CCP GLOBAL

Procurement Transformation Done Right

The importance of prioritizing Organizational Change Management for effective business transformations

CHANGE MANAGEMENT

CHANGE LEADERSHIP

What is Change Management?

Change management is the process of managing a business or digital transformation in order to ensure that the desired outcomes are achieved.

It is a systematic approach to understanding, planning, and implementing a change in order to meet business goals.

Change management should be a critical part of any business transformation effort from the very beginning as it helps to ensure that the changes are properly planned and implemented.

However, many companies don't even think about change management before starting a big, transformational project. Without proactive and comprehensive change management your transformation is likely to fail.

Change Management is both a goal and a project

The only time an organization doesn't need to worry about change management is if it's only making a small change with little to no impact on stakeholders.

That may mean something simple, like going from not having a policy to having a policy, or just having an employee click this button instead of that button.

But if a true transformation is the goal, then your change management strategy should be a primary and consistent focus of the project.

Change management can even become its own project depending on the number of modules being implemented or upgraded and the number of departments being impacted.

"It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is most adaptable to change." - Charles Darwin

Why Prioritize Change Management?

A lack of focus on organizational change management results in unpredictable and expensive company transitions, which wastes critical time and resources. It also lowers employee morale and skill development.

Business transformation has become a critical part of survival in today's business environment. Companies must find ways to adapt to new regulations, rapidly changing markets, and ever-evolving customer demands.

Change management is an essential strategy for successful business transformations. It ensures that a business transformation is successful, efficient, and cost-effective.

However, many of these transformations fail due to an innate resistance to change. In the case of implementing an Ariba procurement solution, it's not unusual to see situations where a company has put a LOT of resources into this new system, assuming that people will just start using it.

What we frequently encounter in our work is users who become frustrated for various reasons and find ways to circumvent the new system if compliance isn't enforced.

That defeats the purpose of the digital Ariba solution: i.e. fewer manual processes, and more accurate tracking of orders, invoices and spend.

A 2018 McKinsey Global Survey showed that, across all types of transformations, only 37 percent of responders reported successful implementations.

Change Management and SAP Ariba

Change Management is at the core of every success, or failure, of your SAP Ariba procurement implementation.

Implementing an enterprise solution, such as SAP Ariba can be a years-long project. That requires buy-in from a range of departments and employees. There are many different teams that need to be coordinated and considered BEFORE the process goes forward so that everyone isn't just going their own way without a common goal.

The proper leadership buy-in, preparation, communication, and coordination with two-way flow of communication is critical to your change management strategy.

Buy-in is also required across departments. Creating and managing these diverse teams is often a complex, time-consuming process to coordinate and follow up on.

Planning for those challenges early in the process saves time and frustration - and will increase the odds of a successful transition.

Organizational Challenges in SAP Implementations

Changing from a manual or older procurement system to SAP Ariba can take months or even years from the time the initial decision is made to the actual date of Go-Live.

For individual employees, that can mean a long, time-consuming event that takes them away from their regular duties. This can cause a lot of stress and make them less amenable to learning the new system.

4 Factors for Successful Change Management

1 Leadership Advocacy

Communication **2**

3 Alignment of Roles and Processes

Training **4**

1. Leadership Advocacy

Most companies underestimate the importance of Leadership Advocacy when it comes to implementing a successful SAP Ariba project.

Failures and delays can be avoided if there is a comprehensive change management strategy in place from the beginning of the project to the end. It starts with Leadership Advocacy.

Leadership advocacy requires buy in from across the executive spectrum.

3 Factors for Effective Leadership Advocacy

1. Project Sponsorship

Executive buy-in is important in business transformation because it provides the necessary support, resources, and commitment to make the transformation successful. Without it, there is a lack of commitment to the transformation and limited resources for implementation.

2. Bolstering Vision and Mission

Creating a mission and vision is a way to emphasize the benefits of a big project, to help potential users understand exactly why this is an important and transformational step for the company. It is critical to take a values based approach to demonstrate the value of change to your stakeholders.

