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Erin Shannon • May. 06, 2020



Accounting firms are certainly familiar with change. Market dynamics, shifting stakeholder expectations, regulatory rule-making—all this and more compel the profession to be agile.

Traditionally, many companies tackle change on a project by project basis. But the pace has picked up in recent years, exposing a potential capability gap when it comes to managing change. At Deloitte, we realized our Audit & Assurance business needed to consider a different approach if we wanted to adapt to future opportunities and

challenges. Here's what we did—and what the Coronavirus (COVID-19) pandemic

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So we decided to create an in-house change management capability. This has provided several benefits over a project-based approach, including:

- Readiness to execute
- An active sphere of influence within the organization
- A deep understanding of the business—including strategy, operations, and culture

With those outcomes in mind, we built a dedicated team of change management specialists to support our Audit & Assurance business. Since then, a capability that started out as a response to digitizing our business has also helped us address changes in accounting and auditing standards, evolving stakeholder demands, and other sweeping developments. But when the COVID-19 crisis struck, it put our change management team to one of its greatest tests.

The escalating COVID-19 threat

Like other organizations, our audit teams ordinarily work in an office-based setting, often onsite at the client's location. In a matter of days, this decades-long delivery model gave way to a virtual working environment—for us and clients—as the COVID-19 threat escalated.

This kind of transition would have been much more challenging without a change management capability. Our change management specialists were able to implement much of what was needed on very short notice, including equipping professionals to effectively work from home. At the same time, we developed a multi-dimensional task force to resolve emerging issues and opened communication channels to help keep people informed: newsletters, online resource centers, twice-weekly webcasts, a mobile news app to share real-time updates, and an emergency support email box. We also launched a social media-based photo campaign and online crowdsourcing site to keep our people feeling connected.

The result, we were able to carry out our work despite extraordinary circumstances

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Executive-level attention. With a seat at the executive committee table, our change management team was on top of and in tune with leadership's thinking right from the start. That positioned the team to execute at any point, even as more of our engagement teams and clients felt the impact of COVID-19 and executive guidance evolved in tandem.

Sensitivity to timing. The COVID-19 crisis broke just as engagement teams were completing audits for calendar year and first-quarter filers. Because of the timing, it was imperative that any change took place seamlessly and with minimal interruption to our clients and professionals.

An open dialogue with key stakeholders. Businesses and organizations around the world are working through their response plans to the pandemic, such as how to transition to a virtual workforce and manage filing deadlines in a virtual environment. A change management function should stay in close contact with key stakeholders (clients and regulators in our case) and develop a plan for varied scenarios.

These attributes have a common thread, which is to look across the extended enterprise to see where changes might land. Any given initiative has its stakeholders, and they can be more fragmented than you might expect. Internally, for example, leaders may need different information from employees. An effective change management capability reflects these nuances and shapes itself to meet the demand by tailoring actions and communications to be impactful for the intended audience.

Key considerations of change management

With that, what should you consider as you set up a change management capability of your own? Here are three principles to start with:

Collaborate. Bring training, communications, and other relevant functions into

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The key is to set up ways to measure them, then track your progress throughout the transformation effort.

Refine. It's critical to be highly attuned to the sentiment across your organization and remain flexible in your approach to driving change. Are people truly embracing what you're trying to implement? How do they feel about it? What are the pain points? Subjective as it seems, feedback like this can help you refine your change management capability so it can address a growing portfolio of use cases, new business models, and competitive realities.

Pivot to opportunity

Effective change management can help organizations pivot quickly, decisively, and effectively, even when—perhaps especially when—unforeseen circumstances strike. And while each business is unique, there's no need to reinvent the wheel. The basics of change management are well established. Start with those, then tweak as needed when closing the capability gap in your own organization.

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