FINANCIAL MANAGEMENT INFORMATION SYSTEM (FMIS) TREASURY SYSTEM PROJECT

Introduction to Change Management and Training methodology / approach

Phnom Penh, 11 Apr 2014

Agenda

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<td>0830 - 0900</td>
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<tr>
<td>Introduction and Overview</td>
<td>0900 - 0915</td>
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<tr>
<td>FMIS CM Framework</td>
<td>0915 - 0930</td>
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Introduction and Overview

The FMIS Project aims to supply and implement a fully functioning Financial Management Information System across Government in Cambodia.

FMIS will be used at the following levels of government (central and provincial) for the following organizational units in the government of Cambodia:

- IT Department;
- General Department of National Treasury;
- Budget Formulation Department;
- Financial Affairs Department;
- Department of Sub National Administration and Finance;
- Internal Audit Department;
- General Inspectorate Department;
- Department of Investment
- Cooperation and Debt Management Department
- 23 provincial treasuries.

FMIS Project Phases & Work-streams

- Inception
- Elaboration
- Construction
- Transition
- Production

- Business Process Solution
- Change Management & Training
- Testing
- Technical Solution – Infrastructure
- Technical Solution – Development
- Implementation
- Project Management Office
What is Change Management

- Change management is an approach to transitioning individuals, teams, and organizations to a desired future state
- The CM discipline is intended to help move an organization’s people, processes, and technology from the current state to a desired future state
Why Change Management

The world fears a new experience more than it fears anything. Because a new experience displaces so many old experiences.

_D.H. Lawrence_

*(English novelist, poet, play writer)*

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Top 10 Barriers

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<th>% of 500 companies</th>
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<td>Competing resources</td>
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<td>Functional boundaries</td>
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<td>Change skills</td>
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<td>Middle management</td>
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<td>Long IT lead times</td>
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<td>Communication</td>
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<td>Employee opposition</td>
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<tr>
<td>HR (people/training) issues</td>
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<td>Initiative fatigue</td>
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<td>Unrealistic timetables</td>
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Top 10 Success Factors

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<td>Ensuring top sponsorship</td>
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<td>Treating people fairly</td>
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<td>Involving employees</td>
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<td>Giving quality communications</td>
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<td>Providing sufficient training</td>
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<tr>
<td>Using clear performance measures</td>
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<td>Building teams after change</td>
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<tr>
<td>Focusing on culture/skill changes</td>
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<td>Rewarding success</td>
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<td>Using internal champions</td>
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Nine out of ten barriers are people related - people stop change
Change must come from inside
Communication Agent/ Network plays a vital role to ensure the succeed of the project.

**Change Management Framework**

- **Understand organization**
  - Understand current status
  - Understand expectations

- **Communication**
  - Newsletter
  - Face-to-face
  - Website

- **Organizational Alignment**
  - Change Impact Analysis
  - Organizational Design

- **Implementation Readiness**
  - Training
  - Readiness Assessment
CM Work-stream in the whole project

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Inception | Elaboration | Construction | Transition | Production

Survey

Communication

Change Impact Analysis

Organizational Design

Training

Readiness Assessment

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Understand the Organization

- Purpose
  - Understand what stakeholders are
  - Understand the importance of aligning stakeholders
  - Learn how to identify, categorize, assess, and align stakeholders

- Content
  - The basics – what it is, why it is important, risks of omission
  - How to assess stakeholders
  - How to create a stakeholder alignment plan
  - Tips for aligning stakeholders

Who are Stakeholders of FMIS?

[Diagram showing organizational structure with labels for MEF, GDNT, GDB, GDSAF, GDIA, GID, BFD, FAD, ID, CDMD, and PTs]
Stakeholder management is a formal method for
- Identifying
- Assessing
- Aligning stakeholders through the change process

Stakeholder management addresses a number of key questions:
- Who are they?
- How are they impacted?
- How much influence do they have over the success of the change effort?
- Are they supportive / negative / neutral?
- What are their concerns / issues?
- What actions do we need to take to influence them?

Why do Stakeholder Management?

- Manage stakeholders’ expectation and concerns
- Obtain their commitment and support to the planned change through involvement and bringing them on board with what is happening
- Minimize their resistance to the change through addressing their concerns
Risk of omission

- Leave to chance a significant area of project risk
- Stakeholders who do not support the change can use their influence to persuade others not to support the change
- Failure to understand and address stakeholders needs may result in unsupported change

CM Work-stream in the whole project

Inception | Elaboration | Construction | Transition | Production

Survey

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Training

Readiness Assessment
What is it?

The art and technique of using words effectively to impart information or ideas.