3. Fostering Accountability

This gets to the core of resistance to change from users. When a potential user doesn't want to change, they may push back and try to circumvent the system. This sometimes results in users not being held accountable. Determine how you want to manage compliance and ensure compliance is managed through configuration.

2. Communication

Communication is an essential part of any business transformation. It ensures that all stakeholders are aware of the changes taking place, the objectives of the transformation, and the timeline for implementation.

3 Factors for Effective Communication

1. Transparent, Early and Often

It's not enough to just let potential users know that the company is going to adopt a new procurement system. Keep in mind, this is a long process. Start communication during the evaluation process, after the system has been chosen, and along the way as the project progresses.

2. Targeted, Impactful

Make updates specific to the users and to how the coming change will affect them and their jobs. The idea is to clearly and specifically communicate how the system will affect those particular people or departments, especially focusing on how it will benefit them. Also, ask for input and listen to it and act upon it.

3. Share Wins and Lessons Learned

Emphasize successes and acknowledge improvements that need to be made so users know you are not ignoring concerns they may have or technical difficulties that they are encountering.

When changes are well-planned and communicated clearly to all impacted employees, it can help to create a sense of ownership and commitment to the changes. This can lead to increased motivation and engagement in the organization, which can lead to improved performance.
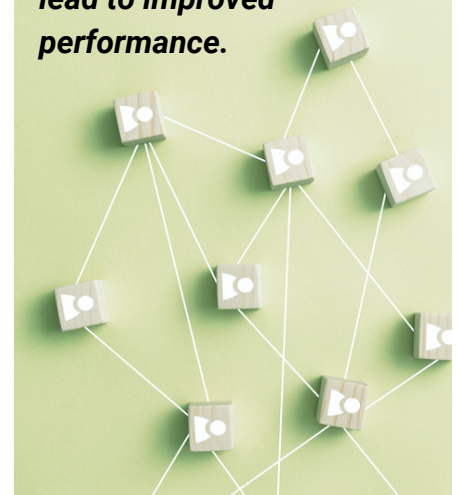
3. Alignment of Roles and Process

Because Ariba helps to automate procurement processes, the key messaging should be around the positive changes that will occur for stakeholders. However, changing processes may mean changes to the way your teams operate.

3 Factors for Engaging Employees in Future State

1. Establish Future Roles and Processes

Raise awareness of the target state and increase future state understanding of the employee's role in that future state. Understand who the key stakeholders are and group them to define proper engagement.

2. Have a clear plan for the end state

Assess and understand project impacts on people, process, and technology to identify needed change management activities. Throughout the project, monitor people and organizational readiness for deployment.

3. Create a values-based approach to change

Learning that ones role may change significantly can be stressful. Creating role-based messaging focused on the benefits to the change and giving clear direction for the future will help to alleviate the stress of the impending changes.

How to communicate that change is different for every company, but one good approach is simple transparency. If people know what's coming and how their job is going to change because of Ariba, it makes them more comfortable and more open to adapting.
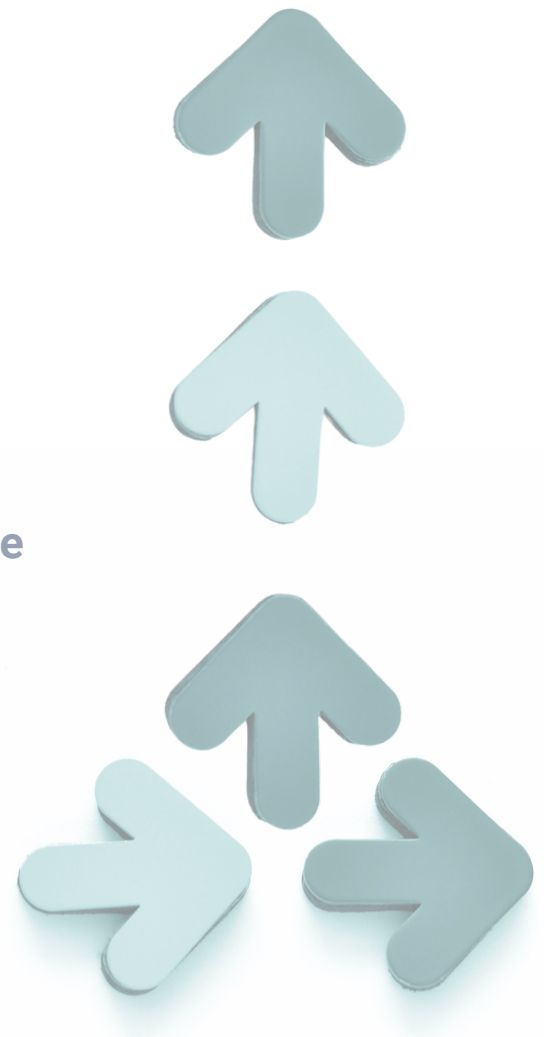
4. Training

