walk me

E-BOOK

HOW TO CREATE A PAINLESS SOFTWARE CHANGE EXPERIENCE IN THE FINANCIAL SERVICES INDUSTRY

TABLE OF CONTENTS

INTRODUCTION

Continuous, unrelenting change is now the norm in the financial services and insurance industry. Operating under the microscope and the ever-changing rules of the regulators is not the only challenge. Ceaseless innovation of products to cater for increasingly sophisticated clients and changing markets means that software and systems are now a critical risk and change area. This rate of change has accelerated even more since JP Morgan Chase attributed a US$6 Billion loss to a spreadsheet problem (Cavanagh et al, 2013). Firms in the sector are driving hard to replace such risky user-configured tools with robust and secure applications.

Whether it is replacement or upgrade, companies are looking for each and every software change process to deliver improved efficiency and profit from to bottom of the value chain. This process is, of course, replete with its own set of risks – not all associated directly with the software itself. The effectiveness of agents, brokers, claims representatives, call centers, back office staff and in-branch personnel all depend on the rate at which they can adapt to the change of software and systems, and on how efficiently they use it after the change process is formally completed.

Conundrum - Training Investment

This aspect of change management presents companies with a conundrum. Training employees incurs significant costs, both direct and indirect. Aharonovitz (2010) clearly showed that in countries with dynamic labor markets there was a reluctance to invest in training and a preference to recruit people who were already trained. Certainly, the professional licensing system in banking, insurance and other financial services enables a relatively

high degree of job mobility and therefore the temptation to "show them the software on the job" can be high – with inevitable consequences.
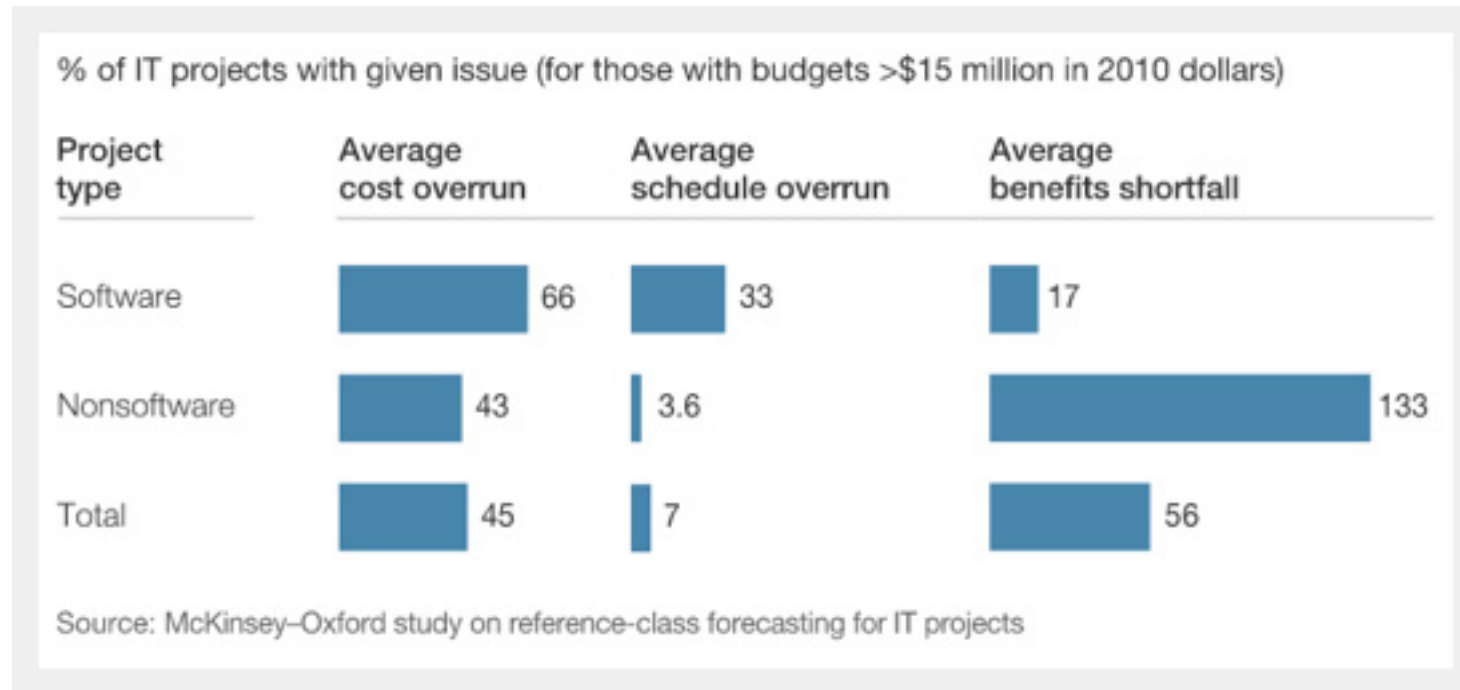
In order to maintain a given service level during the change process, additional resources have to be deployed to compensate for the training downtime of existing employees. It is not unusual for companies to muddle through in this respect, with service levels taking a temporary hit and employees receiving less than satisfactory training. The results are all too predictable and the ROI of the replacement application never achieves its planned level; and of course, the temporary drop in service levels will have an impact on customer perception of the company brand. Sales may be lost or slip out further into the future.

