

***Making Change Happen!***

**A Business Simulation**

**Designed**

**by**

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*Version 2.4-SU*

### Note to Students

- **Please read the case problem.**
- **Read the People Sheets on pages 4-6.**
- **Complete the 1 page briefing sheet on page 8 for submission to your instructor on the 1<sup>st</sup> weekend.**

### The Problem

The Head Office of your company is implementing a new information technology (IT) system. Under pressure from domestic as well as new foreign competition, the company's traditional methods of managing information are clearly inadequate to the needs of the global age. Processing time for orders, customer service, staff recruitment and retention, and inter-department coordination are just a few of the areas in which corporate performance is lagging.

The bottom-line is that the company has continued to rely heavily on traditions, policies and practices that worked in the past, but are not working as well today. Today's customers expect better and faster service. If your company doesn't provide it, competitors will.

The corporate culture is strong. Many employees have been with the company for a long time; some families have worked in the corporation for more than one generation. Thus, they have a deep sense of loyalty to the company.

However, the culture has not readily embraced the rapid changes of the past half-dozen years. Senior management has been uncomfortable with the pace at which decisions have been forced upon them. Veteran workers at different levels have been confused by the new methods and even joke about "reengineering." Younger, more educated staff have not always found the culture receptive to their new ideas and many have left for better opportunities.

You have a new Managing Director (MD). He came in promising fast productivity improvements. This new IT system -- *IT 2020* -- is his first step in acting on his promise of change to the Board of Directors.

The IT system will, however, mean significant change for all who work in the company. In addition to the purchase and redesign of IT hardware and software, the new system will require reengineering the work processes of people. This will affect how employees work together and their relationships to customers.

While computers have been used increasingly in this company over the past few years, mostly they have been limited to certain personnel and selected functions such as credit and record-keeping. The MD's intention is for *IT 2020* (an Enterprise Resource Management System such as Oracle or SAP) to be used in all departments -- administration, marketing, credit, public relations, production, customer service etc. Moreover, many more employees will need to use the IT system than before.

In fact, the key to its effectiveness depends on maintaining an up-to-date, coordinated database of information across departments. The MD is counting on this system to

overcome a wide range of problems across the company and also to project a new image for the company.

Given the scope of this change, the MD has decided to proceed by implementing *IT 2020* at two branches in the Central region on a pilot basis. Based on the trial in these regional branches, he will then expand implementation to other branches throughout the country. Despite this step-by-step approach, the MD is under pressure to show results soon. Therefore, trial implementation in the Central region of the company will begin right away (see the organizational chart on Page 4.).

Although this project is the MD's special project and he has mandated its implementation, not everyone is happy with it. The project's visibility was raised recently when the Board of Directors chose not to go with the lowest bidder for the project's software development. Instead the Board, on a close vote, followed the MD's recommendation and selected Hi-tech International's system, *IT 2020*. Certain Board members (e.g., Carol) were upset with the decision to give this contract to a foreign firm rather than to a domestic company with whom they had a long relationship.

Central is the largest region in the company, and also the most political. The Regional Director, Al, has held several senior positions in the company. In fact, just recently he was the top internal candidate, but was not selected for the MD position. His support is necessary if *IT 2020* will be successfully implemented in his region.

