

How Effective Change Management Can Create Sustainable Change in Getting Your Organization Ready for SAP S/4HANA

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SAPinsider

In This Session

You need a sound and proven change management methodology to drive sustained change within an integrated supply chain.

As you look to implement SAP S/4 this is crucial to drive bottom-line value to your company. At the center of the process is top-down-left-right change management and education of the organization with aligned structural adjustments.

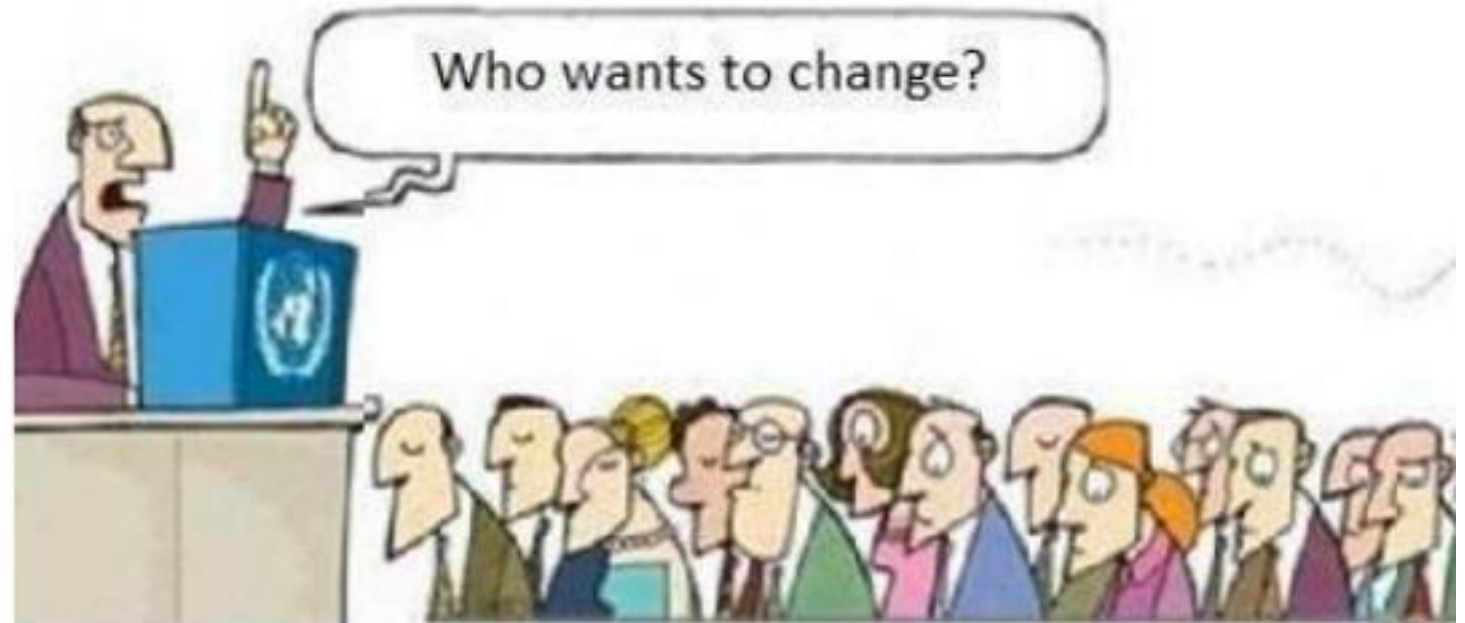
What We'll Cover

- Top-Down-Left-Right Alignment
- Gathering Data
- Create the Burning Platform
- Self Awareness
- Tools for Change
- Change Across the Organization
- Governance
- Wrap Up

Top-Down-Left-Right Alignment

It is far easier to ask others to change than it is to change yourself.

In order to adopt big initiatives, everyone needs to be committed to change – however big or small that change may be.



Top-Down-Left-Right Alignment (cont.)

While pointing a finger at someone else to change, we feel empowered, justified and confident.

When that finger turns to us, we launch into the human response cycle:

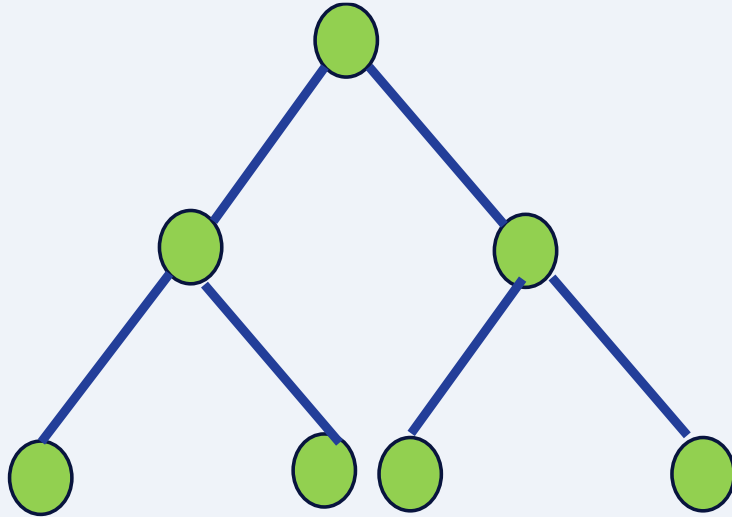
If YOU believe you are vulnerable and at risk ...



