

Rolling IT Out: Facilitating IT-enabled Change

Tim Klaus
March 8, 2007

Presentation Overview

- The steps for Rolling IT out
- User Resistance study

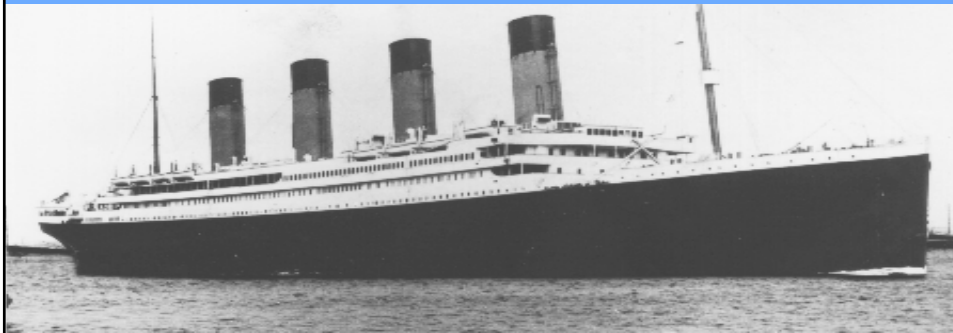
Management is faced with two conflicting situations...

- We must implement all necessary change
- We must resist all unnecessary change
- These pose a Management Challenge and paradox
- How can we get employees to embrace necessary change?
- How can we create an environment that allows rational resistance?

© 2007 Tim Klaus

3

Moving Through The Really Treacherous Iceberg Prone Waters...



Rolling IT out!

- 40% of ERP projects fail
- Why do they fail?
- Why do they succeed?

© 2007 Tim Klaus

5



"I Cannot imagine any condition that would cause a ship to founder. Modern shipbuilding has gone beyond that."

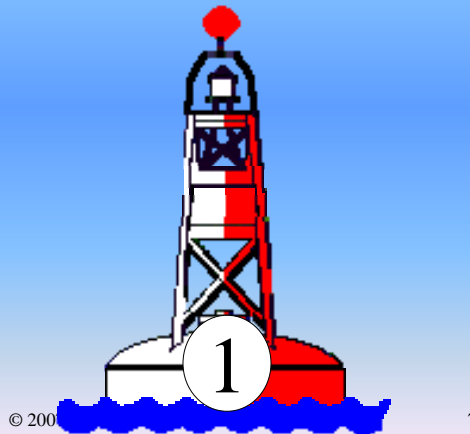
Captain Edward J. Smith RMS Titanic

© 2007 Tim Klaus

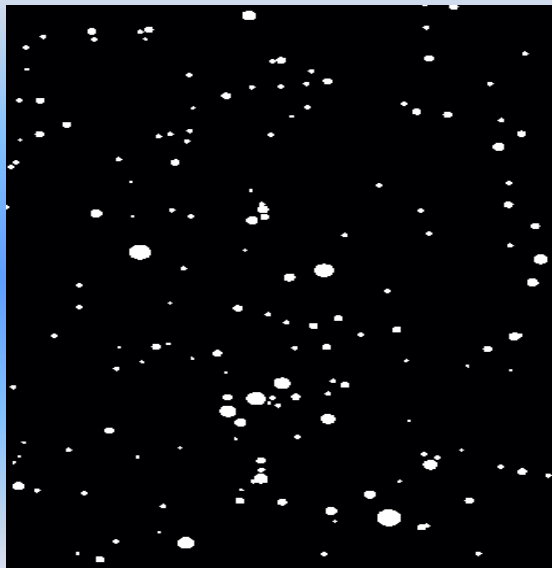
6

The Navigational Guides

- Assess
- Anticipate



Star Gazing or...



