

MIDWEST SUPPLY CHAIN MANAGEMENT CONFERENCE

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CHANGE, THE ONLY CONSTANT

**A discussion on the need for
continuous change harnessing both
efficiency and effectiveness**

- Should be at the heart of all strategy development
- Should be augmenting change through ‘continuous improvement’ every day
- Should realize the difference between ‘continuous improvement’ and ‘step change’
- Should also be certain that every change they make will have an impact upon all elements of continuous strategy development
- Should be continuously conscious that strategy cannot be executed without their full whole hearted ‘customer focused’ involvement

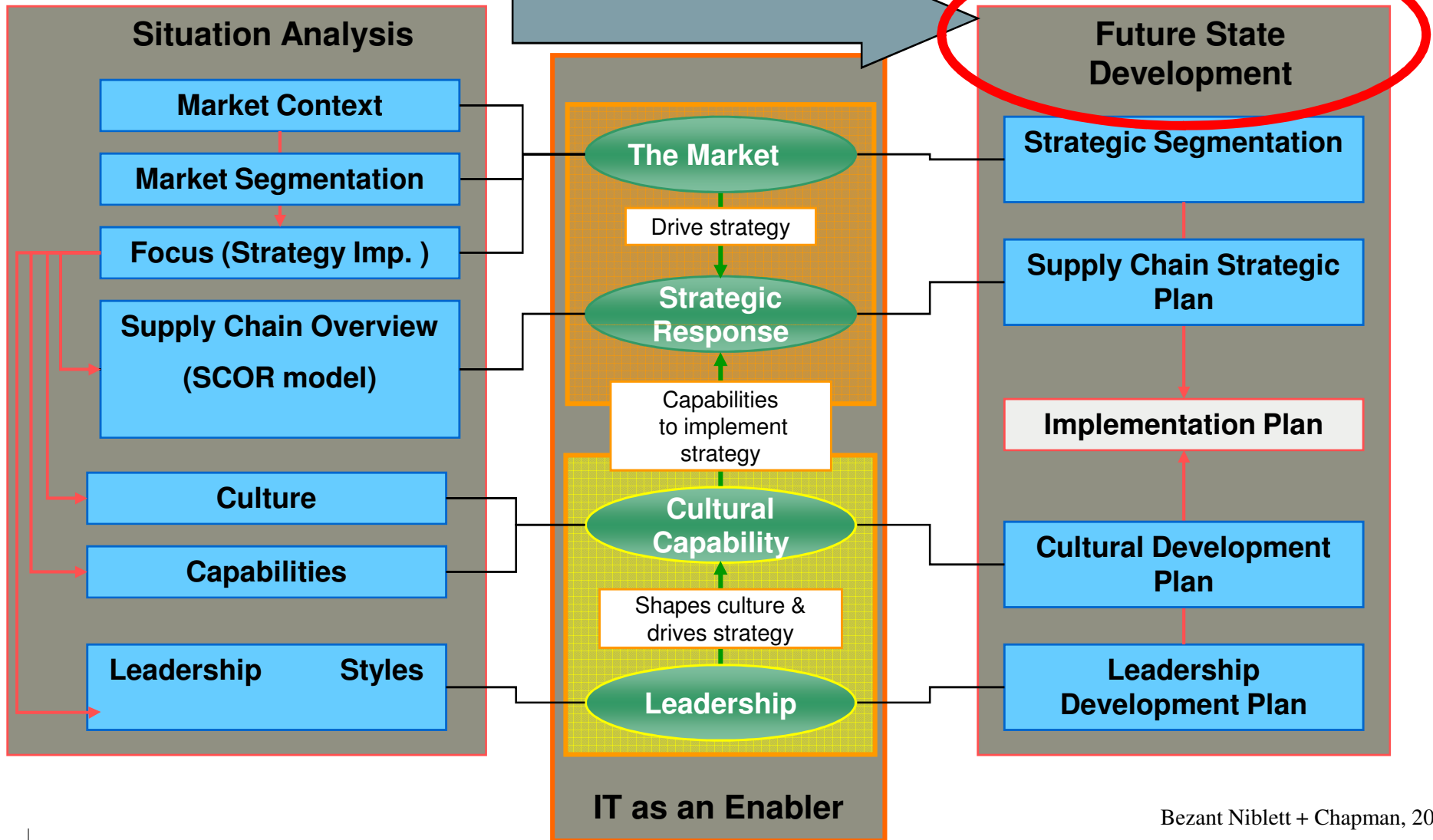
“Supply Chains compete, not companies” M. Christopher 2002

Responsiveness Framework The Way Forward....

Question the 'as is'

