

E-PROCUREMENT CHANGE MANAGEMENT

PART THREE

EXPANSION



THE SHELBY GROUP

The third in a three-part series on e-procurement change management, this eBook builds on the insights presented in the first two eBooks to provide a framework for expanding your e-procurement platform beyond the initial Phase I Pilot Launch.

To access the previous eBooks in this series, [click here](#).



Introduction: How will you leverage insights from your Phase 1 Pilot Launch to maximize platform expansion success?

In the first eBook of this series, Change Management STRATEGY, we present a six-step framework for developing the ideas and enablement activities that drive e-procurement adoption and value creation. Within this framework, we express our belief — based on hundreds of e-procurement engagements — that actively engaging business stakeholders in the global design process is critical to success. Simply relying on top-down mandates for compliance isn't enough. To maximize platform adoption, business stakeholders and end users need to understand "What's in it for me?" (WIIFM).

The second eBook in this series, Change Management LAUNCH, presents insights for maximizing the effectiveness of a Phase I Pilot Launch by engaging change agents on the front lines of the business, orchestrating strategic pre- and post-launch communications and providing easily accessible training for technical and administrative personnel and end users. The pilot launch is, by design, an effort to test assumptions and identify unforeseen challenges and issues with initial stakeholders who stand to benefit the most from platform adoption.

Putting Lessons Learned to Work: In this eBook, we explore the following key questions that will influence the success of your next phases for platform rollout and expansion:

- What is the scope for your next phase of platform expansion?
- What are your goals and KPIs for the next phase?
- What worked and what didn't in your Phase I Pilot Launch?
- How can your executive stakeholders help facilitate expansion success?
- Why are employee change agents critical to your next phase of platform rollout?
- How will you ramp up and scale your change management communications campaign?
- How can you take your training programs to the next level?



This eBook helps you think through the lessons learned from your Phase I Pilot Launch to maximize adoption and value creation in the expansion phases of your platform rollout.

SCOPE:

What is the scope for your next phase of expansion for your platform?



In the global design phase, you will have identified high-level goals for the expansion phases of your platform rollout. It is now important to reassess those goals based on the results of your pilot. In general terms, if you are planning multiple phases or waves of platform rollout, it is best to begin with regions or spend categories with the highest likelihood of success. Expansion phases typically fall into one of three categories:

Global Expansion: When expanding globally, it is important to recognize that each country has unique business processes and legal or compliance requirements that will drive localization initiatives. As in the pilot phase, in sequencing your expansion phases it is important to identify countries or regions with the greatest propensity for platform adoption.

Expansion of Categories or Stakeholder Groups: When the primary goal of your platform expansion is to bring more spend under management, a careful assessment of the assumptions underlying the initial selection of stakeholders for your Phase 1 Pilot Launch is needed. Did you achieve the expected adoption rates and KPIs? If not, why? For your next phase of expansion, identify those spend categories and/or stakeholders that offer the greatest likelihood of success, in terms of spend volume and propensity for adoption. By doing so, you will be able to build success stories that will be helpful in communicating the merits of the platform in subsequent phases.

Project Restart After Delay: We are increasingly seeing companies that decided to delay post-pilot expansion because of significant changes in business conditions, such as an acquisition, divestiture or addition of a new division. In such cases, especially if a significant period of time has passed since the pilot, you will need to carefully evaluate outcomes from your global design phase and determine whether a complete restart of the project is warranted.



Each expansion phase requires the same implementation steps used in your pilot launch:

- Localization
- Data Collection
- Supplier Enablement
- Platform Build
- UAT
- Training
- Move to Production
- Hypercare

GOALS:

What are your goals and KPIs for the next phase?



Your organization has made a significant investment in procurement automation. The results or payoff of that investment will be determined by the KPIs you choose to prioritize for monitoring and managing project success over time. The following are important issues to consider in choosing KPIs for the next phase of your project rollout.

What period of time is appropriate for evaluating KPIs used for the Phase I Pilot Launch? During the first few weeks of your pilot, people were just getting used to the new platform and inevitably there were some issues to work out. However, it is important to look at who was requesting goods and services immediately following launch and who wasn't. For a realistic assessment of platform adoption, allow at least three months for a full transaction cycle. This will allow one month to ramp up and two months for processing payments to vendors.