© 2007 Tim Klaus

8

Pattern Recognition



© 2007 Tim Klaus

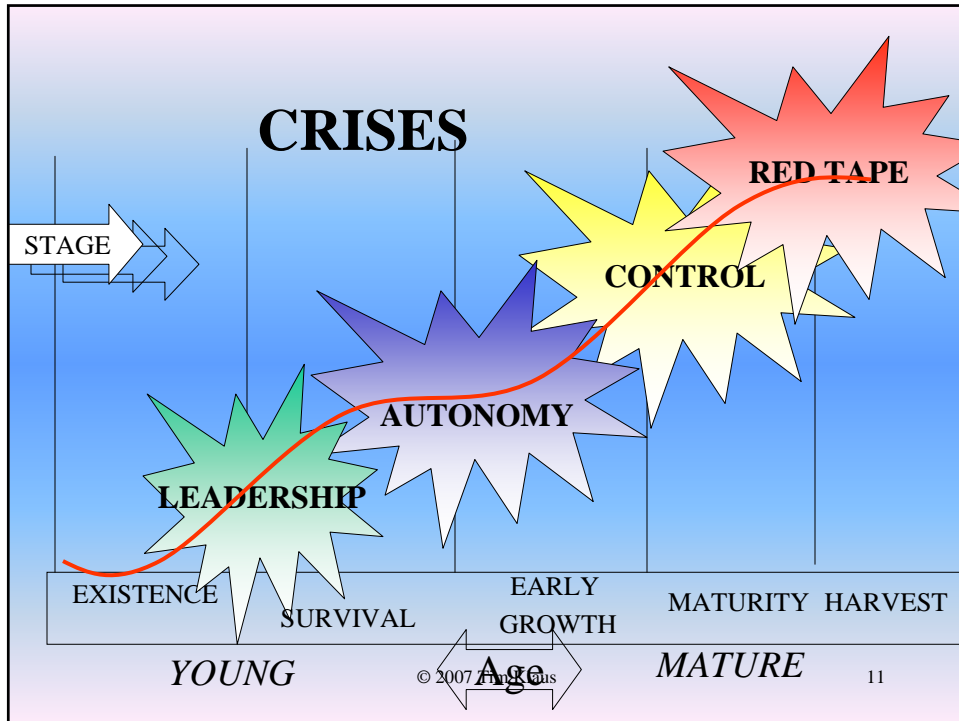
9

Assessing the Organization

- Leadership style
- Use of and sharing of information
- Decision-making styles
- Performance standards/expectations
- Consequences of failure
- Communication patterns
- Norms/behaviors
- Stories, traditions, myths, heroes
- Space/layout
- Symbols

© 2007 Tim Klaus

10



Taking a Merlin view . . .



© 2007 Tim Klaus

THE MERLIN FACTOR

A View From the Future

“Ah yes.” Merlin said, “How did I know to set breakfast for two?... Now ordinary people are born forwards in time, if you understand what I mean, and nearly everything in the world goes forward too. This makes it quite easy for ordinary people to live... But unfortunately I was born at the wrong end of time, and I have to live backwards from in front, while surrounded by a lot of people living forward from behind...”


Source: Smith, C.E. *"The Merlin Factor"*.
© 2007 Tim Klaus

13

Transition

Old Enterprise

New Enterprise

- 
- Predictable Crisis
 - Culture Change
 - Confusion/Ambiguous Roles
 - Changing Power/Influence
 - Self Directedness vs. Control
 - Reward Structure
 - Lack of Clarity

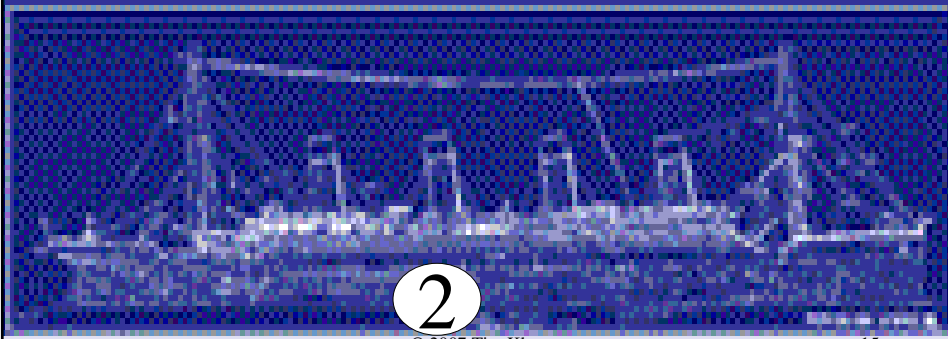
© 2007 Tim Klaus

14

Navigational Guide

Creating the Blueprints...