Customer led
'to be' planning

'Unfreeze' once answers agreed

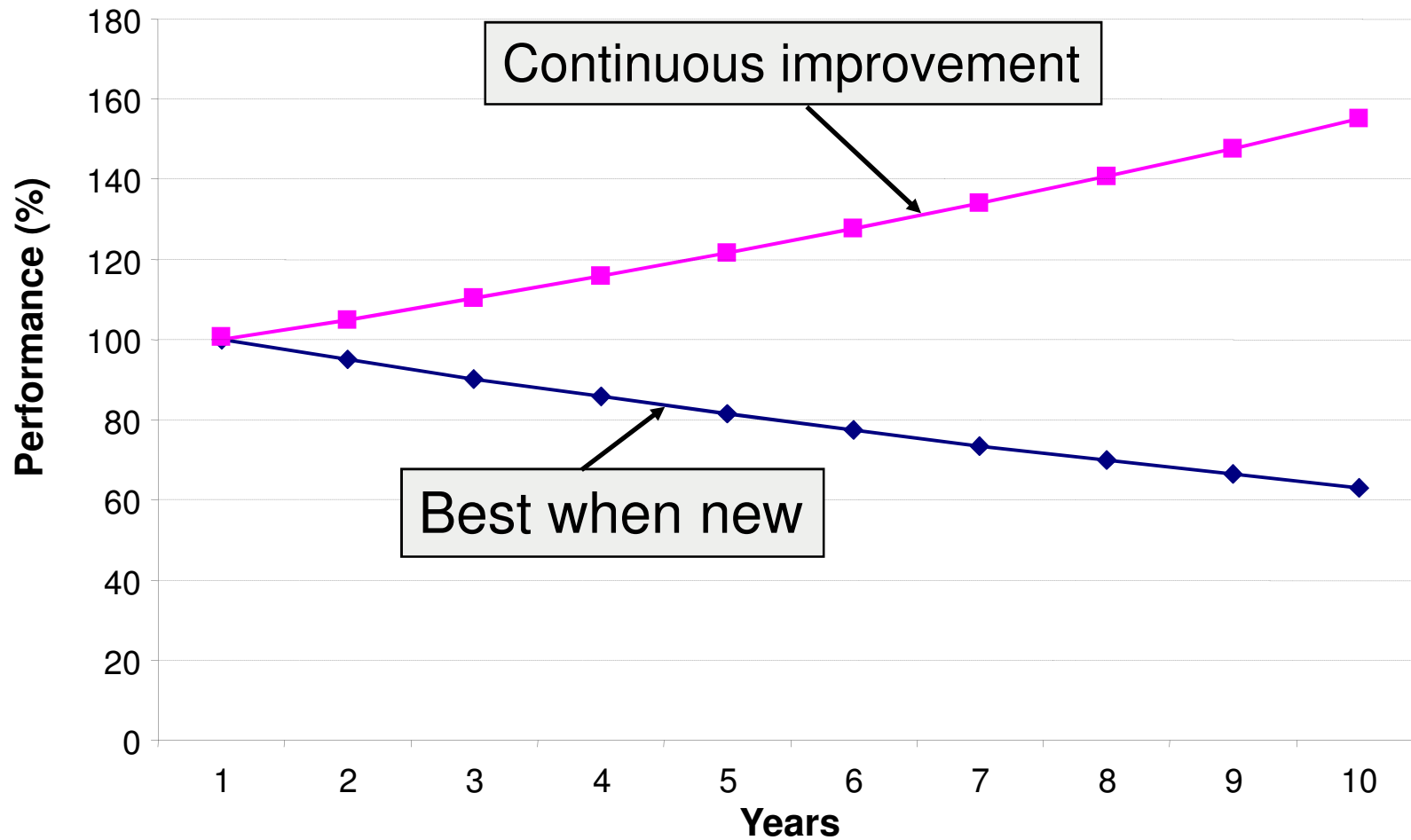


Bezant Niblett + Chapman, 2005

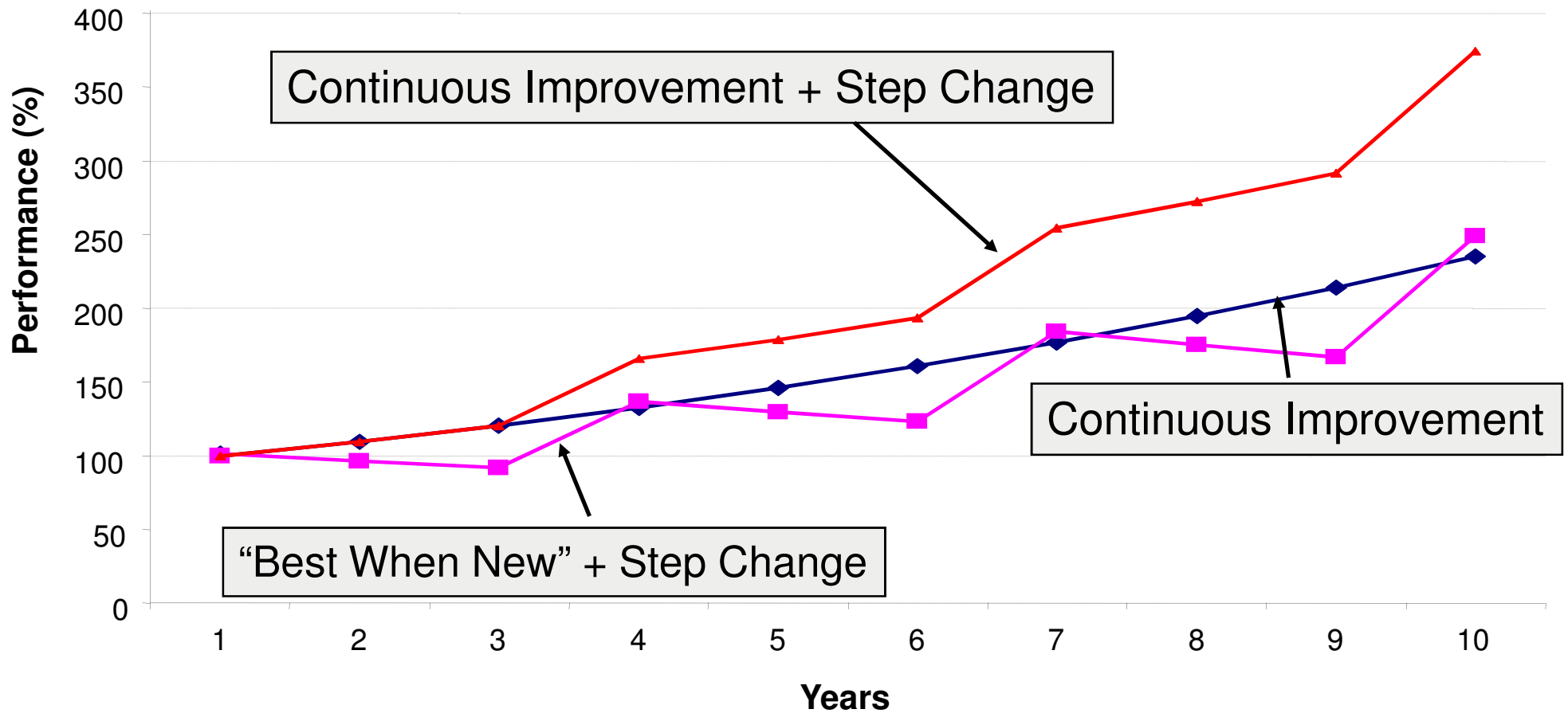
- To improve agility through applying change management techniques that support both step change and continuous improvement
- To understand efficiency in project dynamics
- To consider change in terms of effectiveness

- Perfect Change Management
- Engaging Stakeholders
- Perfect Project Management
- Developing Sustainable Effectiveness
- Action Planning Change

