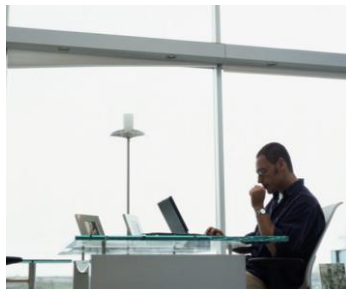# Post-Implementation Audit

Change Management
A Highlands Group White Paper Series

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Post-Implementation Audit

Implementing a change effort generally creates significant alterations and shifts in an organization—changes in the organizational structure, systems, processes, and simply "how we do things around here." Inevitably, many day-to-day adjustments will need to be made during implementation, despite adequate preparation and effective change leadership.

The post-implementation audit is a comprehensive assessment conducted after a change initiative is "live." It provides real-time data for leaders and employees to determine what refinements need to be made to fully implement the change. The purpose of a post-implementation audit is to evaluate the success of the implementation and to determine if the organization has achieved the results defined in the business case for change. Specifically, leaders want to learn:

- What is working and why?

- What is not working and why?

- What modifications need to be made to the original design?

- What modifications need to be made to the implementation?

- What results are we seeing in areas such as customer satisfaction and process performance (e.g., cycle time, inventory reduction, etc.)?

One of Murphy's Laws states, "If everything appears to be going well, you have obviously overlooked something." To avoid "overlooking something," we suggest that you conduct a post-implementation audit at least monthly for the first quarter after the official "go live" date, then every 3 months in the second through fourth quarters.

A post-implementation audit includes the following four steps:

1. Assess the results.
2. Assess organizational alignment.
3. Modify the implementation plan.
4. Communicate, celebrate, and reward.

1. Assess the Results

Leaders implement change to achieve certain quantitative and qualitative results. The purpose of this step is to determine if those results are being achieved in areas such as:

- Customer satisfaction, productivity and profitability, employee satisfaction, and performance indicators.

- Culture, including behaviors, feelings, and knowledge.

- Change implementation, including speed, effectiveness, and cost.

•   Product/service excellence.

Tasks

The worksheet below provides a useful framework for assessing the results of the change initiative. We have included different types of measures and categories as an example. Change leaders can use this worksheet to determine the evaluation criteria to use during a post-implementation audit and to summarize target results, actual results, and action plans/suggestions for improvement.

Results Worksheet

Evaluation Criteria	Targeted Results	Actual Results	Action Plan/ Suggestions
Organizational: • Customer satisfaction • Productivity and profitability • Employee satisfaction • Partnership with suppliers			
Process performance: • Inventory reduction • Cycle time • Defect rate • Cost per unit • Productivity • Flexibility • First-pass quality			
Culture: • Behaviors • Feelings • Knowledge			
Implementation: • Speed • Effectiveness • Cost			

Evaluation Criteria	Targeted Results	Actual Results	Action Plan/ Suggestions
Product/service: • Quality • Quantity • Cost • Timeliness			

2. Assess Organizational Alignment

People in high-performance organizations need to become savvy systemic thinkers; they need to understand that organizations are perfectly designed to get the results they are getting; and they need to ensure complete alignment among all the systems, processes, and structures. When changes do not achieve the expected results, it is most likely due to misalignment.

In this step, change leaders assess the design choices for alignment or misalignment and identify the root causes of any problems (e.g., design errors, implementation problems, or unrealistic implementation estimates).

For example, during implementation, change leaders must continually be aware of the alignment between:

- The requirements of the customers and other stakeholders.

- The goals and objectives to meet those requirements.

- The organizational systems to track, measure, and report the results.

The Organizational Systems Design (OSD) Model is a tool to help leaders understand the organizational elements that create alignment.

The Organizational Systems Design Model
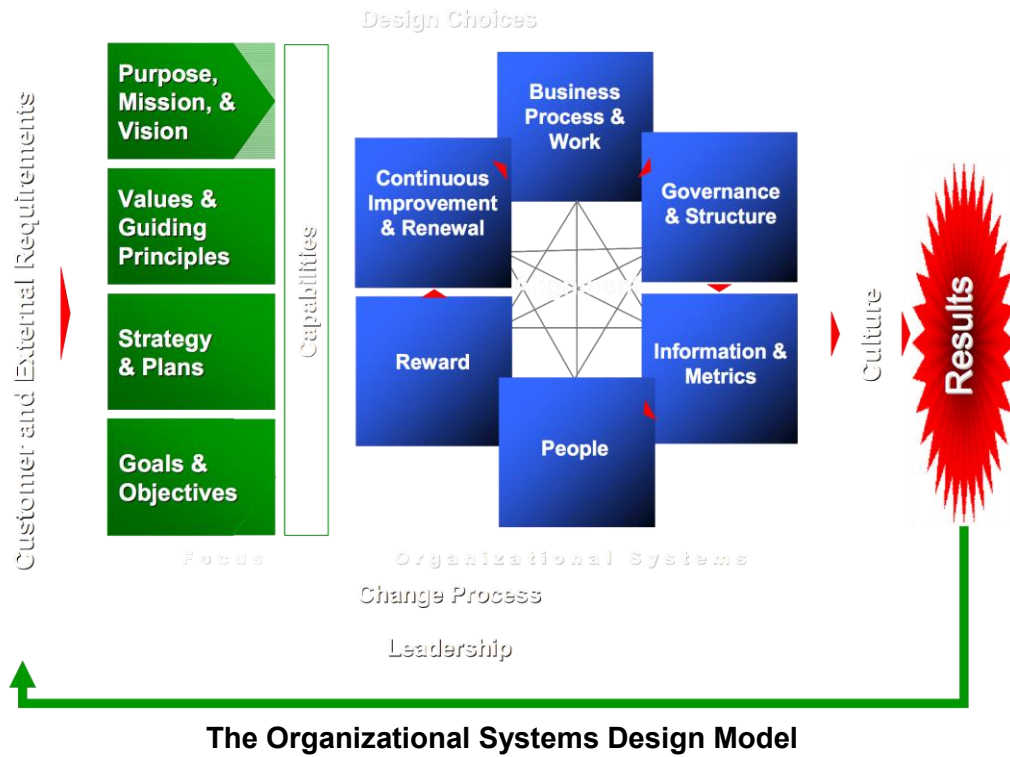
Tasks