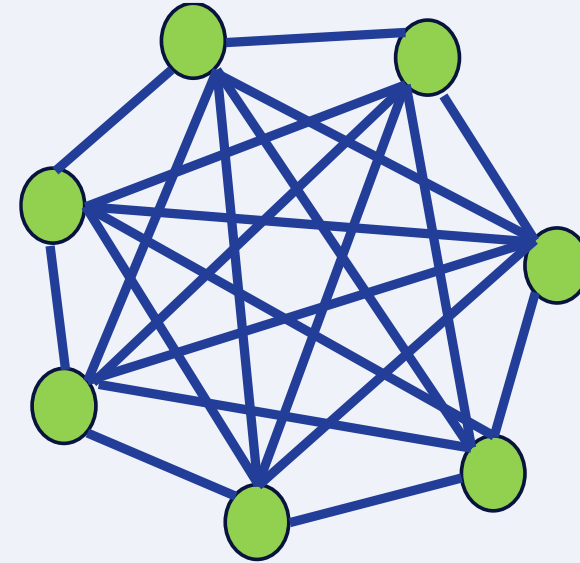
... your likely response when thrust into the Panic Zone:

**Attack
Defense
Withdrawal**

Top-Down-Left-Right Alignment (cont.)



How We Want Change
Management To Be

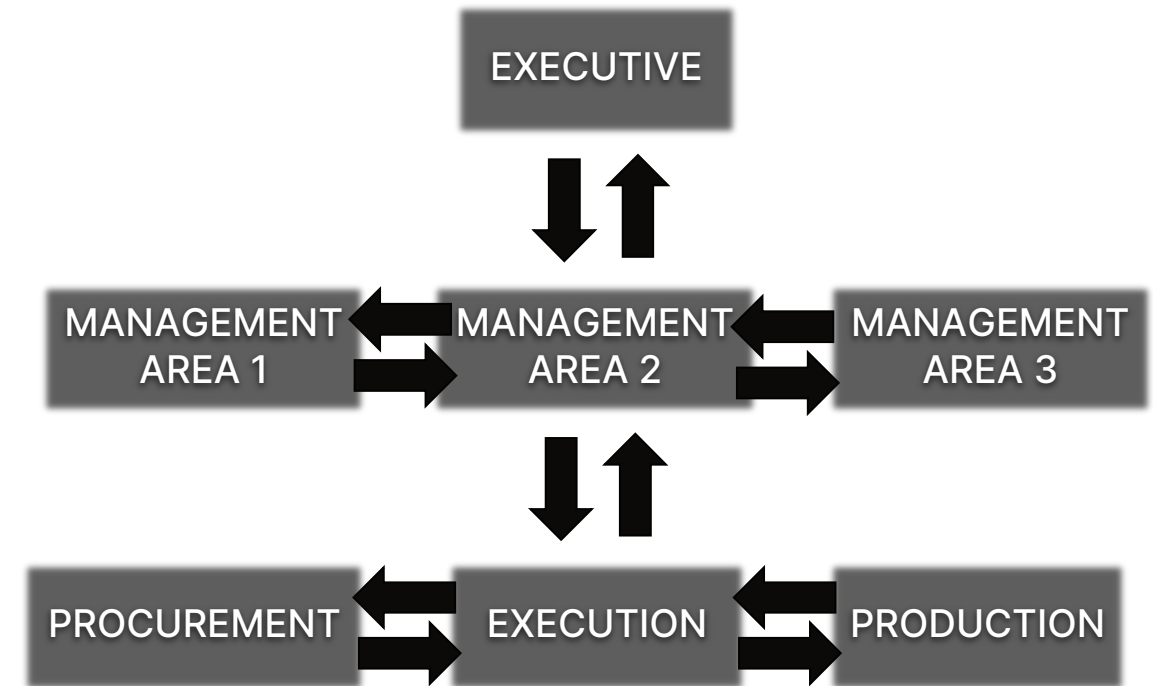


How Change Management
Needs To Be

Top-Down-Left-Right Alignment (cont.)

Initiatives with change have the best outcomes when:

- There is absolute alignment
- In **understanding** and **effort**
- Between all areas of the organization



Gathering Data

Baseline/platform the starting point

Aside from our understanding of current functional processes, we need to assess the humans who are part of this change to understand how complex the journey will be

- Cross-organizational readiness
- Individual readiness
- Team readiness



Gathering Data (cont.)