Examine Transactional KPIs and KPIs for Process Change: One mistake often made in evaluating KPIs from the pilot phase is to explore only transactional KPIs, such as the addressable spend under management, savings from catalog spend or sourcing events, or discounts taken. Although these KPIs are incredibly important, evaluating KPIs for process change also provides an important indication of adoption rates and adoption challenges. These KPIs include the percentage of spend attached to a contract, the percentage of spend on POs and the number of invoices submitted electronically.

Determining KPIs for Expansion: Evaluate transactional and process KPIs for buyers and suppliers relative to your organization's business goals to determine those that represent the best measure of platform adoption and success for subsequent phases of the rollout.



It is important to examine transactional KPIs and KPIs for process change to get an accurate picture of adoption progress.

LESSONS LEARNED:

What worked and what didn't in your Phase I Pilot Launch?



The initial launch of your e-procurement platform presents the opportunity to assess two different types of expectations and assumptions that were established during your global design phase. First, did the platform perform as expected and as defined in your design documents? Second, did users behave as expected and as defined in your change management strategy? Functional problems with platform performance are critical, but our focus here is change management and adoption issues.

Which Facets of Your Change Management Plan Worked Well? Although it is tempting to focus on areas that didn't go as expected during the pilot launch, it is extremely important to identify and acknowledge those aspects of your change management plan that either met or exceeded expectation. Build success stories around key stakeholders, process owners and end users to share with the audiences involved in the next phase of expansion. These stories are important tools for overcoming perceptual barriers to platform adoption.

What Do You Need to Do Better to Drive Greater Adoption? One of the most common reasons cited for lower-than-expected adoption is failure to involve key stakeholders early in the design process. Others include little or no involvement of change agents within stakeholder business units and the lack of a strategic communications plan.

Should You Re-Examine Your Compliance Policy? During the design phase, you made a decision regarding mandatory or opt-in compliance for use of the e-procurement platform. Did you make the right call? Depending on your business goals for procurement transformation, you may choose to implement a "No PO, No Pay" policy to drive adoption. If you do, however, change management will be essential in countering the negative perceptions associated with top-down mandates.



Evaluate each facet of your change management plan for the pilot launch to identify successes and opportunities for improvement:

Stakeholder Engagement
Change Agents
Communications
Training

EXECUTIVE STAKEHOLDERS:

How can your executive stakeholders help facilitate expansion success?



The executive sponsor(s) for your e-procurement initiative will play a vital role in helping to facilitate the support needed to maximize platform adoption and value creation in each of the upcoming phases for expansion. The nature of that support will depend on your company's organizational structure, as well as your business goals for expansion.

Global Expansion: It is likely that the executives responsible for managing platform implementations within a country or region will have been assigned to that role by one of your executive sponsors. If the regional executives were not involved in the global design process, then a thorough game plan must be put in place to brief them on the outcomes of the design process and the pilot phase and to train them on their role in overseeing platform rollout within their region. This role includes overseeing platform implementation functions (such as localization and supplier enablement) and regional change management programs and activities. Ensuring accountability for these functions is often best handled through a steering committee responsible for success of the overall project. For more information on e-procurement steering committees, download our eBook on this topic.

Stakeholder/Category Expansion: If instead of expanding your global footprint, the goal of your next phase is to increase spend under management by adding stakeholders and categories, then the focus of your executive sponsor(s) should be on building relationships and buy-in from the executives whose departments or business units will be expected to utilize the e-procurement platform. It is not enough for procurement or finance to lead the charge on platform adoption. To maximize adoption, employees need to know that their managers place a high priority on the automation of procurement processes.



It's not enough for procurement or finance to lead the charge. Employees need to know that their managers place a high priority on e-procurement platform adoption.

Why are employee change agents critical to your next phase of platform rollout?



The most successful e-procurement change management programs are bi-directional, with top-down support from senior executives and bottom-up support from volunteer employee change agents. Recruiting, training and supporting employee volunteers is time-consuming, but the payback is significant.

The Business Case for Employee Change Agents: Organizations are, by their very nature, resistant to change. This resistance is embedded in the culture and is often exacerbated by the fact that employees today are often dealing with increased workloads and competing priorities. Although support from management for your e-procurement platform expansion is critical, top-down mandates don't change culture, which lives in the collective hearts and daily habits of employees. Changing "the way we do things around here" requires peer influence. Employee change agents, if carefully chosen and properly supported, can help you build a better informed and more receptive audience for procurement automation. The benefits such grassroots engagement initiatives can include are faster adoption rates, increased transaction flow and valuable feedback on what's working and what isn't.