Assess organizational alignment by using the OSD Model to identify misalignments and their root causes. Ask the following questions:

- What are employees doing and talking about? How do they feel about the organization, the leaders, and their work? Have they embraced the new changes?

- What are customers, influencers, and stakeholders of the organization saying? Are we meeting their requirements and expectations?

- Are the vision and mission of the organization well known and understood throughout the organization? Are employees engaged around the vision and mission?

- To what extent do leaders and employees live the values of the organization?

- To what extent is the organization committed to the strategy?

- Are the goals and objectives well known throughout the organization?

- Are the work processes functioning smoothly in the organization?

- Are people clear about their roles, responsibilities, authorities, and accountabilities?

- To what extent does the structure foster or inhibit decision-making and the dissemination of information?

- What information is missing that people need to do their work?

- What skills and capabilities are missing that people need to do their work?

- Are employees compensated in a way that drives desired results?

- To what extent are top leaders continuing to sponsor and lead the change effort?

- What are the invisible fences or hidden constraints within the organization?

- Are project management competencies in place to ensure successful implementation?

- How well is our continuous improvement and renewal process working to identify improvements?

3. Modify the Implementation Plan

When making design and implementation decisions about the future, individuals and teams often have to make assumptions based on limited data. This step focuses on modifying the implementation plan based on new data and analysis after the changes have been "live" for a few months.

Tasks

Complete the following tasks to modify the implementation plan:

1. Summarize your findings from step 1 (assess the results).

2. Summarize your findings from step 2 (assess organizational alignment).

3. Brainstorm modifications to the implementation plan.

4. Review the OSD Model to understand how your recommendations may affect the alignment of various elements.

5. Finalize the changes and communicate them to the organization.

6. Integrate your recommendations into the implementation plan.

7. Implement the changes.

The table below gives a simple example to show how to summarize findings and recommend improvements.

Results Worksheet

Evaluation Criteria	Targeted Results	Actual Results	Action Plan/ Suggestions
Organizational:			
• Customer satisfaction	4.5 of 5.0	3.5 of 5.0	1. Set up customer meetings to understand issues.
• Productivity and profitability	High; $324 M	Low; $300 M	2. Conduct site reviews and modify productivity improvements.
• Employee satisfaction	4.5 of 5.0	2.5 of 5.0	3. Review results with employees during the communication forum on Oct. 21-28.

4. Communicate, Celebrate, and Reward

Communication from change leaders is critical during implementation. Employees want to know if the business case for change still makes sense, if they are achieving the future vision, and if results are improving. In addition to receiving information, they also want to continue engaging in dialogue with leadership. They want two-way communication to tell their stories and make suggestions for improvement. This kind of communication gives all stakeholders assurance and encouragement during ongoing change.

Tasks

We have found that successful communication during implementation builds on the Message Hierarchy Model from your communication strategy and plan. (Refer to the Communication Strategy and Plan white paper for more information.) Minor modifications to the five core messages ensure successful implementation and provide information that employees generally want to know:

- **Vision:** What progress have we made toward the ultimate vision?
- **Case for change:** What progress have we made toward the reasons for change?
- **Change description:** What modifications need to be made to the change effort?
- **Implementation approach:** How are the changes rolling out?
- **Impact on organization and people:** How have the changes improved the way individuals work and the overall results of the organization?

Message Hierarchy Model

Leaders should publicly recognize and reward employees and other stakeholders who have gone above and beyond the call of duty. Success stories and praise are critical for changing behavior and reinforcing performance.

Conclusion

The purpose of a post-implementation audit is to evaluate the success of the implementation and to determine if the organization has achieved the results defined in the business case for change. During the audit, change leaders will find many things that are going well. Communicate and celebrate those things. Reward employees who have been involved in the success.

Leaders will also find implementation plans that have not worked as designed and have not met expectations. Do not despair. Inevitably, many day-to-day adjustments will need to be made. If change leaders assess current results, determine the root causes of problems, make appropriate changes, and continually communicate, the organization will soon reap the rewards of the change effort.

French Philosopher Henri Bergson said, "To exist is to change, to change is to mature, to mature is to go on creating oneself endlessly." The post-implementation audit is not the end. Instead, great leaders help their organizations continue to change and improve into the future.

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