The Plan



© 2007 Tim Klaus

15

Initial strategy development

- Top management support - Conditions for success (including resources) have been identified, committed to, and initiated
- Communication plan created for the transformation
- Measurements for the change process and outcome have been determined
- Strategy to create shared vision has been developed

© 2007 Tim Klaus

16

Initial strategy development (cont'd)

- Current change plans have been assessed for they will impact employees
- Course correction strategy developed
- Temporary rewards for supporting the change process have been designed
- Temporary change support structures, policies, systems, and roles have been designed
- External expertise (use of consultants)

© 2007 Tim Klaus

17

Navigational Guide

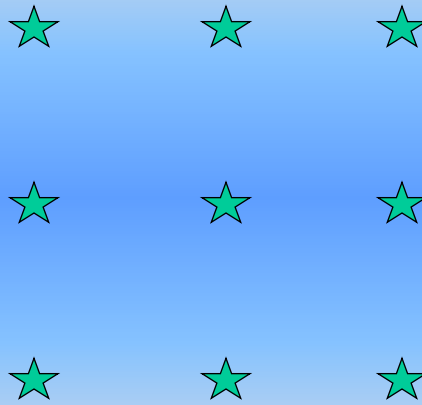
Identify the Potential “Fatal Flaws” in the Plan before Leaving the Dock



© 2007 Tim Klaus

18

Thinking outside the box

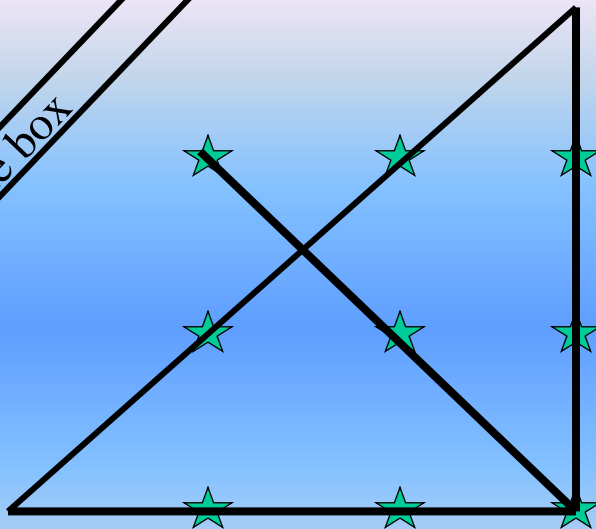


Connect the nine stars using only four straight lines and never lifting your pen!

© 2007 Tim Klaus

19

Thinking outside the box



© 2007 Tim Klaus

20

Implementing the Plan

- Management of expectations
- Best people full-time on project
- Business process re-engineering
- Minimal customization
- Information and access security
- User participation
- Interdepartmental co-operation and communication

© 2007 Tim Klaus

21

Implementing the Plan (cont'd)

- Effective communications
 - Presence of champion
 - Monitoring and evaluating of performance
 - Software development testing and troubleshooting
 - Vendor / customer partnership
 - Use of vendor development tools
- (Adapted from “Critical Success Factors for Implementing ERP System” by Teau Hai Mi)

© 2007 Tim Klaus

22

What's the worst plan you've seen in dealing with change???

© 2007 Tim Klaus

23

Involving the Users

- Town Meetings
- Name That Project
 - \$100 gift certificate to local upscale restaurant
- User Teams
- Solicit Input

© 2007 Tim Klaus

24

Written Communications

- Newsletters
- Project Website
 - Information and documentation
- Project Listserve
 - General project information
- Group Emails

Presentations and Demonstrations

- “About the Project” presentations
 - Why are we doing this?
 - How does this affect you?
 - What are we doing to avoid failure?
 - How can we all be involved?
 - Where can we find information about the project and the system?
- Product demonstrations
- Pep Talk

Training



- Class Designs
- Student and Instructor Manuals
- Class Materials
- Web Learning Assistant
 - On-Line Help
- Web-Based Training
 - Interactive, simulation-type training
 - On-demand

(Modify each of these based on branding)

© 2007 Tim Klaus

27

Training (cont'd)

- Designed and developed course materials using purchased materials as base
 - Purchased materials geared more toward centralized operations
- Progressive approach (Know what the users need!)
 - Beginners / Overviews
 - Intermediate
 - Advanced
- Sandbox (playtime) Database
 - Mirrored classroom training database
 - Refreshed daily

© 2007 Tim Klaus

28

Navigational Guide

- Keep a Ready Eye to the Horizon
... Watch how the implementation is progressing