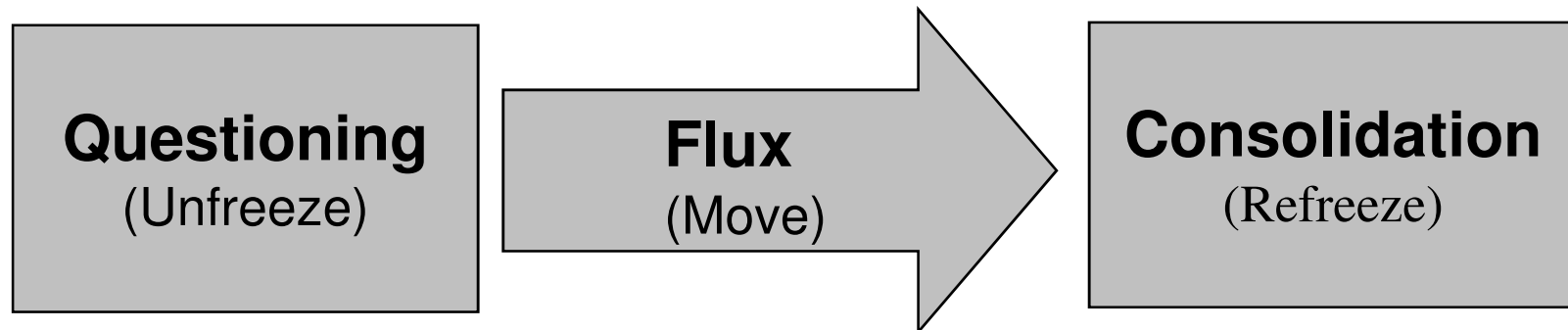
Continuous improvement



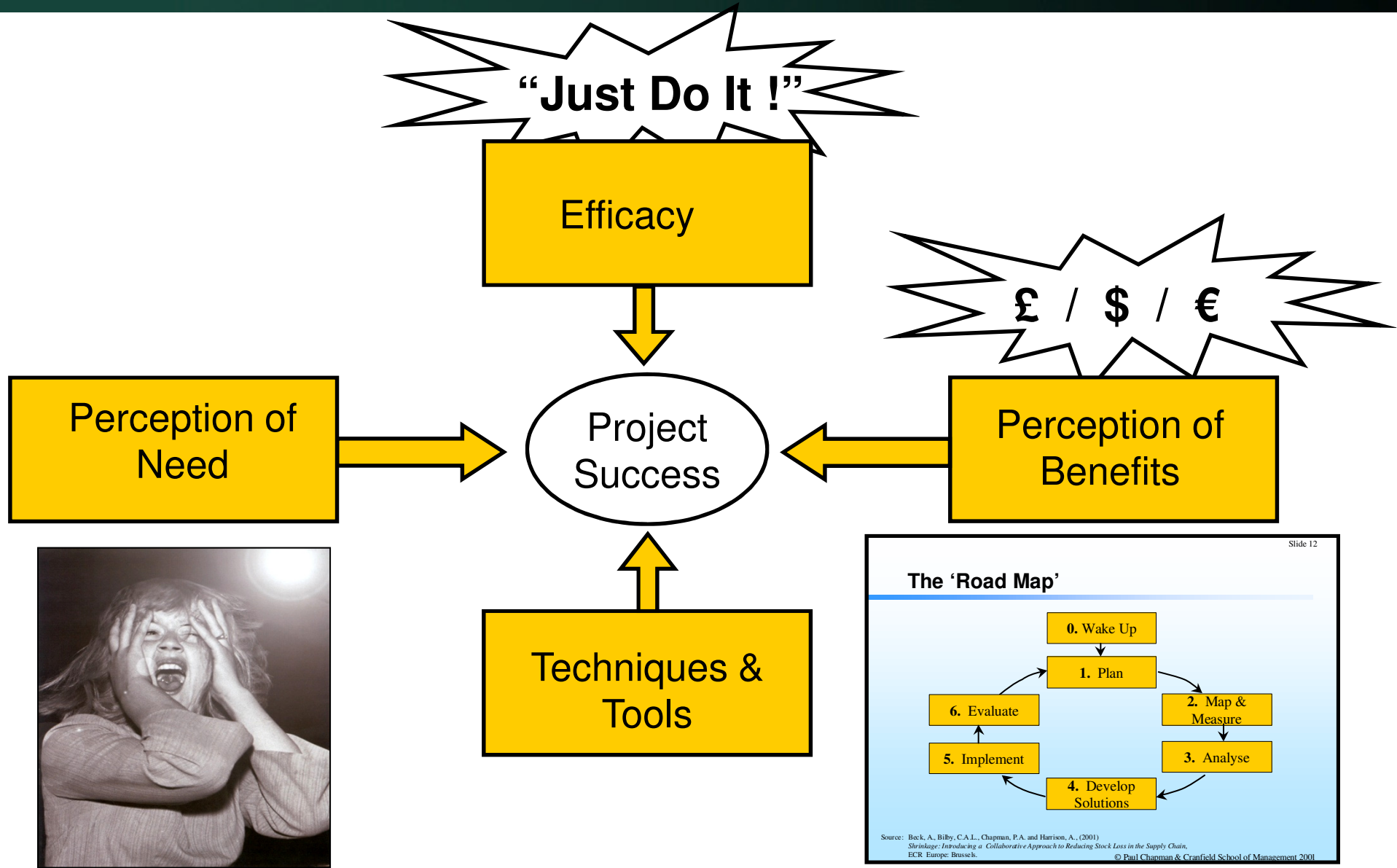
Continuous Improvement + Step Change



Step Change – the theory

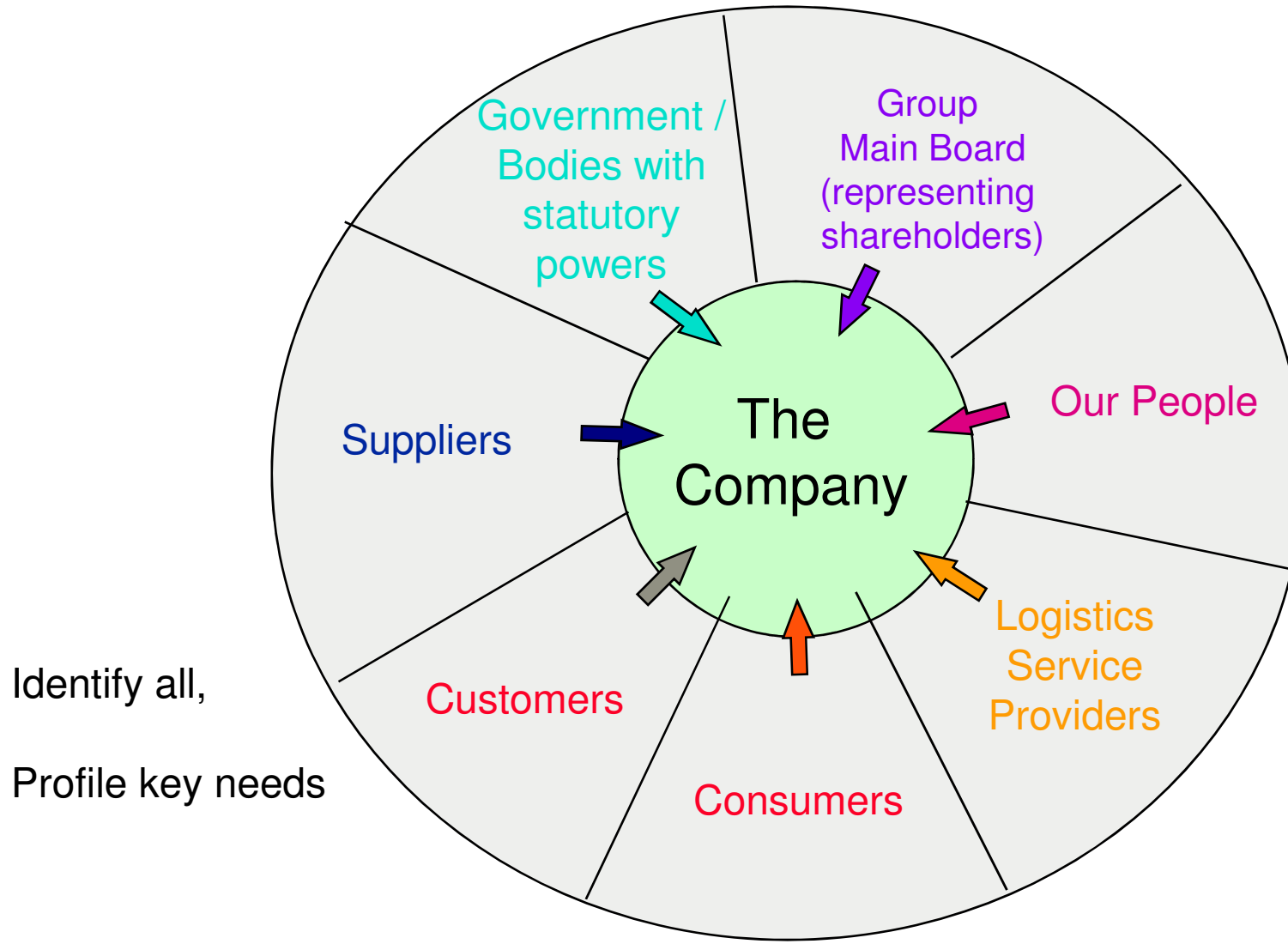


Lewin, K., (1951), *Field Theory in Social Science*, Harper & Row, New York, USA.
and Garvin, D.A., (1998), "The processes of organization and management.", *Sloan Management Review*, Vol.39 No.4 pp. 33-51.



- All four attributes are necessary for Step change success (Needs development through a defensible plan, efficacy + execution strategy, benefits harvesting, project management tools and techniques)
 - Measure them at each stage!
- Don't start until you are ready – Plan, Plan, Plan
- Cancel the project if necessary if you are not ready
- Update your assessment periodically, plans change as they are planned

