

Bank of the West/BancWest Corporation, Corporate Finance

Change Communications

I was brought aboard to build the communications support structure for Bank of the West's stress-testing exercises to the Federal Reserve, including the Comprehensive Capital Analysis and Review (CCAR) exercise and the complementary Dodd-Frank Act Stress Testing (DFAST) exercise. It was a startup environment, and I built the communications function from scratch.

My primary clients were multiple governance committees, the Board Risk Committee, and the Board. I wrote original content and curated content from across the organization: including finance, risk, treasury, IT, data, legal, compliance, internal audit, regulatory relations, and the lines of business.

I was asked to join the FARM data mart initiative in late February 2016. (The acronym "FARM" stands for finance and risk mart.) The project had kicked off in early December 2015 and the Group Leadership presentation that follows was delivered in early March 2016, so the project had already been underway for a good three months with no formal communication from the project committee.

The name of the initiative, FARM, had leaked out and, of course, jokes were flying across the organization. It was my job to provide appropriate context. Not long after joining the FARM project committee, I formally addressed Group Leadership to put a stake in the ground. (Group Leadership was a weekly conference call and included almost 100 people from entities across the enterprise, including Bank of the West, First Hawaiian Bank, and the intermediate holding company, BNP Paribas USA.) Partnering with the chief data officer, our goal was to get everything about the initiative out into the leadership community to foster a free flow of questions and debate, create leadership alignment across the organization, and make clear the budget and resources required to support the initiative, the benefits of which were:

- The elimination of data errors
- Sophisticated reporting
- Ad hoc queries
- Data analytics
- Data modeling

Please note: The slide deck that follows is a redacted version of my presentation to Group Leadership. What I did at Bank of the West was highly confidential, so what I can share is limited. I had to strip out the specifics of the organizational structure, project funding, and messaging specifics. Nevertheless, there's more than enough here to give you a good insight into the initiative.

FARM Communications: Integrated Change Management and Communications Approach

Confidential Information Has Been Redacted



Peter Speliopoulos
Group Leadership
March 9, 2016

Background and Redaction Notice

- Group Leadership was a weekly conference call and included almost 100 people from across the enterprise, including Bank of the West, First Hawaiian Bank, and the intermediate holding company, BNP Paribas USA.
- This is not the presentation that I would have delivered if I was standing in front of a live audience; instead, imagine all 100 participants looking at a PDF, printed or on mobile devices.
- By necessity, and in accordance with regulatory compliance requirements, this deck was built for scrutiny by the Federal Reserve and the FDIC.
- This is a redacted version of my presentation to Group Leadership. My work at Bank of the West was highly confidential, so what I can share is restricted. It was therefore necessary that I eliminate confidential specifics regarding organizational structure, project funding, training, and messaging. Nevertheless, there is more than enough here to provide meaningful insights into the FARM initiative.

Agenda

Executive Summary

FARM Communications Planning

- Integrated Change Management and Communications Approach
- The FARM Change Communications Manifesto
- Change Management Objectives
- Communications Objectives
- Communications Strategies
- Risk Assessment
- Audiences
- Messaging
- Deliverables Template
- Continuous Improvement

Executive Summary

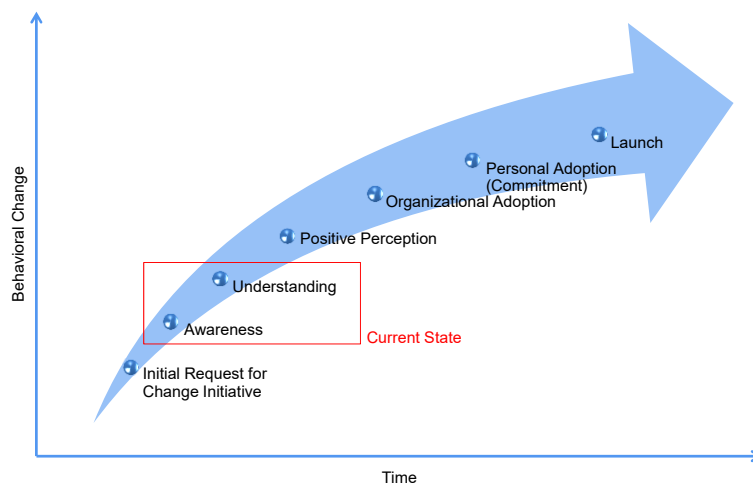
The FARM integrated change management communications plan includes a strategy and framework to align leadership teams across the BancWest ecosystem—Finance, Risk, Treasury, Data, IT, FHB, the LOBs, and the IHC—and to engage knowledge workers on their own terms and according to their specific needs in order to achieve our desired results and sustain the benefits of FARM over the long run. FARM's change management objectives include:

- Setting aggressive targets to drive deployment and maintain momentum
- Building and sustaining ownership across the organization
- Avoiding overload in executing change activities
- Fostering effective communications
- Mitigating resistance to change

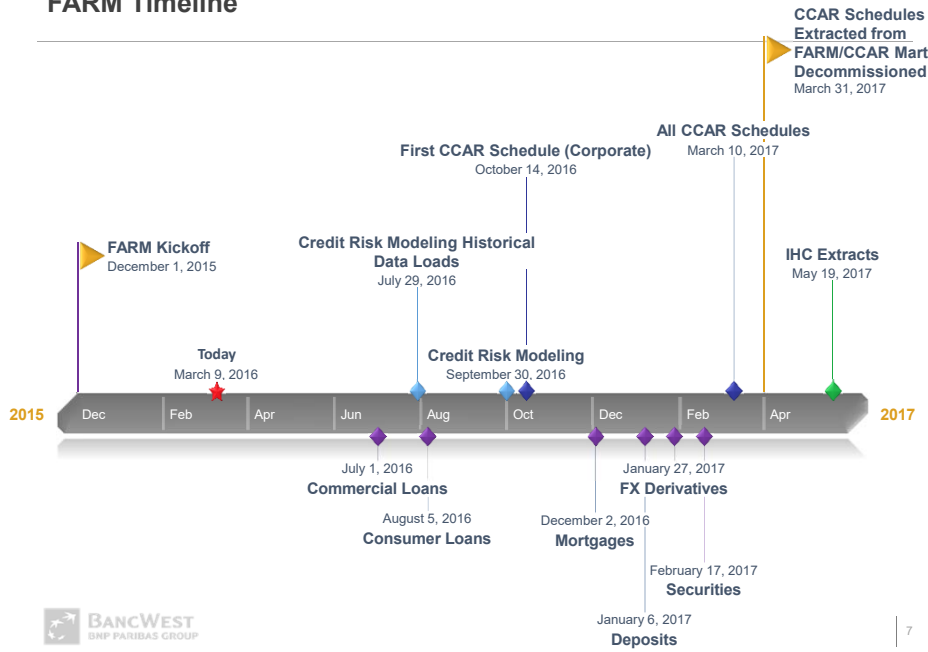
What is FARM?

- FARM is a data mart. The acronym “FARM” stands for finance and risk mart
- A data warehouse is a repository for all of an organization’s historical data
- A data mart is a subset of a data warehouse and a repository for highly-structured data that serves a specific community and is designed to meet the needs of a specific group of users, greatly easing the slicing and dicing of data required for reporting, analytics, and data mining
- While a data mart itself may contain millions of entries, it’s still smaller than a data warehouse designed to serve an entire enterprise

Change Adoption Curve



FARM Timeline



FARM Communications Planning

Integrated Change Management and Communications Approach

Change management communications strategies start with the question, "What do our stakeholders need from the FARM team to feel engaged in the rollout of the FARM initiative?"

What our stakeholders need to know:

- Our goal, why the goal exists, and why the end state is needed (i.e., why the organization can't afford to go on without FARM)
- How the FARM change initiative fits with the organization's values and objectives
- The organizational and personal implications and expectations of the change initiative (with absolute clarity)

What we need to deliver to our stakeholders:

- Clear, unambiguous, understandable, and consistent messaging that answers those questions that stakeholders have about FARM (questions that the FARM program team anticipates in advance of communications outreach and those questions that arise through our feedback mechanisms)
- Consistent messaging that ensures that our stakeholders are aligned with FARM objectives and messaging so they are delivering consistent messages of their own (word of mouth is a powerful tool)
- A sufficient level of information so that stakeholders understand the change effort at their specific levels of need
- Information that is made available across all relevant channels of communication, with as much repetition as necessary to ensure that our messages are conveyed clearly and widely

The FARM Change Communications Manifesto

- Speak with one voice to facilitate the seamless delivery of a consistent message through appropriate media and delivery sources
- Keep messages simple by providing relevant, accurate, timely, appropriate, jargon-free, and consistent communications
- Put the emphasis on high-touch, face-to-face communications that involve and engage stakeholders at all levels
- Clearly define expectations for those impacted by the change
- Clearly define and communicate benefits without overselling the benefits of FARM
- Quickly identify and remove barriers to resolve issues, both program and communications
- Ensure that agreed-to project milestones and the specific needs of target stakeholders drive change management communications
- Build feedback mechanisms into communications in order to assess user understanding of messages and to provide the opportunity for high-touch, two-way communications
- Enlist ambassadors to increase a sense of ownership among stakeholders and leverage this connection as a feedback mechanism
- Define metrics and mechanisms to measure the effectiveness of communications outreach