29

The Reference Point

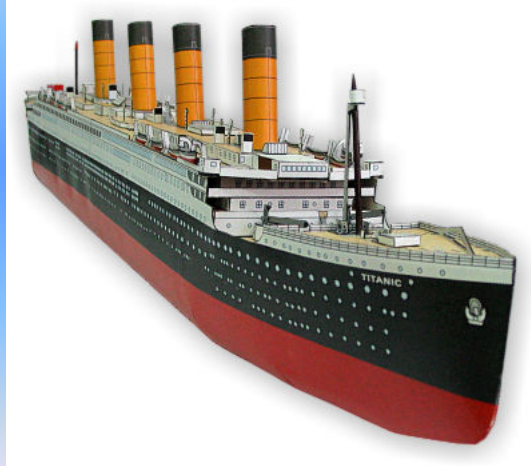
“Planning is
more important
than the plan”

*General Dwight
Eisenhower*

© 2007 Tim Klaus

30

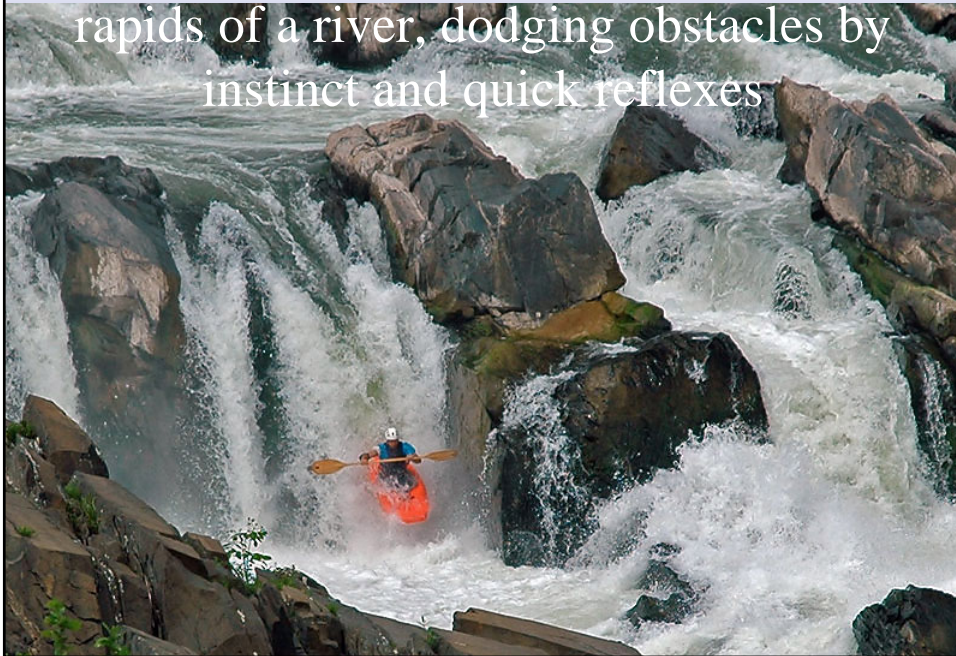
A large boat moving its rudder and slowly changing direction versus...



© 2007 Tim Klaus

31

a lone whitewater kayaker might shoot the rapids of a river, dodging obstacles by instinct and quick reflexes



Why Understand User Resistance?

- At the root of many enterprise software project failures
- Still a significant amount of user resistance even after nine months of ERP integration testing
- Resistance was the second most important contributor to time and budget overruns and was the fourth most important barrier to SAP implementation
- Users' resistance can cause ES implementation failures
- Low ES return on investments is because of resistance



© 2007 Tim K

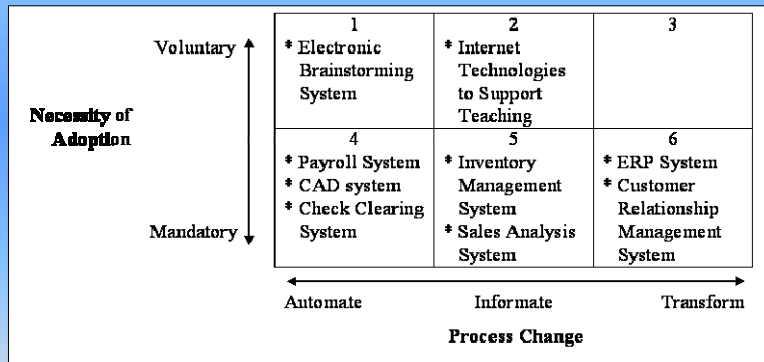
Common Myths

- You gradually wear down resisters. Eventually everyone will embrace change.
- Change is a one-time thing. Once we make the changes we need, everything will be OK.
- They are employees, they should just get on board
- Others have to change, not me.
- It's really not that big of a change
- This isn't personal
- We don't have to involve them
- We will figure it out as we go

