

A DARWINIAN RESPONSE TO MANAGING CHANGE IS CRUCIAL TO ENSURE SUCCESS

This month, Anglia Business Solutions outlines the difficulties in implementing a new business management system, especially when it comes to the reaction of the different staff departments, and suggests several ways to make the transition easier for all involved

SELECTING AND implementing a new business management system can be fraught with danger. After all, it is not something that you will have to do too often in your career. Once installed, these systems should last between 10 and 15 years unless something drastic happens to the business or to the software supplier. It is hardly surprising, then, that many organisations get it wrong.

Writing in *Computing* magazine recently, IT industry guru Martin Butler highlighted the high failure rates where enterprise resource planning (ERP) systems were involved. His column stated that: "As a rule, about one in five projects can be labelled a success. Most others spend long periods in intensive care. About a third of them never see the light of day."

The reality is that there is no

the focus of the most innovative businesses and those in the most competitive industries. Witness the changes that those survivors in the fresh produce industry have had to embrace during the last 10 years. Companies have had to alter their products to reflect consumer tastes, embrace the movement towards organic, get better at meeting even tighter delivery deadlines and deal with reduced margins and more demanding quality standards. This, along with improving traceability and labelling and consolidating to become larger organisations to service the major retailers.

However, when it comes to replacing internal systems and processes to reflect new challenges, it is easy to overlook the management of the necessary changes that happen to people as a

categories. They include structural changes that alter the strategic direction of the company, i.e. selling off part of the business or acquiring another to open up a new market. Cost-cutting is the most high-profile in this day and age. Cultural change where attitudes need to change is the most difficult. Process change which alters how things are done is the area most ripe for technological innovation. It can revolutionise existing processes, open up new routes to market and eliminate costs.

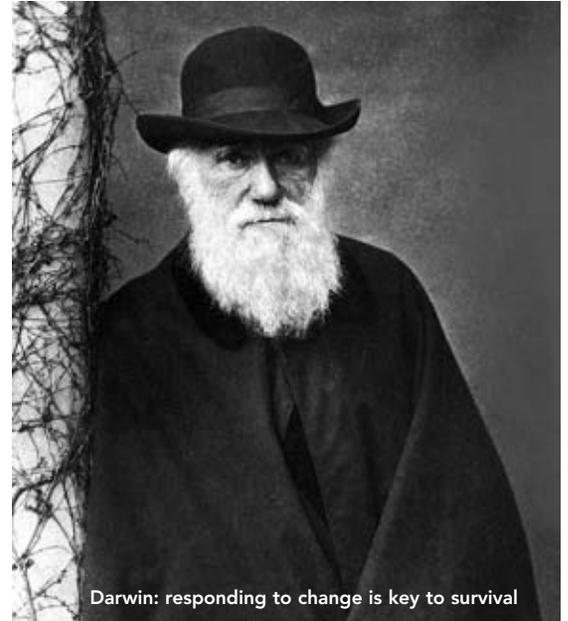
Managing the changes involved is not easy. Change is often welcomed by management as a means of meeting their commercial ambitions. However, only business leaders that think strategically and creatively take the necessary steps to ensure that their people and their supply chain react positively to the changes that are implemented.

A key part of this is clearly communicating the reasons for the need to alter how they operate. If this process is well managed, even a negative change such as the need to reduce staffing levels can allow management teams to reshape and reinvigorate their companies.

Ignoring this need to change and carrying on as normal, however, may not be an option. Hoping that things will go back to a previous trading environment after the recession is hardly a sensible survival strategy. Post downturn, customers are hardly likely to badger you to increase your prices to them or give you more time to deliver. The reality is that new pricing and performance standards will have been set. Only those who have adapted to the new competitive landscape will be well positioned to thrive on the back of the upturn.

Cambridge-based MDE Consulting has considerable project and change management expertise within the fresh produce industry.

The views of senior consultant



Darwin: responding to change is key to survival

'When it comes to replacing internal systems and processes to reflect new challenges, it is easy to overlook the management of the necessary changes that happen to people as a result of new ways of doing things'

guarantee of success on embarking on such a venture. However, the first stage is for the management team to realise precisely what is involved in making a success of the investment.

It is fair to say that the selected technology is just one part of the equation. Replacing a legacy application that has served the business well but has gone past its sell-by date requires a significant commitment. We are not just talking about the financial costs here. The real investment is to release the necessary resources to ensure the success of the project. The next is to manage the resulting changes.

In this article, the focus is on an aspect of deployment that can frequently endanger the whole project, i.e. that of change management.

It was Charles Darwin who once said that "it is not the strongest of the species that survives, nor the most intelligent, but the one most responsive to change". Change management has historically been

result of new ways of doing things.

It is all too easy to assume that your traders will welcome more transparency in their deals, that your quality control staff will be ecstatic about having their productivity monitored and that the transport department will be keen to have the wisdom of their journey planning questioned. If you run a packing operation, your production staff may not be too delighted to have yield comparisons drawn between pack lines. It may also find production line cost comparisons uncomfortable. The look on the faces of your IT staff may not be one of unfettered joy when you explain that the business needs to change the core system that they have lived with for years.

Nevertheless, these changes may be vital in these challenging times if a company is to drive market share by making operations more agile and responsive while reducing costs. Business organisational changes, in general, fall into four major

Mike Evans on the topic are as follows: "Many organisations within the fresh produce industry often view change as a necessary reaction to external and commercial influences. The key point here is the reactive nature of change. While this is an accepted requirement of doing business within the industry, it does detract focus from planning and implementing continuous improvement.

"A structured method of change management can deliver significant benefits to any organisation. Whether it is a minor process change or a major system implementation, a lack of change management can have a very real effect on the adoption of anything new. Projects aim to design and deliver the required change, while change management ensures it becomes part of the accepted way of working."

In summary, managing the change process as part of the new system deployment is crucial to its success. In today's integrated world of IT, information flow is like a chain, meaning it is only as strong as its weakest link.

If some person or department has not bought into the vision, it can easily undermine the project. The good news is that the current harsh environment can actually help to make changes more acceptable. It can therefore enable the winners to embrace change with the same enthusiasm and energy that has been used to resist it in the past. ○