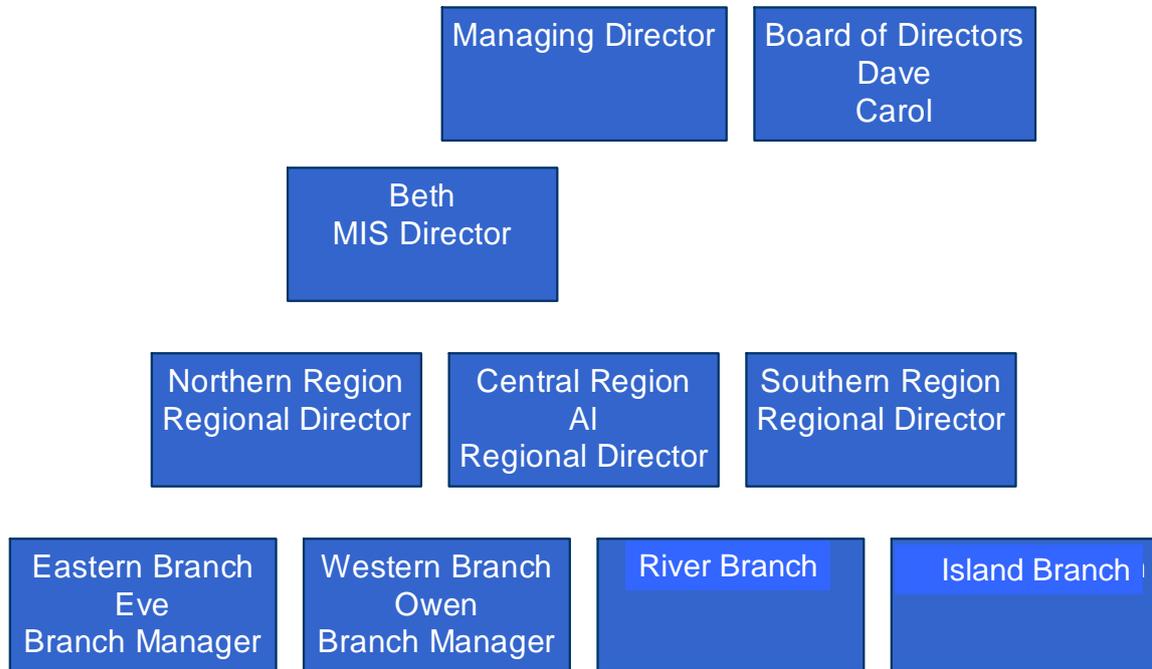
You have just been selected for special assignment to the team responsible for trial implementation of *IT 2020* in the Central region of the company. You are not happy about this assignment since it could interfere with your own promotion. Being part of a highly visible, but politically sensitive change effort is not likely to make you popular. Nevertheless, you were not given a choice, so you have to make the best of this situation and hope that success will get some positive attention from the MD.

Your team is comprised of people from different roles and branches in your region. You were told to coordinate the work of your implementation with Beth, the Management Information System (MIS) Manager in the Head Office, and also with Al, the Regional Director of the Central Region. Two members of the Board of Directors - Carol and Dave -- have been assigned by the Board Chairman to monitor this project. Shortly, you will find out more about the other people with whom you will be working to implement *IT 2020*.

As you begin the simulation remember the following points:

1. You will have three years to implement the new IT system in the branches;
2. You will *move* people through the *stages of change* by conducting activities (e.g., talk to staff, give out written information, hold a presentation, hold a workshop) designed to inform, interest and prepare them to use *IT 2020*.
3. You have two criteria on which your team's success will be evaluated:
  - the number of people actually using the IT system after three years;
  - increases in productivity as measured in Bennies.
4. Your team members will have a limited amount of time to devote to implementation of *IT 2020*. It is recommended that you read the materials and plan your strategy, but then you must act! The MD is expecting results soon and your promotion depends on your success!

## Organizational Chart for Best Co.



# MAKING CHANGE HAPPEN PEOPLE SHEET

## *HEAD OFFICE*

*AL: Regional Director (Central Region)*  
AL is the most senior Regional Director. He is very concerned with maintaining the Central Region's productivity. He recently applied for, but was not selected for the Managing Director position. He has been heard to say, "The new boss may not understand how things are done around here."

*BETH: MIS Manager*  
BETH is an energetic newcomer to the company with a lot of ideas about how IT could improve productivity. She understands the technology, but does not yet have a lot of contacts inside the company.

*CAROL: Board Director*  
CAROL wonders why such a radical change is needed given the company's past success. She voted against hire the hiring of the new Managing Director and does not support his purchase of IT 2020.

*DAVE: Board Director*  
DAVE is a strong supporter of programs that improve the quality of company products and services. He lives in the Central Region and often shows up at the branches to chat with staff.

## *EASTERN BRANCH*

*EVE: Manager, Eastern Branch*  
EVE treats her staff with respect and receives their loyalty in return. She has supported several innovations to improve service and has a strong relationship with customers and higher management. Eve is supportive of new IT, but only if she thinks it will improve her staff's productivity. She only has basic computer skills herself.