© 2007 Tim Klaus

34

System Conversion Contexts



© 2007 Tim Klaus

35

Methodology

Step	People Interviewed	Avg. Interview Length	# of Single-spaced Pages	# of Words
Expert Panel	Focus Group, CIO	> 1 hour	23	14,942
In-depth Case Study of an ES Implementation	22	47 minutes	242	135,200
Semi-Structured interviews at an airline company and a cellular company	11	40 minutes	106	47,872

© 2007 Tim Klaus

36

Results

Reasons for User Resistance

	Construct	Definition
Individual Issue	Uncertainty	User is unclear of the future
	Input	User's opinions are not considered
	Control/Power	User loses control or loss of recognition as the expert
	Self-Efficacy	Perceived lack of capability
System Issue	Technical Problems	Problems with the system
	Complexity	System is complicated to use
Organizational Issue	Facilitating Environment	Organizational culture is not conducive to the change
	Communication	Communication to users is problematic
	Training	Training does not meet organizational needs
Process Issue	Job/Job Skills Change	User's job or job skill requirements changes
	Workload	User is required to put forth additional effort
	Lack of Fit	Process problem between the system and organizational structure

© 2007 Tim Klaus

37

Results

User Resistance Behaviors

	Overt (clearly expressed)	Covert (minimally expressed)
Active (takes action)	<ul style="list-style-type: none"> • Refusal to use system • Challenge system/plan • Hack at system • Don't follow process • Quit job/job change 	<ul style="list-style-type: none"> • Use shadow system • Try to use old system • Avoid system use • Enter in info inappropriately
Passive (inert)	<ul style="list-style-type: none"> • Complaints • Lower morale • Defensive • Turnover Intention 	<ul style="list-style-type: none"> • Not Motivated • Less Productive • Impatient • Not paying attention • Procrastinate • Don't want to learn

© 2007 Tim Klaus

38

Results

Management Strategies to Minimize User Resistance

	Construct	Definition
Communication	Top-down communication	Top management/implementation team communicating to users
	Listen to Feedback	Management listening and responding to the input of users
Education/Support	Provide Help/Support	Management offering assistance to users
	Training	Train the users at an appropriate time in a way that is suitable for their needs
	Incentives	Suitable motivators for users to learn and use the system
Direction/Planning	Clear Consistent Plan	Straightforward consistent strategies
	Management Expertise	Management understanding of processes and system
	System Customizations	Customize the system to the processes in place

Rank Ordering of Management Strategies

	Z-Score	Concourse Statement
Management Strategies	-0.805	MGMT-Clear Plan
	-0.680	MGMT-Expertise
	-0.227	MGMT-Communication
	-0.086	MGMT-Feedback
	-0.039	MGMT-Training
	0.453	MGMT-Customizations
	0.531	MGMT-Provide Support
	0.797	MGMT-Incentives

People Matter!!!

- The problem of reengineering...
- What value do we place on others?
- Fix yourself first – others follow.



© 2007 Tim Klaus

Servant Leadership

- “wash each other's feet” - Jesus regularly preached that people must seek to serve each other in order to be true leaders.
- More recently - Stephen Covey, Ken Blanchard, Margaret Wheatley, Peter Senge, and others.
- Instead of common top-down hierarchical leadership style, emphasize trust, collaboration, empathy, and ethical use of power
- The leader’s role: Steward of resources – role is to lead because he wants to serve better, not because he desires increased power.
- Serve others while staying focused on achieving results in line with the organization's values and integrity.

© 2007 Tim Klaus

42

It's not enough to say employees need to change. Management also needs to change!



© 2007 Tim Klaus

43

So, where do I come in?

I help out by...

- Reducing lost productivity
- Reducing the likelihood of delayed implementation or failure
- Increasing the likelihood that employees will embrace the change
- Better preparing managers and employees

© 2007 Tim Klaus

44

Contact Info

- Tim Klaus
klaus@itchangeconsulting.com
- *Some Services:*
 - *Management Consultant for ERP Implementations*
 - *Strategy development*
 - *Transformation Plan*
 - *Communication Strategy*
 - *Seminars*
 - *ERP Implementation*
 - *Dealing with Change*

© 2007 Tim Klaus

45

Your turn!!!
Questions?



© 2007 Tim Klaus

46