Stakeholders Must Be Engaged



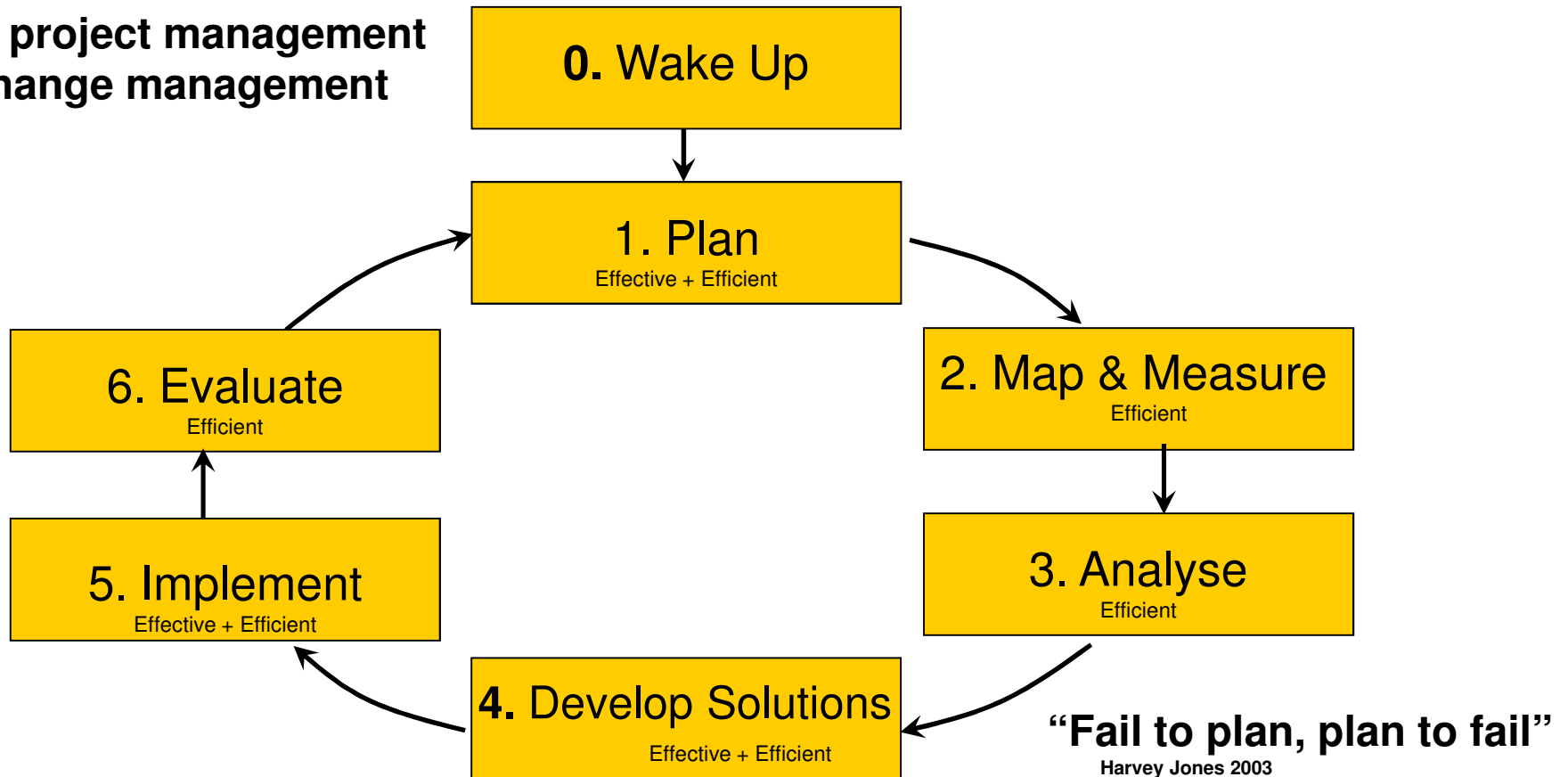
Identify all,
Profile key needs

Who will be affected?	Perceived Benefits (disbenefits)	Changes Needed	Perceived Resistance	Commitment (Current & Required)				
				Anti	None	Allow it to happen	Help it happen	Make it happen

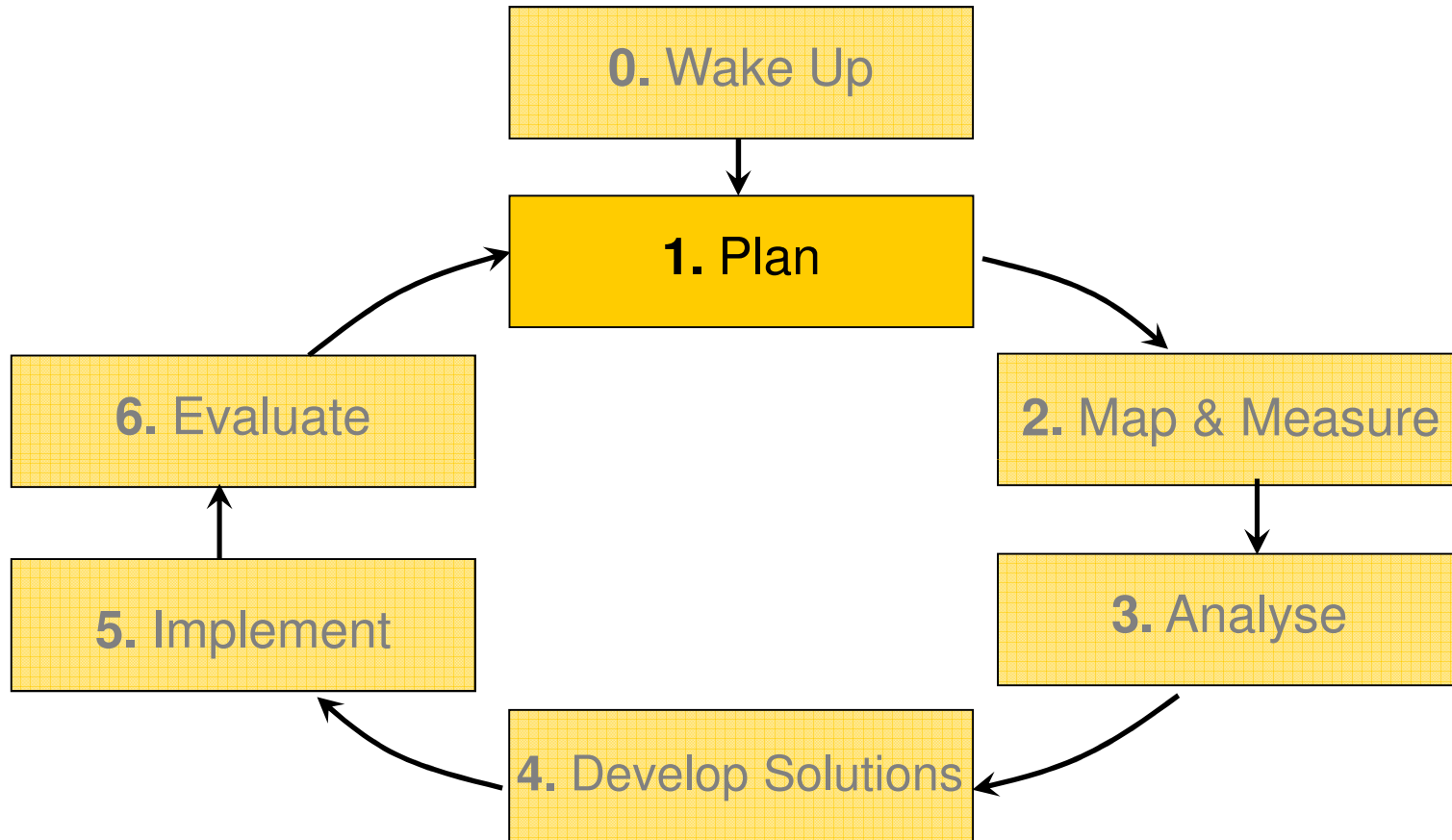
(Adapted from Benjamin & Levinson 2003)

Who will be affected?	Perceived Benefits (disbenefits)	Changes Needed	Perceived Resistance	Commitment (Current & Required)					
				Anti	None	Allow it to happen	Help it happen	Make it happen	
Consumers	Better choice and lower price	None	None						
Store Managers	(need to control deliveries) Reduced losses	Skills in process control. Commitment to new procedures	Reluctant to change. Stores already too busy.		C	<i>Action required?</i>		R	
Sales & Marketing Managers	Improved customer service and product quality image	New incentives to get Sales Reps to use approach with customers	Reluctance to change Reps reward systems			C	<i>Action required?</i>		R
Sales Reps	(extra work in preparing and running projects)	Use approach and improve quality/accuracy of stock counting	No time available to use/learn system. Loss of autonomy	C	<i>Action required?</i>			R	
Manufacturing / Logistics	(need to control process better) Less returns / queries	Change current practices. Put onus on operators to get it right	Do not trust DC operator accuracy in picking and delivery		C	<i>Action required?</i>		R	