An often quoted (though not universally agreed upon) statistic is that within the first 48 hours of employees attending a traditional training or learning event, their knowledge retention drops to 33 percent. That is 2/3 of the investment written off within 48 hours. The precise numbers are argued over by researchers, but there is no doubt about its existence, neatly termed *forgetting*.

The classical training model is now outdated and Performance Support embraces training in a holistic approach to employee learning and speed-to-competence, a key measure of training success.

It's Not the Software

Project failure rates in large projects are not usually due to the software. There are many other issues which lead to problems, as a McKinsey-Oxford (2012) study reported:

% of IT projects with given issue (for those with budgets >$15 million in 2010 dollars)

Project type	Average cost overrun	Average schedule overrun	Average benefits shortfall
Software	66	33	17
Nonsoftware	43	3.6	133
Total	45	7	56

Source: McKinsey–Oxford study on reference-class forecasting for IT projects

Note the average benefits shortfall – relatively small for software, but huge (there's really no other word for it) for "non software". It is the benefits shortfall that is a major hit on ROI, and it's not the software that is to blame.

This white paper will look at how the concept of performance support can help to overcome this challenge as part of the change management function. Performance support is based on the premise of supplying a software user with all information and guidance relevant to the task and data in process – immediately and seamlessly; it is provided precisely when needed and without needing to contact a help desk or access any other resource.

3 KEY CHALLENGES OF SOFTWARE CHANGE MANAGEMENT

Getting it right in change management is obviously a worthwhile objective. Gottfredson (2013) reported that:

'Cigna [US Health Insurance provider] saw an accelerated adoption of their PS solution with an 84% daily utilization resulting in a 6% productivity increase, and a $2,375 cost savings per employee per year.'

Challenges

Three key challenges of software change management are:
- Controlling the technical risk of the change.
- Controlling the human and process risk of the change. In most financial services companies these are tightly interlinked. Much of the de-skilling has already taken place.
- Maximizing the business benefits of the change. This involves the delivery of the benefits realization plan objectives, particularly those relating to the current financial year when there can be little time to recover from slippage if front-office financial targets are to be achieved.

The latter two challenges are intimately linked and it is essential that the objectives of the change strategy are formulated and managed with that in mind.

If the business's staff do not get up-to-speed with the change in the time allowed, then the impact can be very serious.

The UK's Cooperative Bank was brought to its knees in 2013 by an over-ambitious IT project. This is what the Harvard Business Review (2014) said in its review of the official report into the fiasco:

'Are we getting the benefits? Surprisingly, this is the question that receives the least attention in most enterprises: Few measure or assess whether expected benefits have been delivered. This question also cannot be delegated to the CIO. In ensuring that expected benefits are realized and sustained, the CEO must be the person accountable for maximizing value from the portfolio of business-change investments'.

Objectives

Based on these challenges, the key objectives for a software change process (above and beyond the obvious technical change objectives) should be:

- To maximize speed-to-competence at minimized cost - this is the basic conundrum faced by executives.
- To effectively control risk – in people as well as process.
- To recognize resistance to formal change management and to use activities within change management specifically targeted to overcome that resistance. This is a recursive approach which is almost unique across the portfolio of everyday management processes.