We will take a brief look at 4 different pieces of data:

- 5C
- Individual skills assessments
- Individual behavioral assessments
- Team cohesiveness assessments



5C

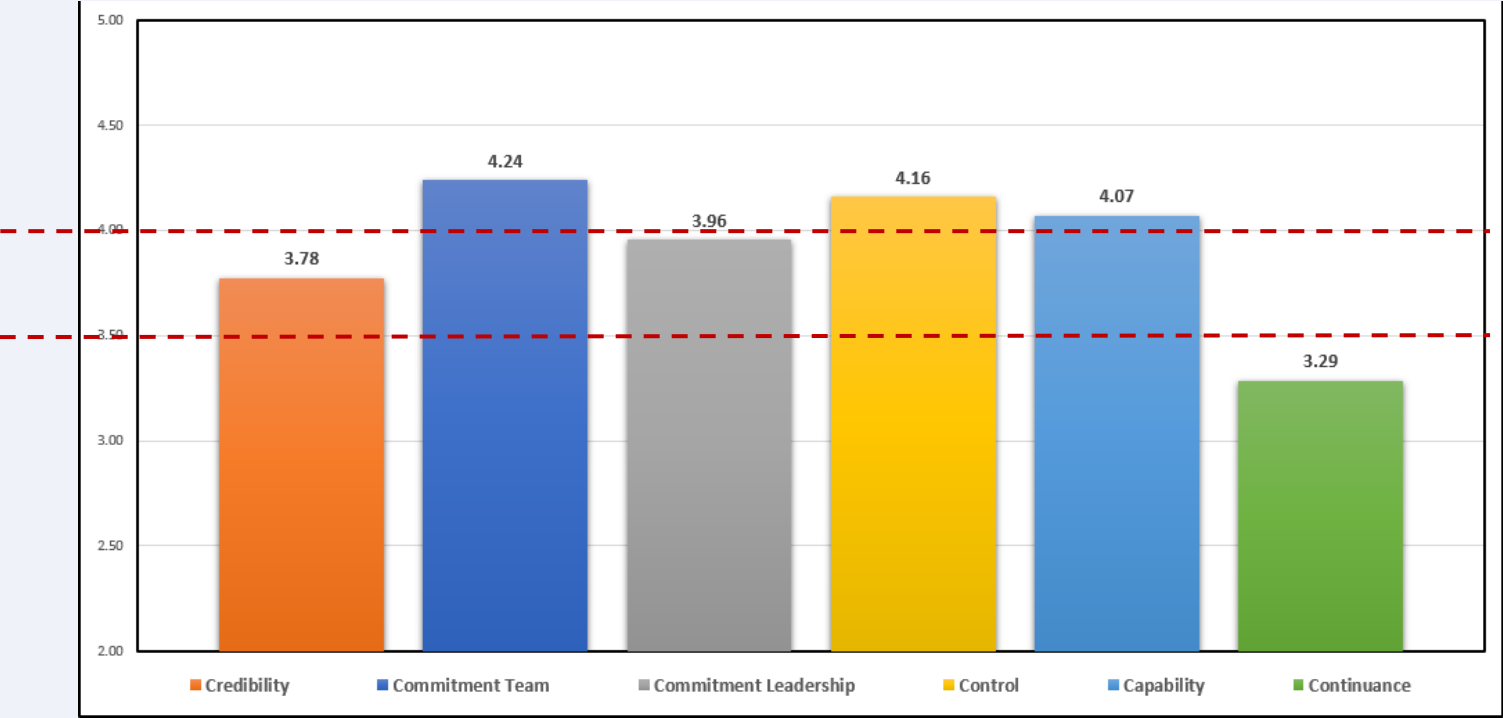
5C is a tool that includes participants across the functional areas and across the management and leadership layers of an organization.

It provides a self-reported view of the change readiness and progress.

Credibility	oVo [®] need and objectives shared and understood
Commitment	Leadership / Teams supportive and willing to participate
Control	Understanding of changes and new process imbedded
Capability	New skills and knowledge in place and at work
Continuance	Continuity and sustainment defined and mapped

5C (cont.)

Sample output shows ranges that yield the most success; and where the sample group falls.



2			ALL
5	1.0	Credibility	3.78
0	2.1	Commitment Team	4.24
C	2.2	Commitment Leadership	3.96
TM	3.0	Control	4.16
/	4.0	Capability	4.07
1	5.0	Continuance	3.29
#		Average	3.91
0			
/			
1			
2			

Individual Skills Assessments

Functional and SAP specific:

- SAP proficiency assessment
- SAP Learning Hub
(<https://learninghub.sap.com>)

Supply Chain certifications/assessments

- ASCM.org
- CSCMP.org
- Revealvalue.com



Individual Behavioral Assessments

Johari Window

- This framework recognizes that what we know about ourselves is different from what others know about us.
- This intersection of data creates opportunities to learn more about ourselves.