Position project management
within change management



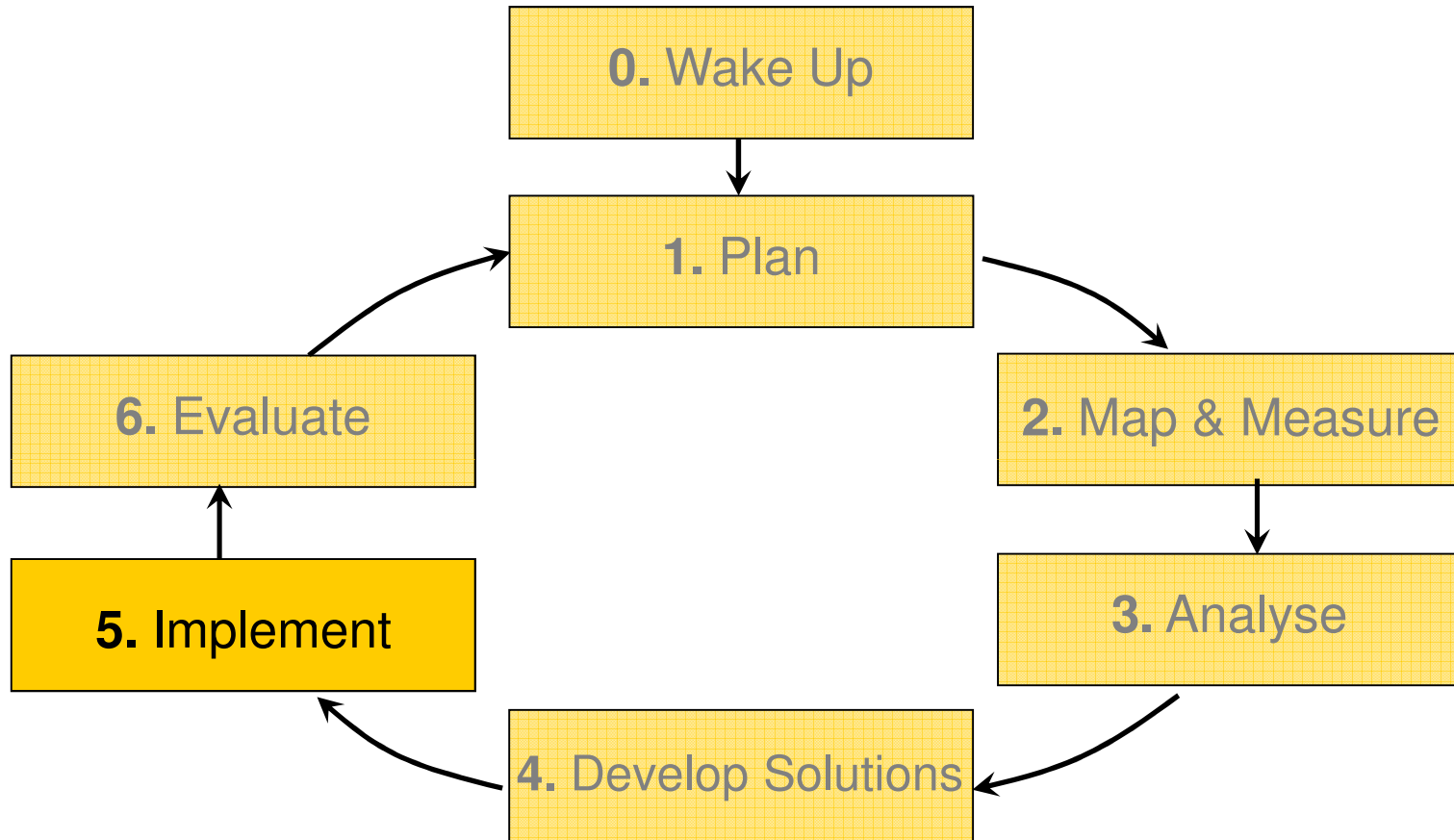
Source: Beck, A., Bilby, C.A.L., Chapman, P.A. and Harrison, A., (2001) *Shrinkage: Introducing a Collaborative Approach to Reducing Stock Loss in the Supply Chain*, ECR Europe: Brussels.



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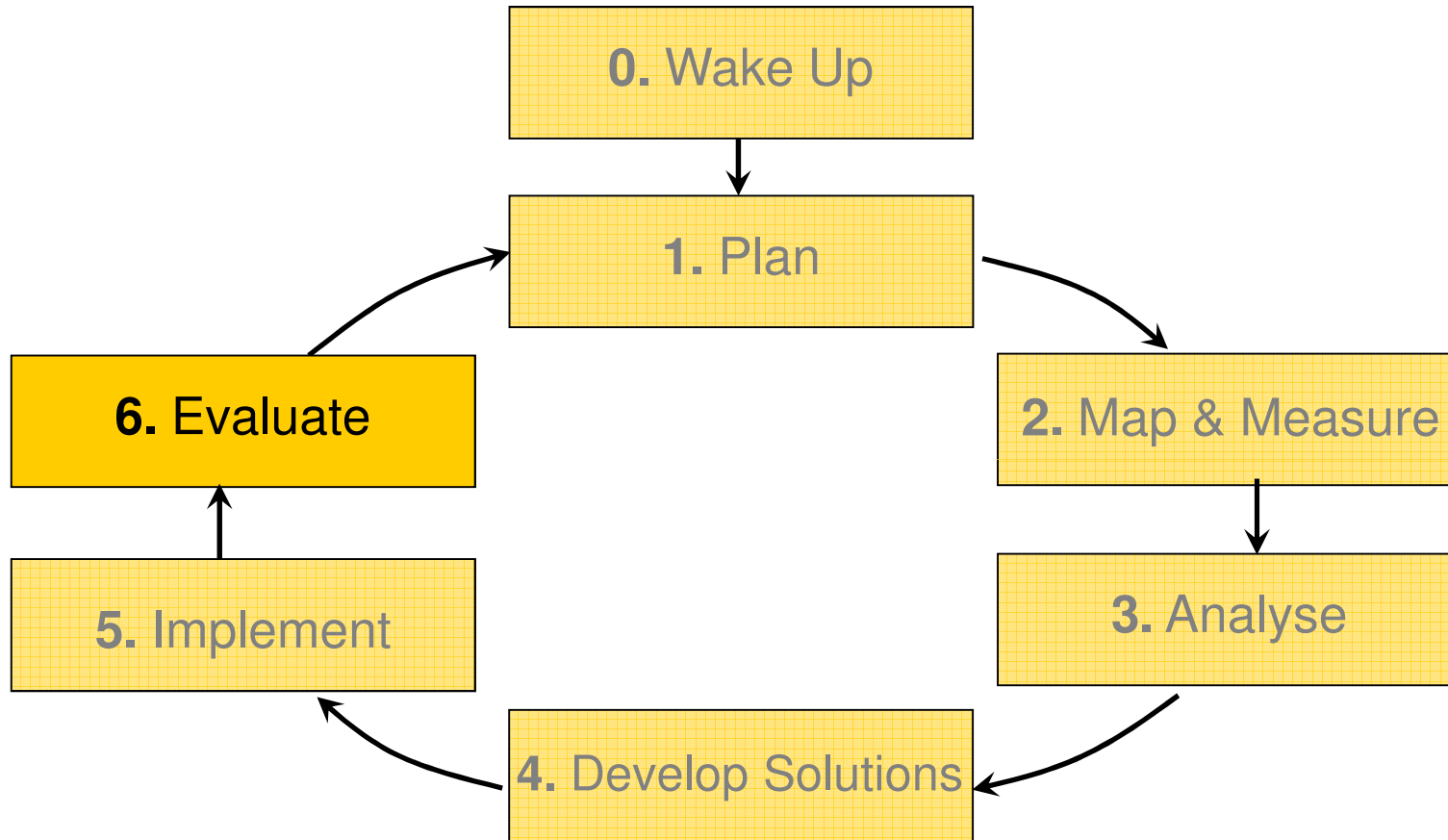
Project Planning effectiveness + efficiency

1. What is the process to be improved?
2. When does the process start and finish?
3. What are the goals of the process improvement activity?
4. When is the date by which some benefits must be felt?
5. What are the attributes of the ideal process?
6. What are the constraints and blockages to improvement?
7. Harness the knowledge of all involved



Source: Beck, A., Bilby, C.A.L., Chapman, P.A. and Harrison, A., (2001) *Shrinkage: Introducing a Collaborative Approach to Reducing Stock Loss in the Supply Chain*, ECR Europe: Brussels.