Change Management Objectives

Our change management objectives are to:

- Deliver an internal, customer-focused data mart to achieve increased effectiveness, efficiency, and compliance resulting in significant financial benefit
- Ensure effective leadership commitment
- Build alignment across the organization
- Enable the organization to transform
- Manage the change
- Set aggressive targets to drive the need for change
- Mitigate resistance to change
- Build and sustain ownership
- Build and maintain the case for change
- Avoid overload in the introduction of the change activities
- Sustain the benefits of FARM by developing and communicating best-in-class capabilities

Communications Objectives

Our communications objectives are to:

- Create a coordinated change management infrastructure with a strong communications strategy that ensures sufficient support for the FARM change initiative in order to keep stakeholders informed of, involved in, and committed to FARM
- Provide awareness and understanding
- Reduce resistance in order to create ownership for the success of FARM
- Build credibility for the FARM initiative and minimize the number of questions by stakeholders
- Foster effective communications across all stakeholder groups
- Ensure audience buy in
- Set aggressive targets to drive the need for change with cascading communications
- Sustain benefits by developing and communicating best-in-class capabilities
- Address stakeholder concerns as they arise
- Celebrate milestones, successes, and achievements

Communications Strategies

We will achieve our change management and communications objectives by:

- Rigorously outlining and reaching agreement on our communication objectives and guiding principles in order to ensure a disciplined and informative outreach
- Understanding and making use of the relationship between communications and strong sponsorship by leaders outside of the FARM program team
- Broadly defining stakeholder groups and the purpose of communications with each group
- Identifying our communications approach, including the use of cascading communications
- Defining risks related to and/or mitigated by communication
- Communicating a shared purpose to solidify adoption across all theaters of change
- Communicating that the project is led by strong leaders
- Communicating in a way that matches the way each of our audiences consume information (internal audiences have changed significantly in the past five years and even over the past 12 months; we must be cognizant of these generational shifts)
- Communicating in a timely and consistent manner (i.e., the right message to the right people at the right time, a still-relevant cliché)
- Communicating and communicating again the benefits of FARM (e.g., more effective use of user time; more relevant finance, risk, and treasury views of data; elimination of redundancies across departments; streamlined processes; better trained employees; updated technology)

Risk Assessment

In order to manage expectations, FARM must pay particular attention to possible risks that most affect the transformation and proactively manage the change to support the long-term success of the effort and the institutionalization of the changes across the finance, risk, and treasury functions

Change Communications Risks	Mitigation Strategy
Low stakeholder adoption: <ul style="list-style-type: none"> • Business benefits are not well understood by stakeholders, potentially including executive leadership, finance, risk, and treasury leadership, and employees directly involved in data functions 	FARM project committee to: <ul style="list-style-type: none"> • Continually assess and, as needed, strengthen business benefits • Validate progress against established metrics • Develop plans to mitigate the understanding gap and weave these actions into the communications timeline
Conflicting change initiatives: <ul style="list-style-type: none"> • Other programs and change activities are diverting stakeholder focus from the FARM initiative • Impact of other change activities hasn't been measured 	<ul style="list-style-type: none"> • Identify other change activities and measure the impact against the FARM timeline and the stakeholder communications plan • Strengthen the alignment between FARM program leaders and finance, risk, and treasury leaders on concurrent goals and initiatives • The FARM program team will monitor conflicting rollout plans and expectations to develop metrics to communicate progress • Regular, highly targeted stakeholder updates by the FARM program team
Messaging inadequacies: <ul style="list-style-type: none"> • Inadequate communication by FARM program leaders • Internal communications not delivered or inconsistently delivered • Written communications aren't read by stakeholder groups • Lack of buy in by data users • Communication overload (i.e., too much, too many) • Inconsistent and conflicting messages that don't support the implementation objectives 	<ul style="list-style-type: none"> • FARM project committee to open the lines of communication between FARM program leaders, finance, risk, and treasury leaders, and data user stakeholder groups • Audit change management and communications effectiveness through survey readiness assessments (i.e., informal, internal focus groups or surveys) • Utilize multiple communications tools and channels, expanding or adapting channels to meet information needs based on stakeholder feedback • Gain the engagement of data users with demonstrations, conference calls, and targeted leadership messages • Leverage integrated messaging, maintaining a one- to three-month view of planned communications • Review all communications for clarity and consistency across all stakeholder theaters • Develop standard messages and talking points to ensure the credibility of communications by FARM program team leaders

Audiences

Primary

- Enterprise data management (EDM)
- Data stewards
- Power users
- Data custodians
- Middle management data users
- Basic data users

Secondary

- Finance, risk, and treasury leadership

Tertiary

- Executive leadership

Messaging (1 of 3)