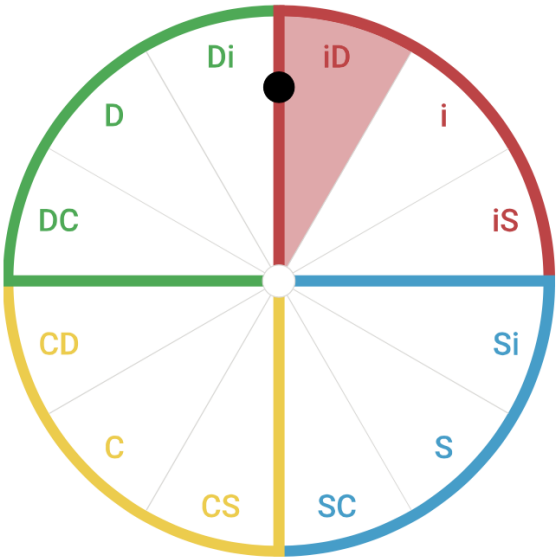
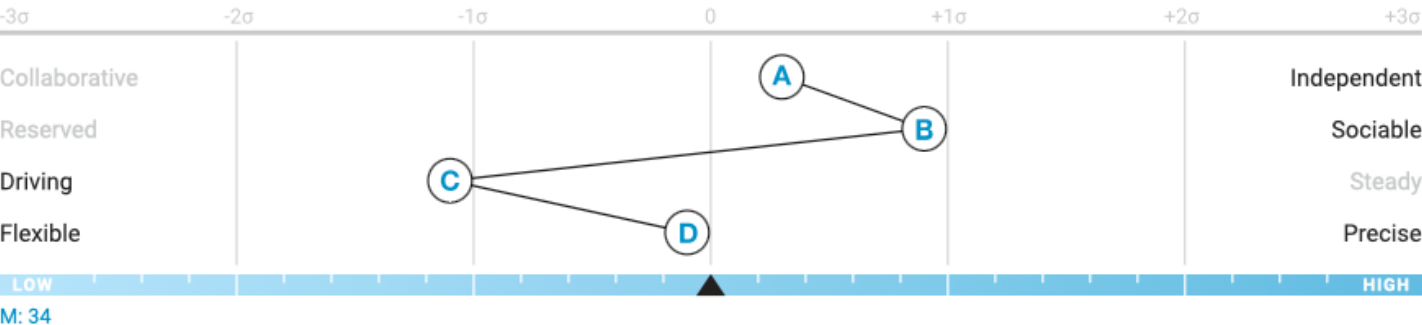
Joseph Luft and Harrington Ingham

Individual Behavioral Assessments (cont.)

Your Myers-Briggs personality type
ESTJ

Your preferences
Extraversion | Sensing | Thinking | Judging

PROBABILITY: EXTRAVERSION | 80 SENSING | 98 THINKING | 94 JUDGING | 84



Type Three: The Achiever

YOUR RESULTS

EnneagramTestQueen.com

Discovering Your Personality Type



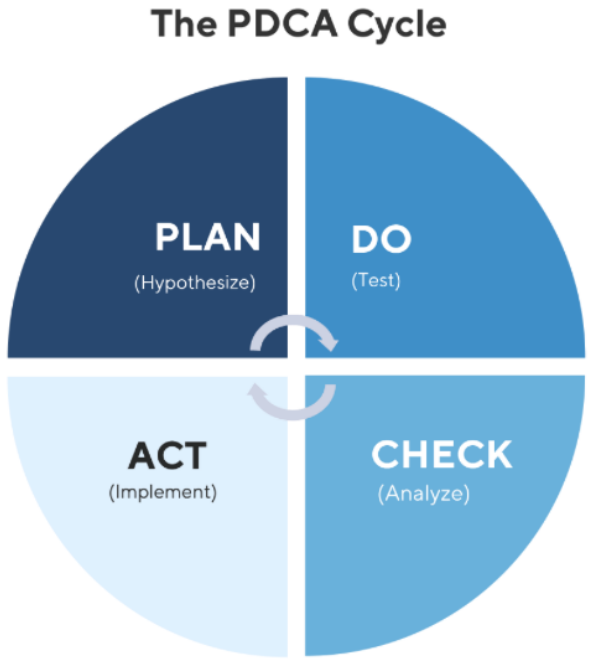
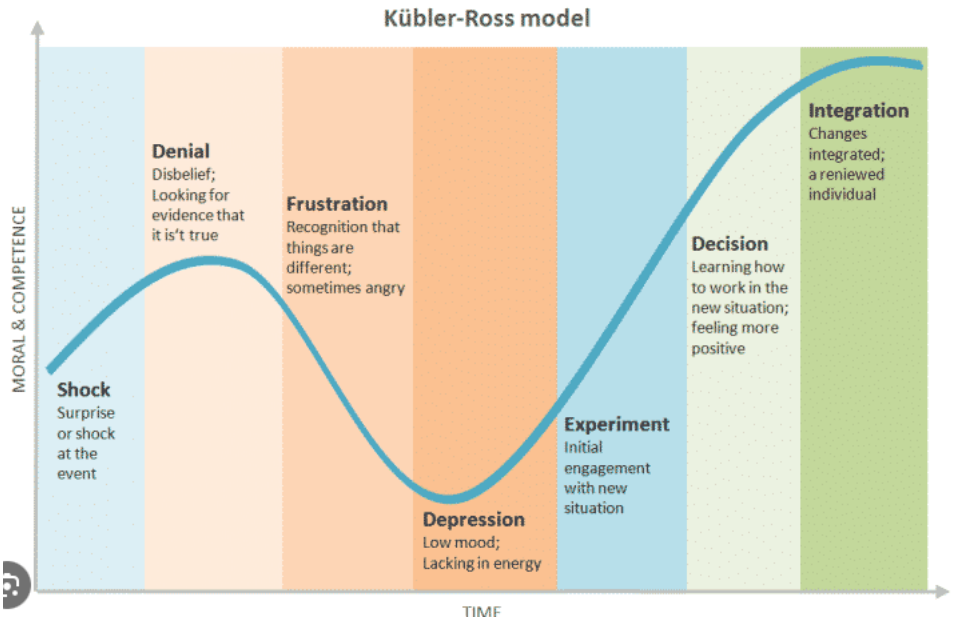
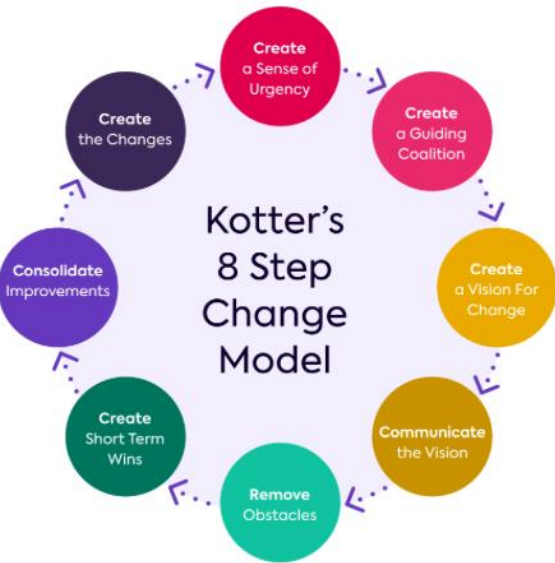
Team Cohesiveness Assessments

