Good Practice Regulatory Change: Conclusions

Although the academic literature is limited regarding the specific experiences of regulatory change programmes, our research has highlighted several themes that are unique to regulators beyond wider change management principles. This includes:

? The context for change, with regulators describing implementing new approaches based on changes to legislation or political direction. This can limit the amount of control regulators have over a change programme, or the context in which it operates in, with a greater emphasis on responding to external factors.
? The importance of managing relationships with regulated industries, and the challenges in doing so effectively by balancing enforcement and support approaches.
? The extent and number of wider stakeholders that a regulator may need to engage with in a programme, including other government departments including HM Treasury, regulators, representative bodies and consumers.

We have also identified ten key insights related to implementing regulatory change programmes, which could be considered by the FSA's ABC team.

1. Define the key challenges that a change programme is established to solve in the early planning stages.

This can be informed by both informal and formal reviews, where the latter includes commissioning research with consumers, working groups with stakeholders as well as horizon scanning. Potential benefits include:

- In-depth understanding of the landscape that can help identify the most impactful areas of change to focus on
- Understanding the potential impact on diverse stakeholder groups, including likely risks and challenges to delivery

2. Clearly articulate the goals of a programme and what it will achieve.

These should be focused on an overall vision instead of being too specific to a programme (which limits flexibility to respond to change). Potential benefits include:

- Supports building buy-in from wider stakeholders and provides reassurance about the intentions behind a programme
- Aligning the team to a common goal
- Helps identify metrics that can be used to measure outcomes

3. Consider establishing a centralised change management team.

This can include senior accountability as well as sponsorship, with senior decision-makers helping to advocate for change. Potential benefits include:

- Gives an overarching view of the change portfolio, enabling more effective co-ordination and management of competing organisational priorities
- Provides clarity for teams on what is expected and who is responsible for a change programme
- Ensures dedicated resourcing to programmes, from both a capacity and expertise perspective

4. Build clear structures for decision-making.

This can include internal decision-making forums, as well as external communication plans. Potential benefits include:

- Maintaining programme momentum and helps avoid delays
- Sets expectations for what will be delivered by when
- Provides a forum to keep senior decision-makers updated

5. Create a communications plan once a clear vision has been agreed.

This should include simplified messaging which can also be tailored to specific audiences. Change advocates can also be identified to support with sharing the message. Potential benefits include:

- Creating alignment amongst the wider organisation
- Helping provide reassurance, inspiring confidence and building rapport with key stakeholders
- Helping to mitigate likely areas of resistance by keeping stakeholders informed and involved

6. Build a regular schedule and routine behind engagement activities.

This could be part of an engagement plan which is supported by a stakeholder map, built from working groups, desk research and speaking to key influencers for suggested contacts. An example of building this type of routine is a regular broadcast to the wider industry to gather feedback and inform future approaches. Potential benefits include:

- Creating a culture of openness and collaboration with the wider industry
- A better-informed design phase
- Ensuring consistent engagement and preventing key stakeholder groups being missed

7. Pilot and test different approaches, before larger scale roll outs.

This could be implemented in a number of ways such as with different stakeholder groups or geographies. Potential benefits include:

- Supporting the mitigation of issues before wider roll out
- Lessons learnt from a pilot can inform more successfully delivery of a wider roll out

8. Embed Agile Management approaches as part of implementation.

This could be by building in regular milestones to review progress, as well as focus on what changes can be made going forward to adapt to new challenges or shifting goals. Potential benefits include:

- Effectively responding to changing priorities
- Remaining relevant to the shifting policy landscape

9. Build contingency into timelines from the start.

This was particularly emphasised in relation to building in sufficient time to change mindsets or influence the culture of an organisation or sector. Potential benefits include:

- Supporting a flexible, agile approach that can respond to changing circumstances
- Maintaining team morale by avoiding missed deadlines
- Effectively managing external stakeholders

10. Establish ongoing monitoring mechanisms to measure success throughout the change programme.

It is important to consider measures beyond purely financial and quantitative metrics. Value can come from using proxy measures to provide insight into the success of the programme at an earlier stage including behaviour, mindset, attitude, as well as qualitative measures that capture a more nuanced picture of delivery. Potential benefits include:

- Providing evidence that can be used to demonstrate progress and show a programme is achieving defined goals
- Building stakeholder buy-in by showing success
- Identifying learning which can be applied to future change programmes