



ICM

SEPTEMBER 2015

MANAGEMENT OF CHANGE – PRE-ISSUED CASE STUDY & GUIDELINES

Important notes for candidates regarding the pre-issued case study

The case study is designed to assess knowledge and understanding of the Management of Change syllabus in the context of the relevant case study. The examiners will be marking candidates' scripts only on the basis of the questions that have been set. Candidates are advised to pay particular attention to the mark allocation on the examination paper and to plan their time accordingly.

Candidates should acquaint themselves thoroughly with the case study and be prepared to follow closely the instructions given to them on the examination day. Candidates are advised not to waste valuable time collecting unnecessary data. The cases are based upon real-life situations and all the information about the chosen organisation is contained within the case study.

As this case represents real-life situations, anomalies may be found in the information you have before you. Therefore, please state any assumptions you make that are reasonable when answering the question. Remember you are going to be tested on your overall understanding of the case issues and your ability to answer the questions that are set in the examination.

In order to prepare for the examination, candidates will need to carry out a detailed analysis of the case material ahead of the examination. Candidates have sufficient time during the examination to answer all the questions, but this means that detailed analysis has taken place before commencing the examination. The examiners are looking for clear evidence that candidates have a good understanding of the case and can use the relevant course ideas from the syllabus to answer the questions.

The copying of pre-prepared 'group' answers, including those written by other third parties, is strictly forbidden and will be penalised. Thus, questions will demand analysis in the examination itself and individually composed answers are required in order to pass.

Candidates are only allowed to take up to two pages (four sides) of A4 notes into the examination room. These notes should be attached to the script at the end of the examination and returned.

A copy of the pre-issued case study material will be available in the examination. Candidates are NOT permitted to take into the exam the downloaded case study or any other notes. Candidates should not attach any other additional information in any format to their answer book. Any attempt to introduce such additional material will result in the candidate's paper being declared null and void.

The examination will be for **THREE HOURS** and will consist of **TWO** parts.

Part A comprises **FOUR** compulsory short answer questions and is worth **40%** of the final mark. **These questions are not specifically related to the case study.** It is recommended that you spend approximately **ONE HOUR** on Part A.

Part B comprises **THREE** compulsory questions related to the pre-issued case study that you will have analysed before entering the examination room. This part is worth **60%** of the final mark. It is recommended that you spend approximately **TWO HOURS** on Part B, which includes planning and checking your answers.



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MANAGEMENT OF CHANGE CASE STUDY – THE NATIONAL RETIREMENT SCHEME

The National Retirement System (NRS) contracted with GITEX to develop and implement a new pension administration solution. Although the project began with excitement and the overwhelming support of the NRS staff, these waned over time as the challenges of the transition became increasingly difficult to manage. Recognising the need for professional assistance, executive project leaders from the NRS and GITEX implemented a formal Change Management (CM) strategy. This CM strategy succeeded in helping both the NRS and GITEX mitigate project risks and move forward.

In 2012, the NRS partnered with an outside consulting firm to evaluate the organisation's ageing IT infrastructure and identify opportunities for improvement. The result was a five-year 'Strategic Technology Plan' that, when implemented, would enable NRS to enhance customer service, reduce operating costs, and achieve long-term business objectives through improved technology. At that time, total staff consisted of forty-five people and they served more than 140,000 active and retired members. The updated technology was eagerly anticipated.

The most critical aspect of NRS's plan was the successful replacement of the organisation's then 30-year-old pension administration system. Procurement began in 2010 and the project began in 2012. The requirements for the new system were ambitious and included:

- Integrating all existing and disparate IT systems to facilitate a seamless sharing of data and information
- Tightening of internal security controls to protect data
- Eliminating reliance and dependence upon single individual(s) for programming and internal system changes
- Providing information electronically to, and from, local governmental entities and retirement boards
- Implement web self-service to allow submission of data to and from members and employers

A formal procurement process yielded proposals from several bidding firms. After a thorough evaluation, NRS selected GITEX, a leading IT consulting firm serving the public pension industry – as the best option for modernising their organisation's information technology. GITEX possessed a strong track record of success, having implemented their 'Penserve' pension administration software on time and within budget for multiple retirement agencies. In 2012, with widespread excitement and support across both organisations, NRS and GITEX together launched the project.

Project Begins, Challenges Emerge

The project kicked off with strong momentum. Project participants were excited about the prospect of new software that would improve their ability to serve customers, respond to legislative and business rule changes, and evolve their infrastructure as time went on. Initial project planning had gone well. NRS employees were adjusting to their new roles. Everyone felt confident about the project's success.

Yet it wasn't long before the organisation began to feel the effects of large-scale change. Staff showed signs of fatigue. Eagerness and excitement were replaced by a cloying sense of doubt and frustration. Employees began asking themselves: *Will this new system really provide us with the benefits as promised? Is it worth the extra effort?*

Strain bore heavily on all staff members, particularly those on the project who were still trying to attend to their own day-to-day responsibilities, and those who absorbed the extra workload of co-workers increasingly preoccupied with the project. Subject matter experts struggled to prepare for design sessions. Whether due to miscommunication or a lack of it, the rumour mill began to churn, and messages like these began to circulate: *What if I can't figure this stuff out? Will I still have a job when this new system is in place?*

NRS's Senior Management team worried about the general morale in the office. Physical and budgetary constraints had forced an early decision not to increase staff for the project. The Executive Director feared he would not be able to keep up with daily operations, and a growing sense of frustration threatened the retention of capable staff members. The two programmers who had created NRS's legacy system were only able to participate on a part-time basis. The project goal NRS had worked so hard to achieve seemed at risk. It was clear something had to be done.

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Seeking Help to Manage Change

With roughly 40% of the project complete, NRS's Executive Leadership took action to mitigate any further risks related to the 'human component' of their project. Together with GITEX, they implemented a Change Management (CM) strategy that would guide the NRS organisation to a successful conclusion.

The first part of this CM strategy involved bringing in a certified Change Management Consultant to serve on the project. From the start, the consultant worked closely with project managers to develop an integrated strategy aimed at helping them reach milestones on time and on budget. Together, they mapped transition-related risks and produced a detailed plan that balanced the need for strong leadership, project management and change management.

The Process

The Change Management process began with a Needs Assessment. The assessment involved distributing online surveys for staff and management, interviewing NRS's Executive Leaders and holding focus groups with staff members, both in and outside of the project. The assessment sought insight into a full complement of issues and potential challenges faced by the project and the organisation.