- Most of our work today is accomplished in teams.
- We all have the traits that we bring to our work.
- 5B utilizes an individual behavioral assessment to identify the characteristics of each individual on the team.
- Then it presents an approach/model for working through the layered challenges of being a fully functional and cohesive team.



Patrick Lencioni and Wiley

Change Models



Theory to Practice

The data gathered from assessments will inform you where you have work to do:

- Functional
- Individual
- Team

Now that we understand the theoretical change that has to be accomplished, we have to practically apply that in a supply chain context

This involves evaluating the people, process, and technology impacts on different business processes to accomplish supply chain functions

- Example: Do we want MRP to generate purchasing suggestions – and then follow those suggestions, or do we want to insert people and additional processes in a position to come up with or override those suggestions?

Important note: You cannot assume that people will change at the speed of the project plan!

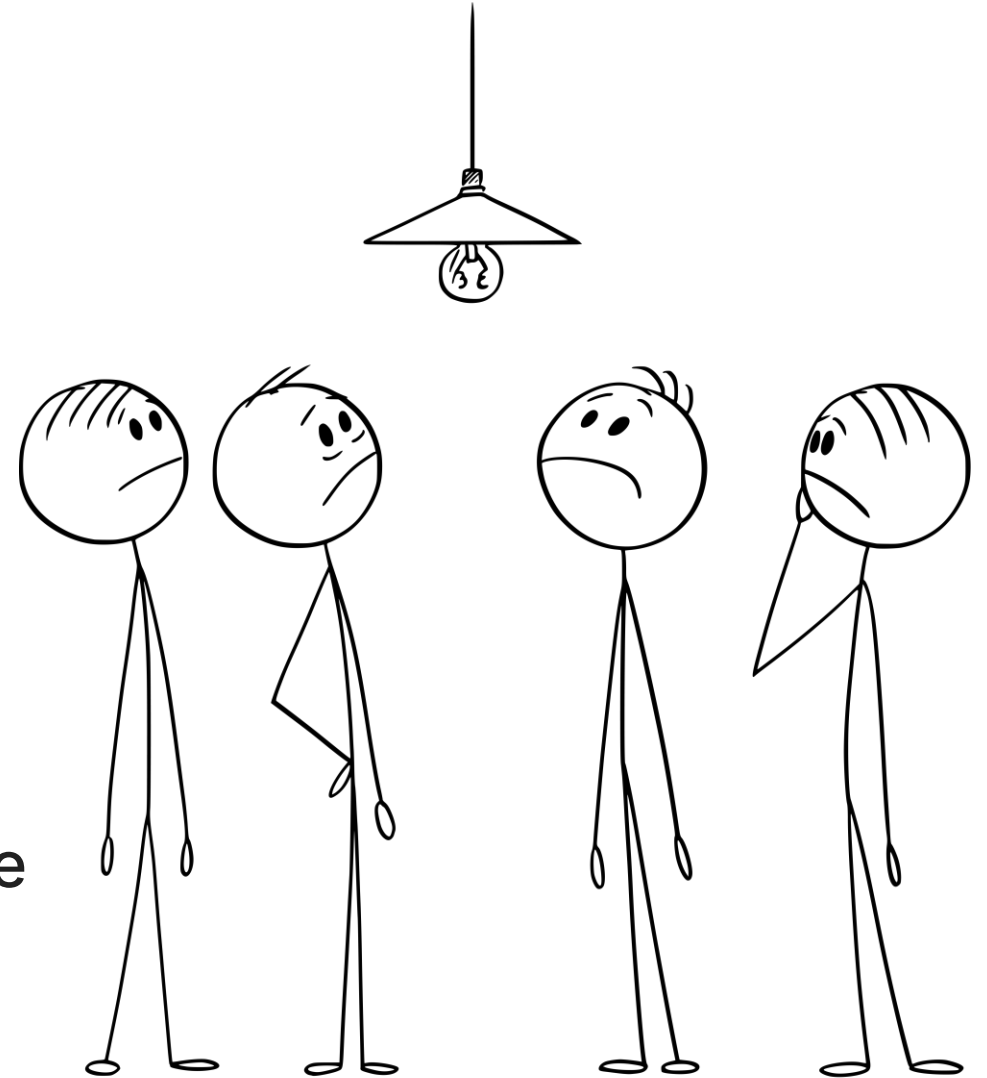
Create the Burning Platform

Question:

How many psychologists does it take to change a light bulb?

Answer:

1, but the light bulb needs to want to change