- Identify the tasks needed to complete the project
- Show the interrelationships between tasks (construct a network diagram)
- Estimate the types and amount of effort needed to complete each task
- Calculate the resource profile to complete the project
- Identify potential risks to successful project delivery
- Mitigate risks or plan contingency
- Iterate the plan and match it against resource availability
- Secure resource
- Manage progress against 'goals'



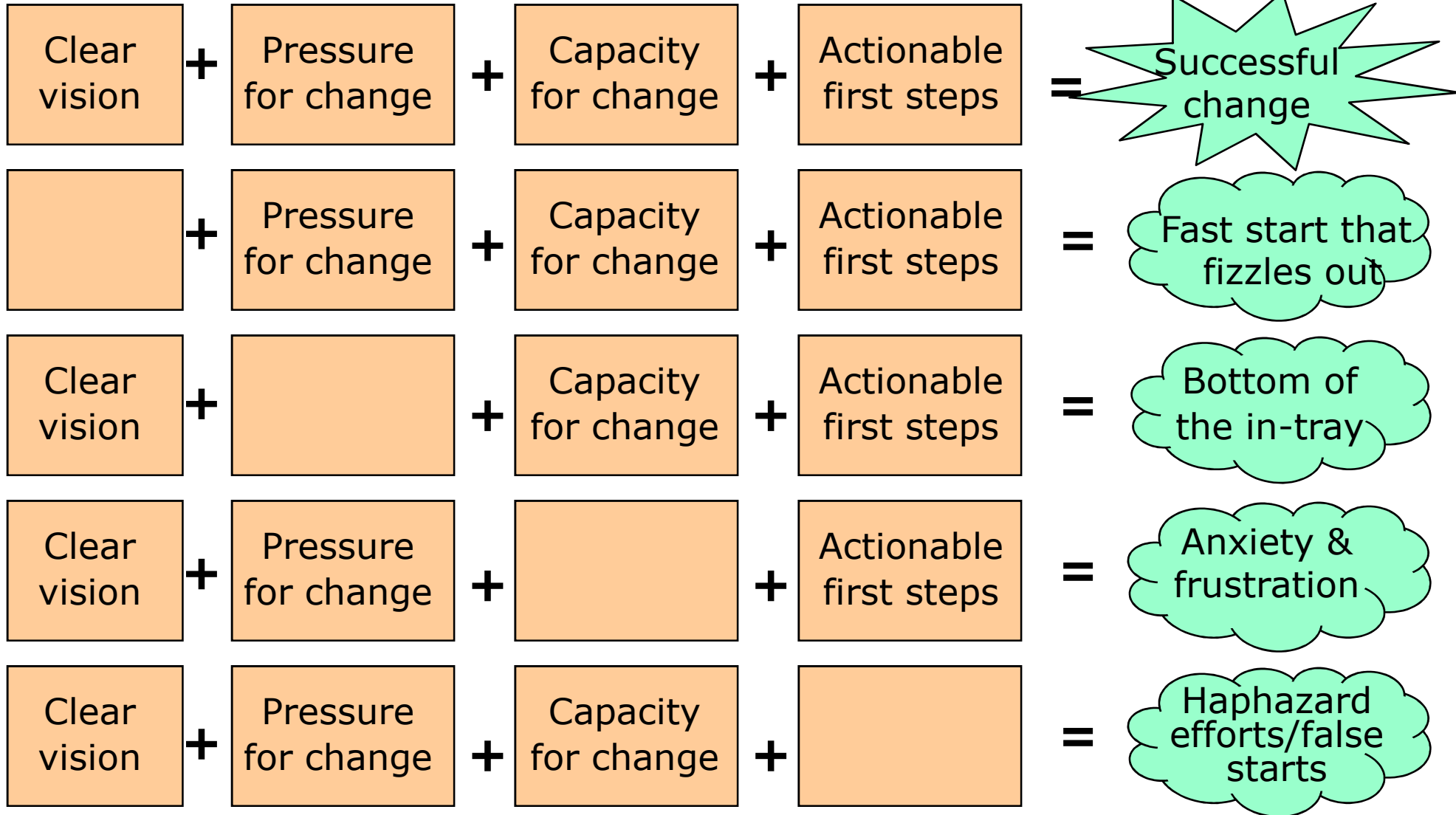
Source: Beck, A., Bilby, C.A.L., Chapman, P.A. and Harrison, A., (2001) *Shrinkage: Introducing a Collaborative Approach to Reducing Stock Loss in the Supply Chain*, ECR Europe: Brussels.

Evaluate: Capturing Learning from Step Change Projects

Areas of Focus	Types of learning to capture
Results	Quantify new performance levels
Procedures	Changes to sequence of activities or rules.
Tools / Methods	New skills in using specific tools and methods
Process	Changes to the broad sequence of activities
Structure	Changes to the formal organisation, areas of responsibility, and the geographic location of activities
Principles	Adding to the set of ideas and values used to guide decisions.

Adapted from: Clark, K.B. and Wheelwright, S.C., (1993), *Managing New Product and Process Development. Text and Cases*. Free Press, New York, NY. USA.

Why Step Change May Not Work:

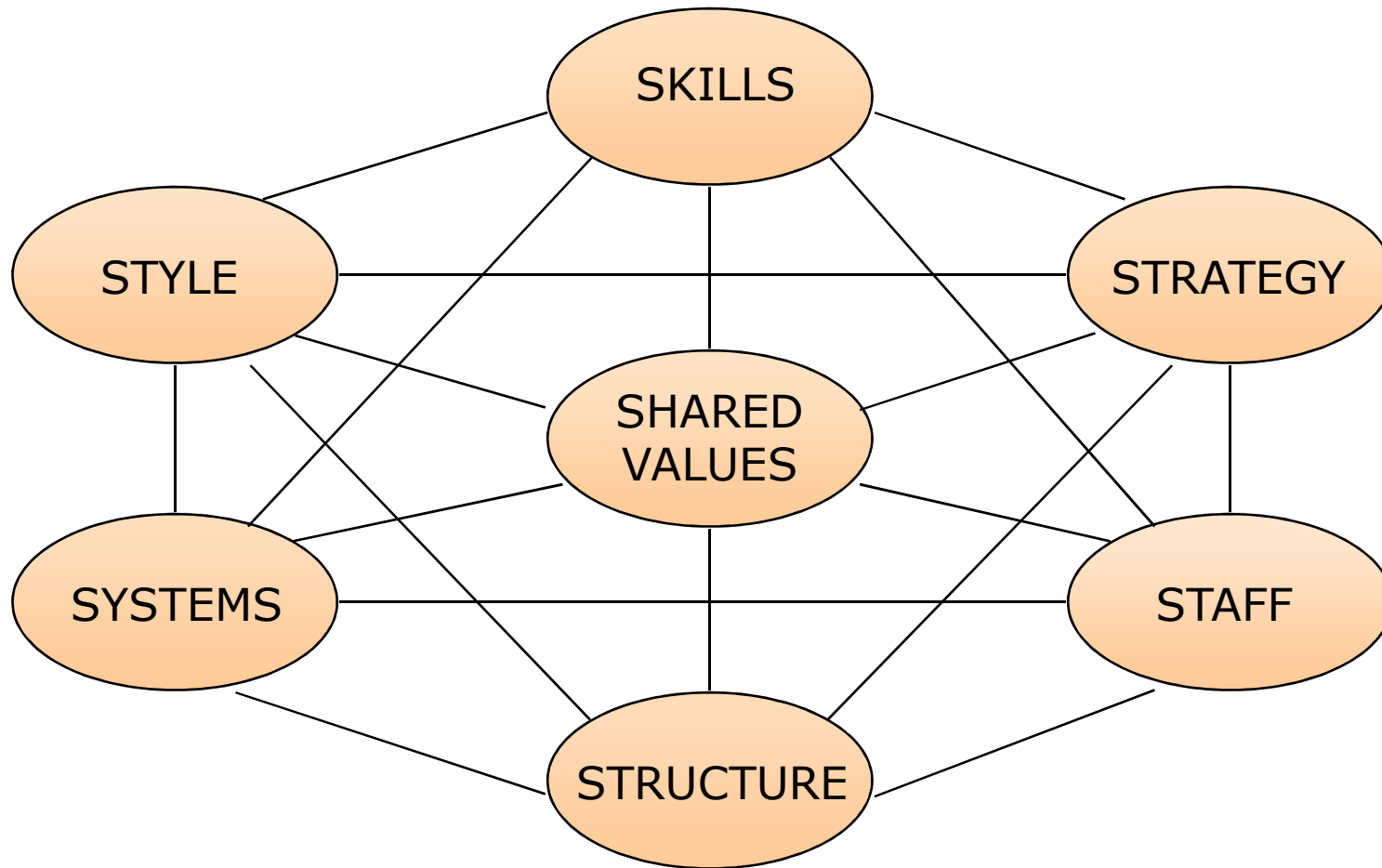


Hunt 2002 after Kotter 8 step model 1995

Developing the Vision

- Develop an attractive vision of the future that ‘pulls’ the change initiative.
- Use as many means as possible to communicate the vision.
- Ensure visible commitment of top management
- commitment of time and resources.
- Establish role models to champion the new vision.
- Have a clear picture of the organisation of the future (7S?).
- Be clear on the type of change(s) required.

Share Opportunities And Threats To Create An Environment Of Change



What will the new organization look like?

Urgency in step change is key:

Create the pressure for change

Make change much more attractive than not changing

- Communicate or lead people to discover market realities.
- Highlight actual or perceived potential crises
- drive people out of their comfort zones.
- Highlight potential attractive opportunities.
- Identifying the gap between actual and desired situation.
- Effective ongoing external intelligence.
- Re-check regularly that Stakeholders are still 'on-board'

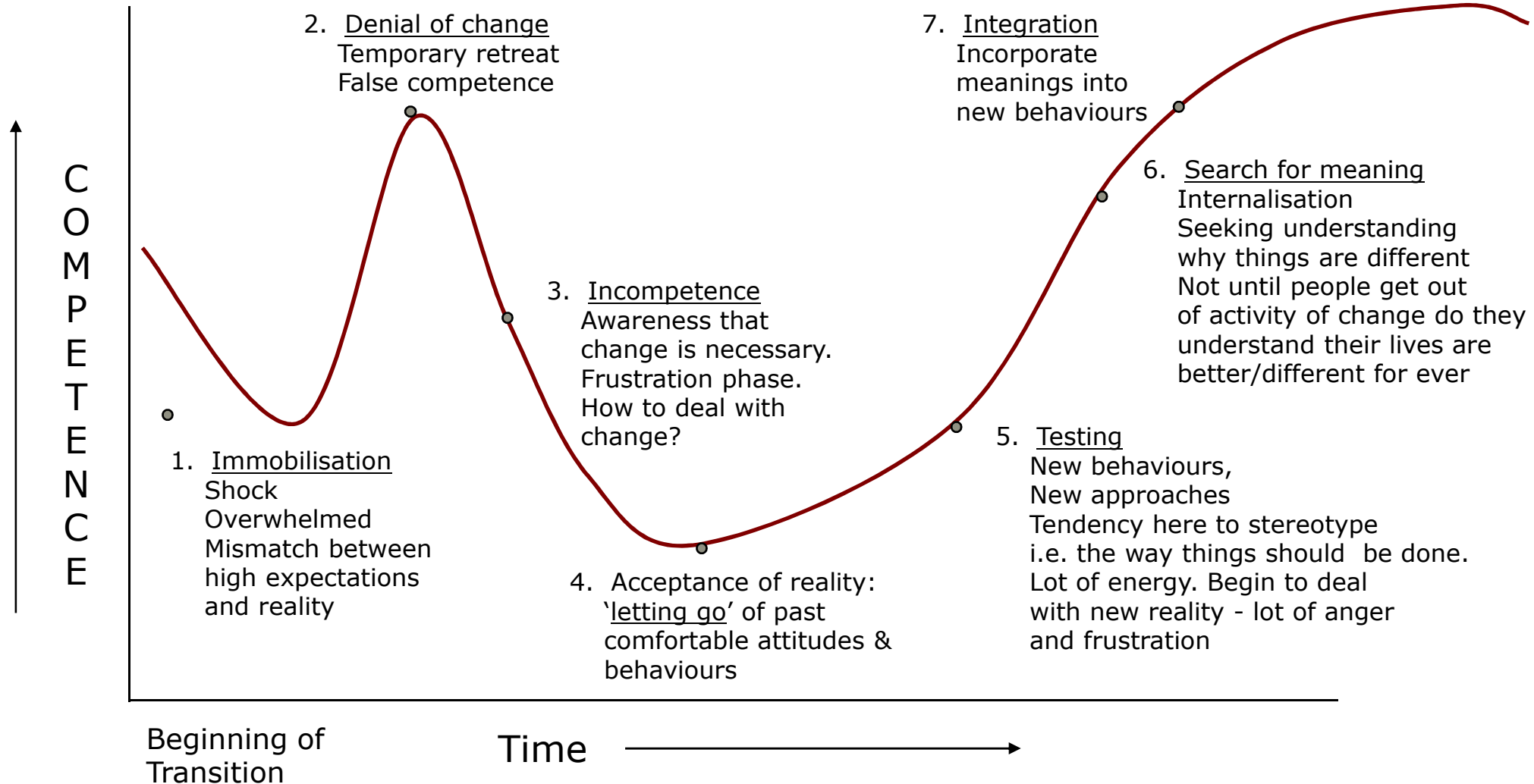
Create the capacity for step change:

- Surface and understand the cultural issues including those things that are taken for granted and seldom, if ever, questioned.
- Manage people through the change process - the transition journey. Identify true leaders, crusaders and opinion formers
- Pre-empt resistance - understand what people have to gain or lose.
- Encourage a risk-taking culture; destroy a blame culture – Change must be seen to = opportunity. No change = threats
- Develop as much of the new skill base and infrastructure needed in the new organisation that you can without disruption.
- Focus blame for the need to change outside the organisation.
- Remove all internal obstacles and old paradigms
- Always build ‘anchors with the traditions of the past’.