Gartner (2014) argues for approaches other than training:

'However there are far more effective and efficient approaches than training that address this challenge of improving 'speed-to-competence'. It's just that they seem to be out of the range of vision of many L&D [Learning & Development] practitioners'.

Whether it is a completely new system, an upgrade or a re-configuration, there is change and there are employees who have to adapt to that change, and all the while the business momentum must be maintained. So, what approach is best given that the classical training model is now seen as outdated because of forgetting?

Traditional Training versus Performance Support

The key attributes of these different approaches are substantially different and most readers will immediately project those onto their own environment, perhaps considering how different things might have been in earlier projects if the performance support approach had been taken.

Attribute	Training	Performance Support
Purpose	Learn a new skill/ enhance a previous skill	Apply a skill, solve problems or change performance practices
Timing	Typically driven by a new job scope	User need driven
Availability for User	A fixed amount of time away from desk	When and where needed, small bites, no 'down time', immediate context sensitivity
Outcome	Improved/acquired skill and knowledge	Completed work tasks

The differences are significant and salient.

Take a hypothetical case where a client services officer at a credit card company is discussing a potential increase in a credit card limit with a client. It happens that there is an almost unique set of financial factors and client circumstances to consider in this case, and the company's rules have changed. Previously, the desk instructions or screen would have said 'Refer to Supervisor'. Now, the performance support system clicks in and the correct response is there immediately for the officer.

How did this come about? Two months previously, another officer had encountered a very similar issue. The learning from resolving that issue was fed back into the performance support system and was thereafter available immediately to all users. This did not require reconfiguring of the core application/credit scoring system (just a simple manager change to the specific process in the Performance Support system). The supervisor's override was not required as the response was within the officer's authority limit.

The client services officer had seamless and immediate access to the solution, without having to put the client 'on hold' while referring to a supervisor. Clearly, there were positive outcomes for all parties.

Performance Support software has a number of features specifically designed to help employees get to grips with new software configurations. Using the example of WalkMe, features include:

Walk-Thrus are a series of interactive tip-balloons overlaid on the screen. These balloons help users act, react and progress through their business process

Interactive to user actions, directing any user action, such as clicking, hovering, typing, refresh or a time-based action; customisable to fit any user task.

Analytics and Goals will identify if a process was fully completed or if the task was performed completely; identify process choke points.

Automatically adapt to site layout changes, so no process to change traditional tutorial videos; automatic adaption to device and screen.

HOW PERFORMANCE SUPPORTS BRINGS CLEAR VALUE TO ENSURING SMOOTH SOFTWARE CHANGES

In the introduction we mentioned the recursive requirement of change management – just the use of the term sends some people to the defensive barriers. Here is what McKinsey (2012) said about change management in one successful large scale project:

To ensure the smooth start-up of new front-end and core systems that more than 8,000 people would use, one company team launched a massive—and successful—change-management program. The program included a regular newsletter, desktop calendars that highlighted key changes and milestones, and quarterly town-hall meetings with the CEO. The team made sure all top business-unit leaders were involved during the user-acceptance phase. The company included at least one change agent on each team. These agents received training that instilled a clear understanding of the benefits of the IT change. The actions helped the company to verify that it had the required business capabilities in place to make full use of the technology being implemented and that it could deliver the business value expected in the overall project business case.

For "business capabilities" read "skills, knowledge and capability". Now, we have a new breed of software - performance support software - that streamlines the skills/knowledge building process while taking process cost out and adding valuable ongoing real time job support.

New tools such as [WalkMe](#) provide such performance support capability, even with cloud enablement. Going beyond that, the tools are also capable of providing metrics to managers, so that the performance support process can itself be further tuned to users' needs and process bottlenecks can be identified.

Typically the change management process engages team leaders (change agents as McKinsey calls them) in the demonstration of performance support software during internal 'roadshows' and in the relatively simple configuration process (aligning the software with specific tasks).

During training, many users do not raise questions for fear of being thought of as incapable (or at least slow) of understanding the process or concept. Performance support software avoids this entirely by being available as needed on the job without users needing to ask questions from supervisors or the help desk. It will give users confidence in the software change process.