Create the Burning Platform (cont.)

SAP S/4 is not just a technical change: it is an opportunity to improve processes and company performance. It is an organizational change.

It is not going away – the change is going to happen.

Organizational benefits:

- Operational improvements. Do more with less.
- Leverage new technology with new features.
- Ensure sustainability.
- Cross-training – better understanding across the organization.
- Move away from “old ways”.
- Changing in a supply chain context translates to real money, real customer impacts, and real business. **It is not optional!**

Self Awareness

We quickly go the WIIFM:

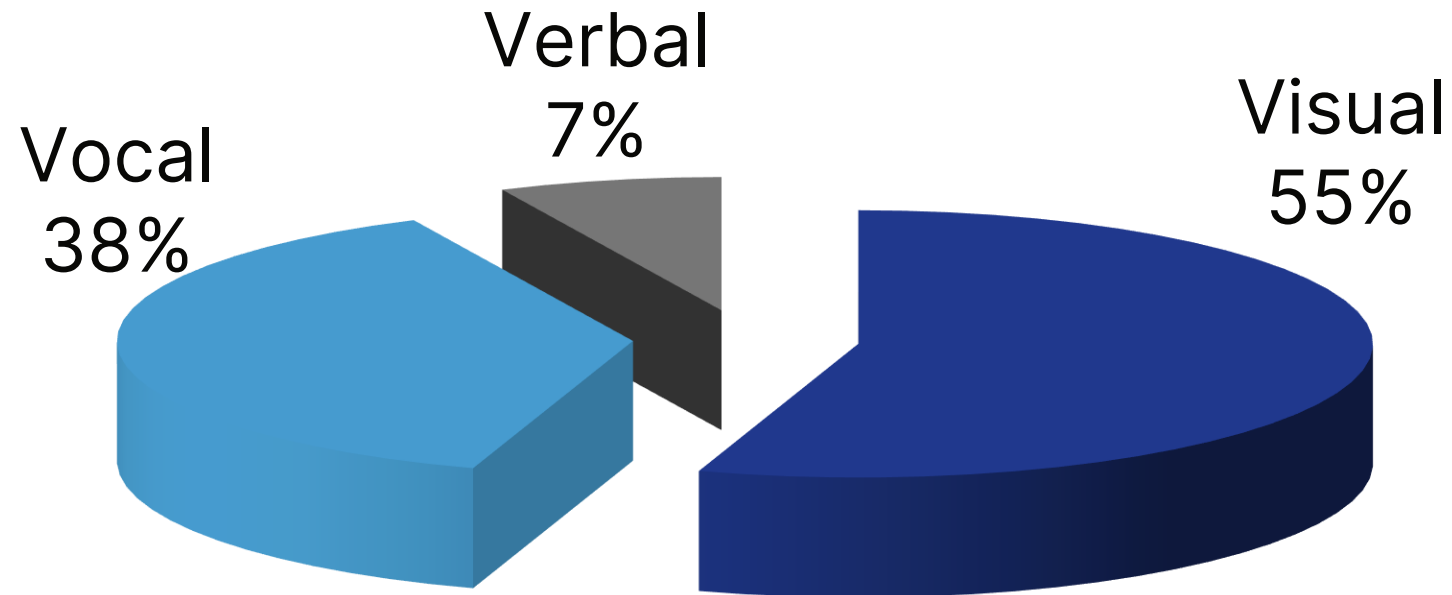
- Trying to sell the **benefit** to each individual

It is important to tell each person what will be **required** of them

- Communicate each of these requirements in the context of their functional skillsets, behavioral skillsets, and team dynamics with the common language that we have developed



Credible Communication



Source: Dr. Albert Mehrabian, "Silent Messages: Implicit Communication of Emotions and Attitudes"

Tools for Change

- SAP Education
- Supply Chain Education
- Integrated Business Process Education
- Change does not happen from a PowerPoint, or training manual.