Actionable first steps:

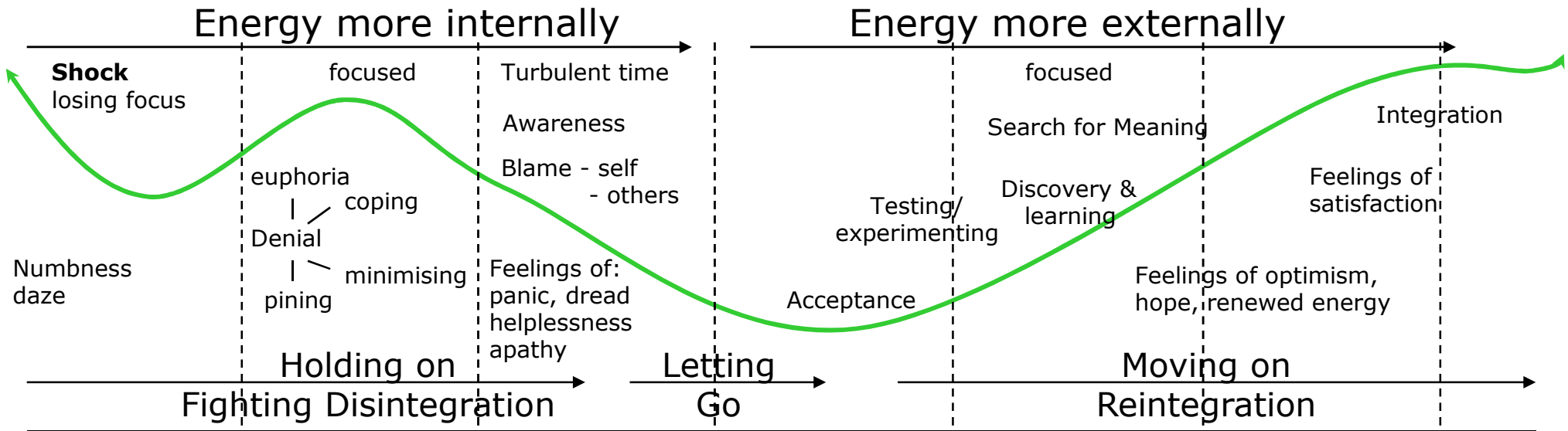
- Plan for short-term actions that will deliver visible wins.
- Recognise and reward employees involved in these wins.
- Set clearly defined objectives and responsibilities.
- Understand basically what is needed to complete the 'change journey'. Build the 'momentum of change'
- Consolidate the change process as you go along.
- Anchor the change in corporate culture and in 'traditions of the past'
- Prepare for the next 'step change'

The Transformation/Transition Curve



Understanding of the seven phases related to self and others will speed up the transition process

Support During The Transition Curve

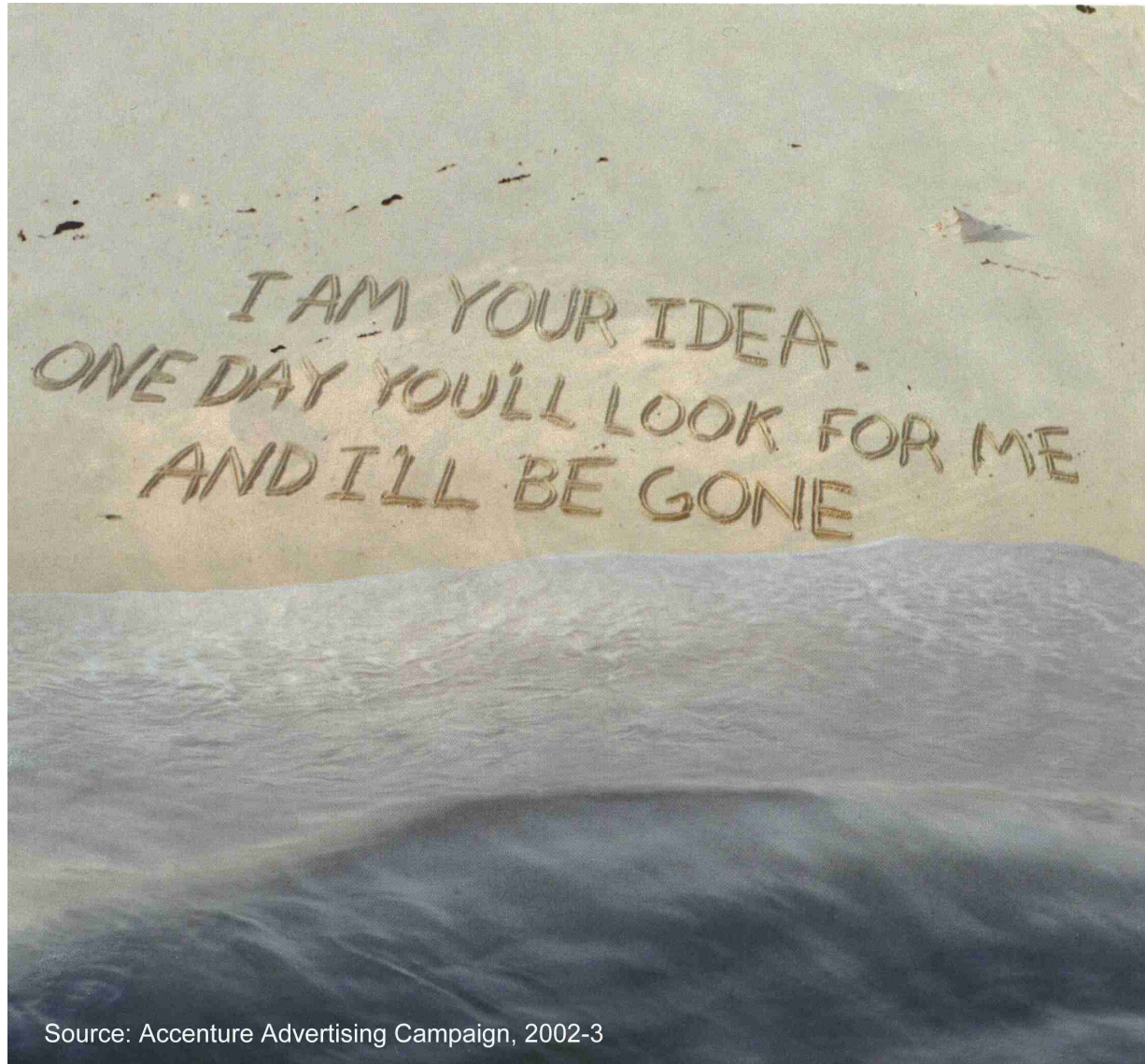


Managerial / Leadership Tasks at Each Stage

<p>Minimise shock</p> <p>Give full and early communication of intentions, possibilities and overall direction.</p>	<p>Be patient</p> <p>Discuss implications of change with individuals.</p> <p>Notice and pay attention to people's small signals</p>	<p>Listen, empathise, offer support, protection.</p> <p>Do not suppress conflict and expression of difficult views/emotions.</p> <p>Help individuals weather the storm. Recognise how the change can trigger off 'past' experience in individuals.</p> <p>Try not to take others reactions personally.</p>	<p>Help others complete e.g. rituals.</p> <p>Allow others to take responsibility.</p> <p>Encourage.</p> <p>Create goals.</p> <p>Coach.</p>	<p>Encourage risk-taking.</p> <p>Exchange feedback.</p> <p>Set up development opportunities.</p>	<p>Discuss meaning and learning.</p> <p>Reflection.</p> <p>Overview of experience.</p> <p>Celebrate success.</p>	<p>Prepare to move on to the next change</p>
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- Become a quick change artist
- Commit fully to your job
- Speed up
- Accept ambiguity and uncertainty
- Behave as if you're in business for yourself
- Stay in school – learning never stops
- Hold yourself accountable for outcomes
- Remember every day to continuously improve yourself, others, communications and processes
- Listen to customers, listen to colleagues, listen to contractors, listen to all touched by your organization

- Add value and measure it
- See yourself as a service centre
- Manage your own morale
- Practise right first time
- Be a fixer, not a finger-pointer
- Alter your expectations
- The customer is always king, so work out who the real customer is
- Be a change agent, not a change resistor, introduce step change faster than the competition (in many verticals every 12 weeks)
- Be receptive to new ideas, they always come from the most unexpected people and places
- As a supply chain professional you are in the frontline of your organization's competitive advantage so focus on developing a new unique value proposition every week and a step change every twelve weeks.
- Never fail to evaluate a new idea.....



Source: Accenture Advertising Campaign, 2002-3