Delivering the right message...  ...to the right people...  ...at the right time

The main mechanism that establishes awareness, sets expectations and creates buy-in for a change amongst those that will be impacted by the change.

Why do it?

1. People need information to make change happen.
2. Without good information, people will form their own opinions from inappropriate information.
3. Lack of information will breed uncertainty and anxiety.
4. Anxiety interferes with focus and productivity.
5. People assume that their managers 'know'.
6. Information sharing gives people a sense of belonging, involvement and ownership.
7. People will be more committed to project goals if they feel involved in the change process.
8. Communication stimulates new ways of thinking.
9. Honest, time communication will enhance credibility.
10. With good communication, people will rely on the project team for valid, up-to-date information, rather than the 'grapevine'.
Benefits of Communication

- Get the right information to the right people at the right time in the right format
- Create awareness, commitment and understanding
- Minimize resistance by eliminating ‘fear of the unknown’ and establishing ownership
- Dispel fear or misdirection caused by rumors
- Provide a forum in which to address concerns
- Engage the business towards a common goal by clearly defining strategy
- Equip people to participate in critical change activities in a timely and effective manner
- Maintain momentum by keeping project high on corporate agenda
- Establish and support program credibility

The link between communications and stakeholder management

1. Stakeholder Analysis
   - Context & new ways of working
   - Issues & questions
   - Resistance or barriers
   - Message refinement

2. Communications Strategy
   - Audience focused
   - Clear objectives
   - Channels and timing
   - Multi-channel
   - Ongoing and

3. Feedback
   - Evaluation measures
   - Upward feedback loop

Additional stakeholder management

Realignment As Needed

Message Management

Realignment As Needed
How do we do it?

**Vision & Commit**
- Develop communication strategy and plan
  - Know your audience
  - Determine Stakeholders' communication preferences
  - Identify content for key messages
  - Select media / methods to deliver messages
  - Develop approval process
- Create / distribute awareness messages

**Plan, Align & Mobilize**
- Create and distribute message that define changes and influence the audience to accept change
- Assess deliverables and obtain feedback to ensure objectives are being met
- Update communication plan based on assessment

**Design & Implement**
- Continue to distribute, assess, gather feedback and update communication plan

**Enhance & Evolve**
- Continue to distribute, assess, gather feedback and update communication plan

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**Communication Mechanism in FMIS**

- One way to promote the effectiveness of communication is by employing multiple mechanisms - the more ways a message can be communicated, the more likely it is to be effective. Using different mechanisms ensure repetition without people losing interest in the messages.
- Three main communications mechanisms would be used in FMIS namely Face to Face, Online and Printed.
Communication Mechanism in FMIS

- **Face to face communication**
  - FMIS Workshops
  - Introduction to Change Management and Training Methodology

- **Online**
  - FMIS Website
  - FMIS Newsletter

- **Printed**
  - FMIS Newsletter

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**FMIS Website**

Fmis.mof.gov.vn
CM Work-stream in the whole project

Inception | Elaboration | Construction | Transition | Production


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Readiness Assessment
What and Why?

- defining roles and responsibilities – who do what?
- redefining reporting structures, decision making authorities and accountabilities
- refining work group structures

It provides the means for implementing the new system and processes

- Identifying the key impacts on people and organization as a result of FMIS implementation
- defining and mapping roles to provide a clear understanding of the responsibilities of employees once the system and new processes are implemented
- identifying changes in responsibilities, skills and resourcing level in line with the streamlined processes and new system

Risks of Omission

- current structure and the proposed FMIS processes / system are not aligned
- employees do not understand what is expected of them and how their jobs and accountabilities have changed
- existing structures can create barriers to information flow and effective performance
- new processes may be adopted less readily, and may not be integrated across the organization efficiently
- organization may not get the full benefits out the change initiative
**How do I do it?**

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<th>Understand the As-is Org</th>
<th>Assess Impacts</th>
<th>Recommend Changes</th>
<th>People Transition</th>
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<tr>
<td>Gather Documentation on As-is organization</td>
<td>Assess organization impact of FMIS</td>
<td>Recommend changes to organization structures (FMIS)</td>
<td>Communication the impacts to the users to that they have a ‘preview’ of what will change and what is expected of them</td>
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<tr>
<td></td>
<td>Identify the necessary actions that need to be taken to prepare the people for the change</td>
<td>Determine Recommend changes</td>
<td>Implement people transition plan</td>
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**Understand the As-Is Organization**

- Gather Document on As-Is Organization
  - Obtain or build current org charts, including all impacted departments
  - Identify the number of positions impacted by the initiative
  - Identify the primary roles and responsibilities of each impacted department
  - Collect job descriptions
  - Note spans of control
  - Identify impacted geographic locations
  - Identify how work performance is measured and how incentives are structures
  - Note skills & competencies associated with current jobs
Assess Organizational Impacts

- What is the effect on the organization structure?
- How does the proposed change impact the various departments / units and the way they are organized?
- How will decision be made using the new processes / system?
- How do changes in the information available impact on decision making?
- Who will perform detailed activities involved in the process?
- What effect do the changes have on current workload?
- What are the detailed changes to the workload shifts?
- How does the proposed change, impact the staffing requirements (e.g. qualification, number of staff) of various departments / business units?
- Which group(s) of employees will be impacted by the change?