Change happens in IRL:

- Work shoulder-to-shoulder
- Multi-modal
- Immediate gratification
- Gamification



- Individual
- Generic
- Short
- Self-paced
- My information

Vs.



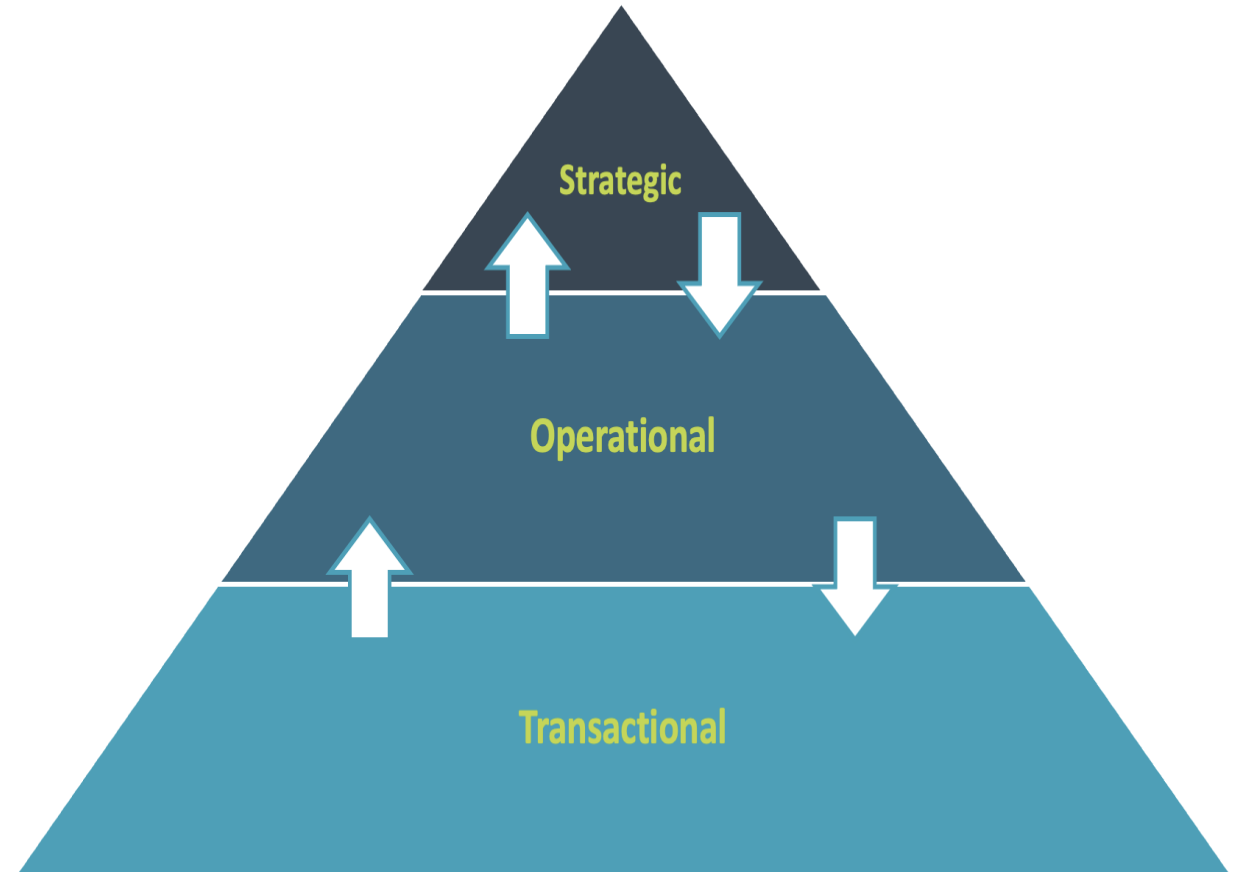
- Team
- Business-specific
- Ongoing on-the-job
- Workshop-driven
- Our information

Change Across the Organization

- Change needs to happen continuously, across all areas of the organization.
 - Frequent assessments of progress at an individual, team, and functional level.
 - Frequent coaching and training utilizing the results.
- Establish goals and objectives throughout the process. Measure and communicate progress against those goals.
- Formulate a fresh set of KPIs for the “run” phase – these are business KPIs that drive continuous improvement in the new structures in the new world.

Governance

- Establish, recruit, and communicate.
- Process Aligned Teams that discuss meaningful issues across functional areas.
- Establish business flows where real business issues are identified and solved at the right level.
- Integration across functions and escalation between levels ensure the sustainability of the new world.



Integrated Metrics

- Individual perception (self-reported) of change throughout the process.
- Customer service levels.
- OTIF.
- Average inventory levels.
- Team cohesiveness – across the integrated supply chain.
- Manual intervention against system recommendations.
- Number of Supply Chain exception messages.
- Volume of supply chain process improvement suggestions.

