize

**Yes** ↓

Will the change obstacle provide future value or benefits to the organization?

**No, then consider** → Neutralize

**Yes, then consider** ↓

Assess the need to negotiate the obstacle against the time sensitivity or urgency of the change initiative.

- "If you focus on results, you will never change.
- If you focus on change, you will get results."

  - – Jack Dixon

► "When the music changes,
► so does the dance."

► – African proverb

# Look Before You Change

## Leadership

Executive team members have committed personal and corp. resources to change ☐

Executive team has articulated clear external case for change throughout enterprise ☐

Desired outcome (response to external case) is clearly defined ☐

CIO role is agent unless CIO has support of exec. team and necessary authority to sponsor ☐

## Business/IT governance

Governance arrangements cover all organizational units affected by change ☐

Affected managers at enterprise and BU levels are active participants in governance ☐

## Team

"A" business and IT players are assigned full time to team ☐

Influential supporters and resisters are identified at every level ☐

Team includes experienced internal or external change management experts ☐

## Methodology

Change plan is based on tested change methodology whose scope includes systems, processes, and people ☐

Two-way communication plan based on change struggles is in place ☐

# Recommendations

- Start focusing on the soft side — it is the weakest link for most CIOs

- Understand your role in enterprise change — choose wisely

- Build a team with process, technical *and change* expertise

- Expect obstacles and resistance and plan for them

- Use communications targeted to the change struggles

- Build a permanent home for enterprise change expertise

# Discussion



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