- What new skills / competencies are required to handle the new process / system?
- What attitude / value are required to support the proposed change?
- What performance measures are required to support the new processes and behaviors?
- How does the proposed change impact the ways employees, departments are being measured?
- Which policies / procedures require changes?
- What new policies / procedures are required to effect the change?
- Which activities / tasks are eliminated / automated? Are new activities introduced?
- Are manual workaround processes required for areas that are automated?
- Will new forms be introduced or other eliminated, replaced?
- Who is responsible for the process / sub process?
- What checks have been created / eliminated?
- How will decisions be made using the new system?
- How does the proposed change impact jobs?
- What is the change in tasks, roles and responsibilities of people
- What new roles/responsibilities are required / added?

Develop Transition Plan

A transition plan is needed to implement the new Organization. This can be accomplished by:

- ensuring employees understand their new roles and responsibilities
- providing the relevant training to allow employees to perform their new role
- ensuring performance measurement systems support and reinforce the new ways of working
- setting up Go Live support (including Help Desk procedures for Go Live)
- communicating Go Live support procedures
- providing all communications around Go Live activities
CM Work-stream in the whole project

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What is it?

Training is defined as those activities required to assist people do their jobs using the new FMIS system.

Training is an important part of any project because it allows for the transfer of knowledge across an organization or department.
How do I do it?

- Develop Training Strategy
- Design Curriculum
- Build Training Materials
- Validate (Signoff)
- Pilot Materials
- Train the Trainer
- Deliver Training
- Evaluate Training
- Provide on-going Support

Training audience

- 3 main groups of employees impacted by FMIS that need to be trained:
  - Key FMIS Implementers (Key Users, IT Staff, Project Team Members / leaders)
  - End users
  - System Administrators (Super Users, IT Administrators)
FMIS Training Approach

- **1:20 Training Ratio** - One instructor will have at most 20 staff in any one training session
- End users Training delivered in **Khmer**
- Training delivery – closest to the time (~ 4 to 6 weeks) the FMIS system is being used
- **Test the trainees** to measure competency - help identify whether or not individuals have reached the sufficient level of competency to undertake tasks they will be expected to perform come go live
- Train-the-Trainers – selected key users will be trained with in depth FMIS business processes and system training so that they can deliver training to end users

Training Format

**Conceptual information** is the integration of work processes and functions. Users need to be aware of their impact on other functional groups. Concept slides show the integration of processes and functions, allowing users to understand the "big picture" before they learn specific job tasks.

**Demos** allow users to see the system in action.

**Exercises** enable users to practice on the system in a classroom and receive immediate guidance and feedback from instructors.

**User Procedures** are detailed instructions on how to carry out user tasks.

**Quick Reference Guides** provide guidance on common codes, and complicated or infrequently performed tasks.
List of training courses

- Training courses

CM Work-stream in the whole project

- Feb 2014
- Jul 2014
- Dec 2014
- Mar 2015
- Dec 2016

- Inception
- Elaboration
- Construction
- Transition
- Production

- Survey
- Communication
- Change Impact Analysis
- Organizational Design
- Training
- Readiness Assessment
FMIS Communication Network

For the Communications Network to be successful, the following critical success factors need to be taken into account:

- **MEF’s commitment** – MEF needs to see the value of FMIS Communication Network as a unifying structure for communication across all MEF change projects
- **People selection** – the right people to be chosen, CM network are the people who has high prestige in the unit.

**FMIS Communication Network**

- FMIS communications network must be:
  - **Face to face** – most effective mode of communications
  - **Credible** – delivered by respected colleagues
  - **Consistent** – direct from FMIS communications team
  - **Two-way** – acts as feedback channel for FMIS
  - **Multiple channels** – complements the rest of channels

**Roles and responsibility of the FMIS Communications Network**

- execution of FMIS Face-to-Face communications mechanisms, namely and Stakeholder’s Internal Meetings
- dissemination of FMIS Newsletter at Province and District levels
- perform other roles and responsibilities as defined by MEF
Thank you and Happy New Year

The Year of the Horse B.C. 2558, C.E. 2014

Wishing you and your family happiness, prosperity and success in your business!