Wrap Up

- The need for change
- Top-down-left-right alignment
- Data gathering
 - Organizational (5C)
 - Individual skills assessments
 - Individual behavioral assessment
 - Teams cohesiveness assessments
- Create the burning platform
 - WIIFM and
 - What is required
- Improve self-awareness
- Give people the tools for change
- Governance

Where to Find More Information

<https://www.tablegroup.com/topics-and-resources/teamwork-5-dysfunctions/>

Patrick Lencioni's company website with information about his book and the 5 Behaviors program

www.revealvalue.com

Navigate through the SOLUTIONS tab and the APPROACH tab for great information on how to run a supply chain

<https://learninghub.sap.com>

SAP's learning platform with a range of courses that help with SAP proficiency

<https://www.dougmcKinley.com>

A great resource for effective leadership through change and self-awareness concepts

Key Points to Take Home

- Top-Down-Left-Right change is the only way to get it done.
- Education is more than just telling people what they have to do.
- A variety of tools can help assess and manage the change across functional skills, behavioral skills, and team skills.
- Establish a governance structure that creates integrated supply chain alignment.
- Revise KPIs that include integrated supply chain performance.

Steven Crooke

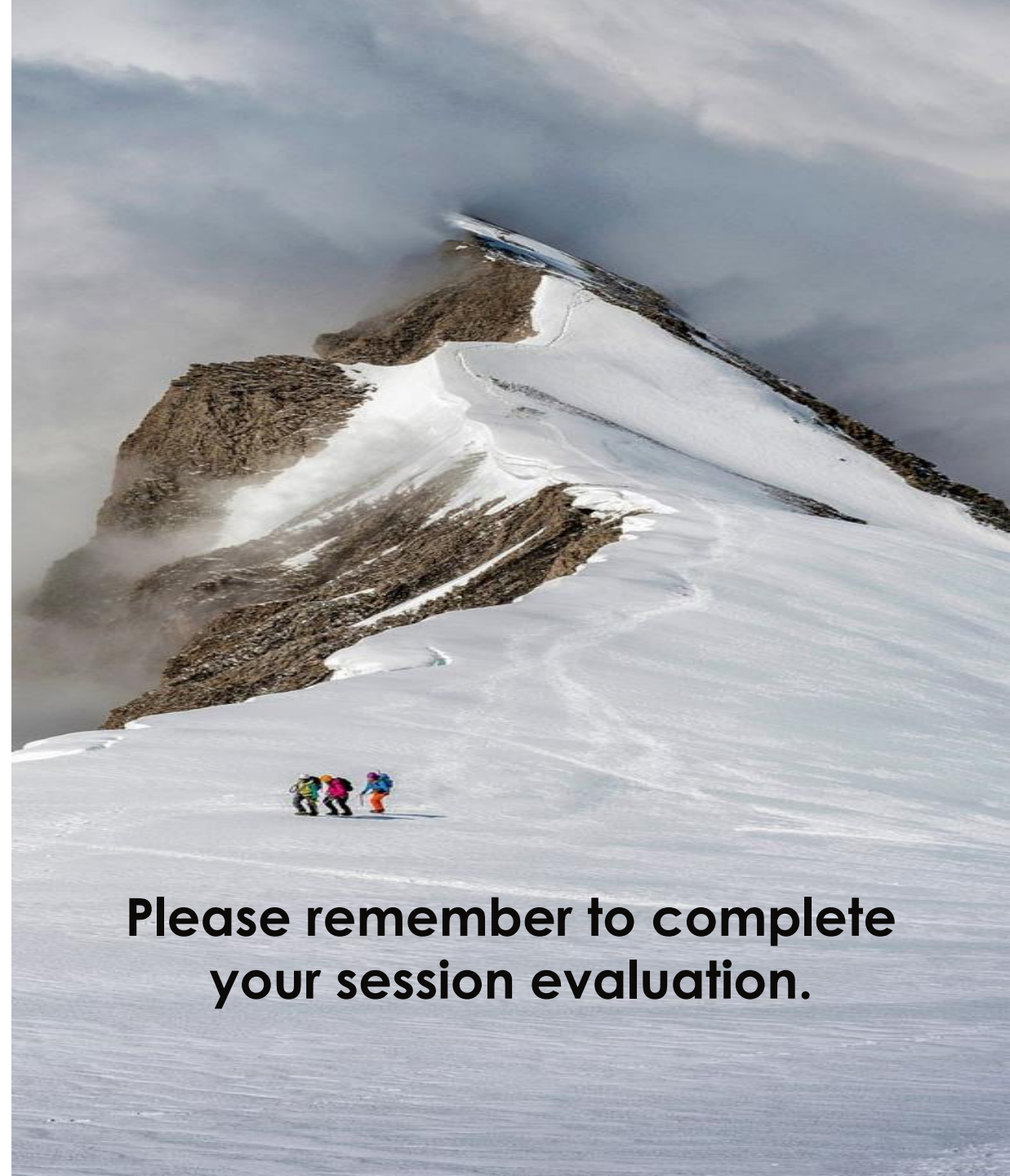
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Thank you!
Any Questions?



**Please remember to complete
your session evaluation.**



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