These performance support applications are now being adopted for major projects, in the financial service industries and beyond. For example, Western Union recently carried out a roll-out of Salesforce.com, and after using WalkMe reported increased adoption levels among employees.

CONCLUSION

Pressure for change is unrelenting. For those who disagree, it's worth remembering that there is still too much reliance on outdated – even ancient - systems, as the Financial Review reported in 2013 (Kehoe and Thomson, 2013):

'It seemed harmless enough at the time. Stockbrokers at Macquarie Group's personal investment advisory business had been sloppy with their paperwork so the records of their dealings with private clients were far from best practice'.

Change was forced on Macquarie by the regulatory authorities.

Companies must gear up even more highly for change management as the rate of change accelerates and the degree of process automation increases. That means much higher revenue per head requiring individuals to be more efficient and better supported, through the change process and beyond.

Gartner (2014) forecasted that:
"Through 2018, up to 80% of the incidents I&O [Infrastructure and Operations] encounters will be caused by failed changes in organizations that have not implemented an effective change management process, a percentage relatively unchanged from 2013."

To paraphrase that forecast: Much more change is expected but without improved changed management processes.

It is essential to recognize that the notion of change management is itself an obstacle. There has to be a specific change management process which is designed to overcome this resistance. Demonstrating to employees that there are performance support tools which make the software adoption or change process very smooth and easy to embrace is a key weapon in this battle.

Companies must use the best tools available for change management and performance support if they are to maintain and build competiveness to become sector leaders (at best), or just survive (at least).

It should be recognized that 'Training' in the traditional sense is outdated and inefficient in the modern world of applications delivery ranges from desktops to remote knowledge workers accessing applications from iPads over secure VPNs from a client's premises.

In the software context, performance support may be erroneously viewed as being equivalent to 'pressing the F1 key', but this is far from the reality. Performance Support is much more than that, being user-specific, and highly focused, sensitive to user performance, process, user task and data.

References

Aharonovitz, Gilad D. Human Capital and On the Job Training: Under Investment by Firms and Its Educational Consequences (February 28, 2010). Retrieved from SSRN: http://ssrn.com/abstract=1547988 or http://dx.doi.org/10.2139/ssrn.1547988

Cavanagh, M. et al, 'Report of JPMorgan Chase & Co. Management Task Force Regarding 2012 CIO Losses', (January 16, 2013). Retrieved January 27, 2014from http://files.shareholder.com/downloads/ONE/2272984969x0x628656/4cb574a0-0bf5-4728-9582-625e4519b5ab/Task_Force_Report.pdf

Gartner, 'Top Six Strategies to Optimize Change Management' (December 8, 2014), Gartner unpublished report.

Gottfredson, C., 'Show me the ROI', Learning Solutions Magazine (March 25, 2013). Retrieved January 27, 2014 from: http://www.learningsolutionsmag.com/articles/1141/show-me-the-roi

Kehoe J. and Thomson, S., 'Inside Story: The Mess Macquarie Made' Financial Review (16 February 2013). Retrieved 28 January 2015 from: http://www.afr.com/p/national/inside_story_the_mess_macquarie_oOjQYHe2QuY5ApRUJNX7mL

McKinsey & Company, 'Delivering large-scale IT projects on time, on budget, and on value' (October 2012).
Retrieved 28 January 2015 from http://www.mckinsey.com/insights/business_technology/delivering_large-scale_it_projects_on_time_on_budget_and_on_value

Thalheimer, W. 'How Much Do People Forget?' (April 2010). Retrieved January 27, 2014, from
http://www.work-learning.com/catalog.html

About WalkMe

WalkMe provides a cloud-based platform designed to help managers to guide and engage employees through any online experience. WalkMe simplifies software usage, in providing direct step-by-step guidance at the moment of need, so that users can work efficiently and successfully.

Through a series of contextual guidance and engagement tools delivered to the user at the moment of need, tasks are broken down into short, step-by-step guided instructions, which help users act, react and progress during their software usage.

As a result, WalkMe helps enterprises streamline software changes in a way that is smooth, easy and ensures that employees stay productive and successful.

WalkMe's platform onboards new users faster and helps them successfully apply what they learn on any software, in the moment of need. No need for lengthy training sessions, and no need for massive migration or IT helpdesk costs. WalkMe helps employees perform the most important tasks, no matter how complex.