

Results Driven Education – Improved Project Success – prevent at least 15% of your transformation project benefits disappearing before you start

Change Management – a neglected enabler

Supply Chain Optimization is all about improvement and improvement is enabled by Change Management

Change Management is a widely used but often misunderstood term. I would guarantee if the reader were to ask the next transformation project team meeting they encounter to define change management, there would be a wide range of definitions and the likelihood of striking a common theme would be relatively low.

Often neglected and unbudgeted are the human aspects of Change Management and this neglect is a key contributor to the failure of projects to achieve their timelines, their budgets, their adoption rates and consequently their financial returns.

Changing Human Perception and Behaviors is challenging and should not be taken lightly. Sponsorship, Communications, Training and Resistance Management are key elements of any robust Change Management Plan but are often the first items to suffer when budgets or timelines get tight or a project starts to derail.

This article is the first of a series of articles on one of the opportunities open to Supply Chain Transformation leaders in addressing the challenges of Change Management and will offer to an organization a roadmap of tools to help them better meet their challenges.

The costs of poor Change Management

Poor Change Management is estimated to conservatively put at risk a minimum of 15% of tangible and much more indirectly. Considering the number of projects undertaken by organizations that have multi-million dollar savings targets, the cost of poor or no change management is very large indeed.

Indirect costs are driven by a range of items including but not limited to; a lack of management credibility, impacts from business interruption, loss of face with customers, failed investments, just to name a few.

Training of project leaders, sponsors and teams in Change Management is a key success factor. Supply Chain Transformations often require practical know how gained by experience and its often not possible to find experienced practitioners or train people in short order as courses are often lengthy or they are theoretically based.

Experiential Learning is a methodology that can help!!

The power of Experiential Learning

Experiential learning uses simulations to enable practical learning in a simulated environment, allowing learning's to be applied in a practice environment and mistakes to be made and learned from without adversely impacting businesses.

One of the most famous Supply Chain Simulations is ***the Beer Game***, an approach I have used many times to educate groups on the dynamics of demand driven Supply Chains. In the space of half a day,

participants learn by doing and learn much more than attending a half day lecture on the topic. Retained learnings for experiential learning are rated at 80% compared to 20% for conventional training delivery methods, therefore what is learned is more likely to be retained and deliver far more significant return on investment.

The Fresh Connection takes Supply Chain education to a new level, simulating integrated business planning and enabling participants to learn in a cross functional collaborative forum. The power of this approach is that it brings Supply Chain Planning function together with Sales, Production and Procurement and has them work with financial visibility in a competitive market. Collaborative planning is paramount just as it is within the live business environment. Participants learn the importance of visibility and collaborative decision making in a time sensitive and competitive environment.

Key to the learning outcomes is that Supply Chain Performance cannot be maximized by the Supply Chain Department in isolation and will not be maximized if the business operates in silos.

Participants of The Fresh Connection will have an improved chance of establishing integrated business planning, S&OP and CPFR operating rhythms within their business.

An opportunity left unaddressed however is the know how to influence people and get them to buy into these operating rhythms. The implementation of these operating rhythms quite often involve on boarding of people with positional power, informal power or support enablers who would normally concern themselves with Supply Chain Performance except for when it falters and impacts their department.

A powerful Change Management simulation has been recently released into the Australian market. This simulation has been widely used by blue chip companies and educational institutions in the USA and Europe for a number of years. An educational approach built around **the Change Pro Simulation** enables participants to understand the tactics and strategies used to build awareness, raise interest, support evaluation and gain adoption. Just like the Fresh Connection, the Change Pro Simulation enables greater retention of learning's as participants experience simulated human behavior in the Change Management Environment. Participants will be better equipped with practical tools to manage the challenges of changing perceptions and behaviors of those in the organization that are needed as sponsors, stakeholders, enablers and customers.

Common to both Change Pro and The Fresh Connection is they can expose participants to practical learning's from undergoing multiple business cycles in a shortened horizon, this means they are ready to deliver results in the business environment faster.

In conclusion

Experiencing The Fresh Connection to understand the decision levers and operating rhythms that underpin a successful Supply Chain and building on the ability to influence and change is a powerful approach. Being able to simulate the outcomes of a transformation to an Integrated Planning approach provides far more powerful learnings than previously available in the Australian market.

The result is an approach that will allow organizations to deliver Supply Chain Outcomes that reduce Working Capital and improve In Stocks at the right Operating Cost. Organizations undergoing business transformations will achieve their benefits faster if they enable their transformation teams with these learning approaches.

Investments in The Fresh Connection and Change Pro simulated learning approaches are small resulting in tangible and multiple returns on investment.

About the author;

Kevin Farrington is an experienced Supply Chain professional most recently focused on the fast moving and dynamic telecommunications sector. Kevin currently holds the role of Vice President of Supply Chain and Operations USA and Canada for a major service provider. Kevin is the resident Supply Chain Transformations adviser for 3pi, providers of Supply Chain Transformation services in the Australian market.

In 2012, 3pi are making the following offer;

The opportunity to gain a Supply Chain Transformation Experience

We are offering an organization an opportunity to enter a team in The Fresh Connection National Supply Chain Competition.

All you need to do is to tell us in one page or less about your challenges as a Supply Chain Professional in gaining organizational buy in to your Supply Chain programs. Entries to be emailed to info@3pi.com.au with Integrated Business Planning entry in the subject line no later than 31st January 2012, with the winners being announced by end February 2012.