The Attributes of Effective Employee Change Agents: Department and line of business managers can help identify candidates, but you'll need to provide them with guidelines on the types of individuals you seek to recruit. The following is a short list of attributes to consider:

- Trusted by peers
- Cultural awareness
- Knowledge of the business/departmental strategy
- Belief in the benefits of business process automation
- Ability to translate sponsor goals into WIIFM benefits for users
- The courage and confidence to provide candid feedback



Volunteer employee change agents can help you build a better informed and more receptive audience for procurement automation.

How will you ramp up and scale your change management communications campaign?



In planning communications for the next phases of rollout for your platform, begin with an assessment of your communications activities for the initial Phase 1 Pilot Launch. Did you target messaging for each stakeholder group and reinforce WIIFM themes? Did you leverage multiple communications venues, including email, briefing presentations, roadshows and interactive presentations? Did your communications create a sense of urgency and engage stakeholders before, during and after the go-live launch? Establish a new set of communications goals and objectives for expansion phases based on lessons learned from the launch phase.

Identify and Document Success: With your initial pilot behind you, you now have the opportunity to begin collecting information to use in your communications moving forward. Start by capturing key metrics that demonstrate the business impact of the new platform. Next, build a list of platform champions from the pilot who you can reach out to for testimonials. Your goal should be to gather brief quotes from executive sponsors, department managers, suppliers and end users about the benefits of the platform.

Creating a Scalable Communications Campaign: Armed with content for demonstrating the benefits of your e-procurement platform, get the support of your corporate communications or internal marketing team in creating a campaign to support rolling out the platform to new stakeholders and regions. Ideally, your campaign should include the following components:

- **Briefing presentations** for executive stakeholders, departmental meetings and senior leadership
- **Internal memos** for executive stakeholder use
- **Email campaigns** with messaging for before, during and after the platform launch
- **FAQs**
- **Articles and banner ads** for the company intranet and internal newsletter
- **Posters**
- **Quick start note cards** with instructions and policy guidance for end users
- **Awards and recognition** for platform champions



A comprehensive, compelling and multivenue communications campaign is essential to the successful launch of your new platform.

TRAINING:

How can you take your training programs to the next level?



Training plays a vital role in enabling change and facilitating platform adoption. As with each of the other components of your change management program, it is important to evaluate opportunities for improving training from your Phase 1 Pilot Launch to meet the needs of new audiences in your expansion phases.

Gather Insights for Training Improvement: Analyzing the types of queries that came in through your help desk will provide valuable input for enhancing your training. It is also advisable to conduct a survey of each pilot stakeholder group to understand any issues or challenges they may have had in using the platform.

Identify New Audiences and Training Content Requirements: Whether you are rolling out your platform globally or expanding your audience of stakeholders, it is likely that you will need to add to or enhance the training programs that supported your pilot launch. Ensure that you will have training ready for the following groups for each phase of your expansion and that these programs account for any platform upgrades that take place throughout the year:

- Technical Personnel
- System Stakeholders
- End Users
- Suppliers

Guidelines for Creating More Effective Training Content: Keep millennial users in mind when creating or updating your training materials and minimize the use of non-electronic materials.

- **On-Demand Training:** Offer online training and interactive tutorials that can be consumed while multitasking.
- **WIIFM:** Echo the “What’s In It For Me?” themes of your communications programs in training.
- **User Experience:** Use simple, direct language and easy-to-follow examples and illustrations.



Analysis of help desk queries and surveys of stakeholders from your pilot launch will provide valuable input for improving the effectiveness of your training program.

Accelerate procurement success with platform-enabled solutions from Shelby

Procurement departments everywhere face a common challenge. How can you increase transparency, control and compliance in order to deliver measurable business benefits to your organization? Today's cloud-based procurement platforms offer powerful and flexible tools to integrate best practices into daily operations. However, a low utilization of features and misalignment with business processes can negatively impact your success.

The Shelby Group is the global leader in platform-enabled procurement optimization. With hundreds of platform implementation and support engagements to our credit, Shelby can help accelerate your success through each step of your journey with Platform Implementation, Program Optimization and Procurement Operations solutions.



THE SHELBY GROUP

theshelbygroup.com | 312.445.8500