The FARM program team will communicate key information to stakeholders by utilizing a variety of tools and channels to ensure consistency in messaging. The team will leverage subject matter expertise to create targeted outreach according to the specific needs of each audience

Stakeholder Group	Messages
Primary: data users	<ul style="list-style-type: none"> • "FARM" is an acronym that stands for "finance and risk mart" • FARM is a data mart, a standalone repository of data that is designed to serve a particular community of knowledge workers, in this case, finance, risk, and treasury users • FARM concentrates data from the enterprise data warehouse (EDW) into a summarized form that simplifies the decision-making process for finance, risk and treasury users • FARM brings with it changes in processes and technology • Workshops on the use of the new FARM interface will be provided to data users • Updates on the progress of the installation and next steps will be provided to data users
Secondary: finance, risk, and treasury leaders	<ul style="list-style-type: none"> • FARM is an acronym that stands for "finance and risk mart" • FARM is a data mart, a standalone repository of data that is designed to serve a particular community of knowledge workers, in this case, finance, risk, and treasury users • FARM concentrates data from the enterprise data warehouse (EDW) into a summarized form that simplifies the decision-making process for finance, risk and treasury users • FARM brings with it changes in processes and technology • Updates on the progress of the installation and next steps will be provided to finance, risk, and treasury leaders • Milestones and program plan updates will be provided to finance, risk, and treasury leaders • Impacts to operations will be provided to finance, risk, and treasury leaders
Tertiary: executive leadership	<ul style="list-style-type: none"> • FARM is an acronym that stands for "finance and risk mart" • FARM is a data mart, a standalone repository of data that is designed to serve a particular community of knowledge workers, in this case, finance, risk, and treasury • FARM concentrates data from the enterprise data warehouse (EDW) into a summarized form that simplifies the decision-making process for finance, risk and treasury users • FARM brings with it changes in processes and technology • Updates on the progress of the installation and next steps will be provided to executive leaders • Milestones and program plan updates will be provided to executive leaders • Expected and actual savings/benefits will be provided to executive leaders • Impacts to operations will be provided to executive leaders

Messaging (2 of 3)

We will use a combination of high- and low-touch communications to increase the effectiveness of targeted stakeholder messaging:

- High-touch communications consist of face-to-face one-to-one and one-to-many communications, such as individual discussions, department presentations, and town hall meetings
- Low-touch communications consist of email messages, the Jive/Pulse social intranet, newsletters, memoranda, and fact sheets (FAQs)
- All communications will leverage the same key messages, adapted for the specific needs of stakeholder audiences and the intended outcomes of the communications
- There are several vehicles and mediums in place today that we will leverage to help move stakeholders along the commitment curve
- A cascading communications approach is necessary to deliver messages to different stakeholder groups in order to provide information at the appropriate time on the commitment curve and as a way to build ownership and commitment

Messaging (3 of 3)

Based on the scope and technical nature of the FARM initiative and the diversity of the impacted stakeholders across the organization, a cascading communications approach is necessary to align messaging, reinforce key messages, and leverage existing communications vehicles and channels:

- Selected communicators for each message must have name recognition and influence in the respective stakeholder group to which he or she is communicating
- Joint endorsement of messages will be utilized where appropriate in order to demonstrate unity in leadership and sponsorship
- Feedback from stakeholders will help modify and improve ongoing stakeholder communications and planned events
- Feedback from leadership stakeholders will be used to strengthen sponsorship and ownership in select areas requiring attention during the rollout and adoption periods

Deliverables Template

We will use a deliverables tracker with a one- to three-month window as the primary mechanism for scheduling and tracking formal stakeholder communications in order to leverage multiple communications channels and tools in a commonsense manner and to reduce redundancy and information overload

Scheduled Date of Delivery	Audience	Delivery Tool	Purpose	Single Message	Responsibility	Approval	Actual Date of Delivery

Continuous Improvement

Employee engagement can, of course, be measured. There are two very effective, no-cost methods to measure engagement:

- Change leaders use employee engagement surveys and focus groups (1) to measure communications efforts before and after delivery to stakeholder audiences and (2) to gauge expected stakeholder acceptance of the tools and messaging employed against expectations, the results of which would serve as a benchmark to inform future communications in our cascading communications scheme

Our goal is to engage each stakeholder group on its own terms, which may be measured thusly:

- Stakeholders have a voice and the opportunity to air their concerns
- Stakeholders feel well-informed
- Stakeholders feel that their immediate superiors are committed and engaged in the rollout of the FARM initiative

FARM Project Committee

- Dan Beck, Sponsor
- Cara Dailey, Leader
- Vipul Agochiya
- David Held
- Scott McCracken
- Gull Pavon
- Peter Speliopoulos