Proper training is a crucial component in both the initial and the ongoing success of your SAP Ariba system. However, training needs to be targeted, impactful, and well-planned.

3 Factors for an Effective Training Plan

1. Understand Skill levels

Training shouldn't be one-size-fits-all. When creating a training plan, you should work with change champions and key stakeholders to understand and rank the skill sets of their teams to plan and prioritize learning journeys.

2. Targeted, Digestible Content

Be sure that training materials only target that department's or individual's needs, there is no need to train people on irrelevant functions. Focus on tailored messaging to audiences delivered in smaller sessions that can be easily absorbed. Much like with communication, training should begin early and focus on continuous learning to support roles and functions.

3. Leverage Various Mediums

Initial training establishes a foundation for learning the system, but it should be ongoing to keep user on board. Create quick reference guides and how-to videos that are easily accessible to employees. The help desk should also be trained to direct users back to self-service options if they open a ticket for tasks that have easily assessable instructions available.
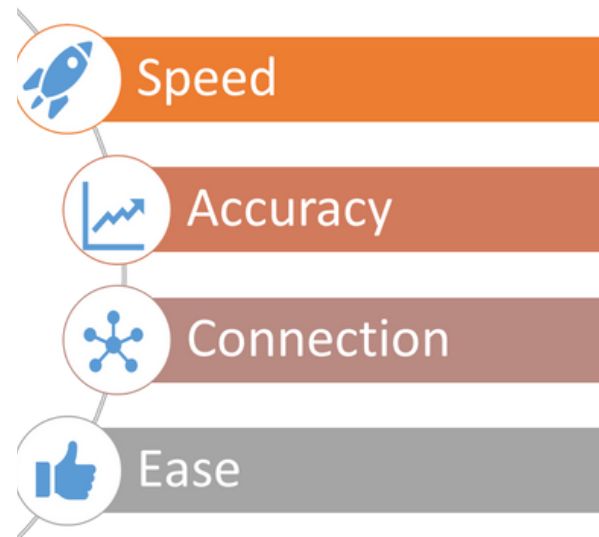
Transformation

Implementing an automated procurement system like SAP Ariba is an opportunity to focus on transformation and how the implementation will support your organizational goals.

SAP Ariba

To make that transition successful, a comprehensive and targeted change management strategy is essential to efficiently and effectively execute the transformation. Change management improves communication reduces risk and ensures targeted ROI goals are achieved and maintained long-term.

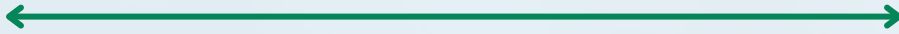**Interested in learning more? Visit the links below.**

The Importance of Change Management in Successful SAP Ariba Deployments
Communication
Alignment of Roles and Processes
Training
Transformation

CCP Global is a leading SAP Ariba boutique consulting firm. We help our clients leverage best-in-class sourcing, contracts, procurement and AP functions, specializing in fully integrated, end-to-end solutions and custom project approaches. We focus on fast, dynamic implementations with agile, highly efficient teams based upon project size.

Our unique high value approach results in more cost-effective and efficient projects that exceed our clients goals and expectations. CCP Global was the 1st Certified Ariba Systems Integrator (CASI), and we are proud to support SAP Ariba on many of their direct projects. Our work is backed with a 100% Client Satisfaction Guarantee.

All content is gathered from the experience and knowledge of our expert consulting team. Learn more at CCPGlobal.com.