*FERN: Assistant Manager*  
FERN focuses on getting the job done and keeping thing running smoothly at the Branch. She is not interested in new ideas but will go along if she must.

*GARY: MIS Manager*  
An energetic and enthusiastic young manager, Gary always seeks new and better ways of using IT. He has been unable to get support from other staff at the Eastern Branch for his innovative ideas since arriving two years ago.

*HAZEL: Personnel Clerk*  
HAZEL is confused by machines. She still can't figure out the new personnel software that was introduced last year. She complains a lot about the problems others cause and says, "management doesn't care about us anymore."

*IRENE: Credit Clerk*  
IRENE says, "When there's a job to be done, the old ways still work the best." She doesn't trust technology or see a need for changing the credit system. She will resist anything that results in more work, even in the short term.

*JAN: Credit Manager*

Bright and articulate, Jan is respected by her colleagues. She has been concerned about resistance to using new IT. Last year, she was asked by Head Office to run in-house workshops for credit managers at other branches on new approaches to managing information.

*KEN: Marketing Manager*

KEN is considered 'a nice guy' but nobody really knows where he stands on issues. Performance in his department has not been good lately and he is worried about being blamed.

*LORA: Marketing Agent*

LORA is a good worker and everyone likes her. She keeps an eye out for new marketing concepts, but is cautious about approaches that are too different from what she has used in the past.

*MIA: Personnel Manager*

Educated abroad, Mia recently joined the firm from an international finance company. She sees great potential in IT for integrating the fragmented efforts of different departments. She is an active speaker at meetings outside the company.

*NORA: Public Relations Manager*

NORA has been with the company for a long time. She is well known and influential in the local community. Other people like and respect Nora for her attitudes and ideas.

**WESTERN BRANCH**

*OWEN: Manager, Western Branch*

Bright and ambitious, Owen worked as Assistant Director for Marketing at the Head Office before receiving the promotion to Western Branch Manager (considered a post for those on their way up). He runs an efficient operation, but

tends to be cautious and is careful not to offend anyone.

*PAT: Assistant Manager*

PAT feels overworked and spends most of his time solving day-to-day problems. He is not interested in new ideas or projects because they waste his time and keep him from the practical work of managing the branch.

*Q.T.: Personnel Manager*

Q.T. sees personnel work from the human side. He is fearful of technology and thinks it will interfere with the 'real work' of his department.

*RAY: Marketing Manager*

Ray believes strongly in the personal approach to marketing. He spends a lot of time outside the company with customers and thinks his department is one of the strongest. He is not proficient in IT.

*SIMONE: Marketing Agent*

SIMONE has worked with the firm for over 20 years. She loves her job, but tends to stick with what has worked in the past. She is not sure what information technology could do to improve the firm's marketing.

*THELMA: Credit Manager*

The credit department has become strong under Thelma's leadership over the past five years. She is proud of the quality improvement system her staff implemented last year (even though she was not initially supportive of it).

*UPTON: Credit Clerk*

A long-term employee, Upton is one of the most popular people at the Branch. He is respected for his thoughtful ideas in the quality team. Staff from other departments frequently ask his advice.

*VELMA: MIS Manager*

VELMA is a competent worker who always gets her job done. She is quiet, and not well-known to a lot of other staff. She is attending a local college part-time in a Masters degree program.

*WILL: Personnel Clerk*

WILL was transferred to the Western Branch after having 'problems' at the South Central Branch. He is often late in getting his work completed and complains a lot.

*XAVIER: Public Relations Manager*

XAVIER is a popular representative of the branch with many contacts in the community. He always looks out for the company's interest. His wife recently had twin baby boys and he has seemed less interested in his work of late.

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## Case Briefing Sheet

Your name: \_\_\_\_\_

1. **Rate the Level of Expected Staff Support:** Please consider personal characteristics of each of the staff described above. You may consider personality, position, skills, etc.

Then rate each one on a scale from 1 to 5 in terms of their likely support for your IT project. A “1” would indicate no support, “3” moderate and a “5” high support. For example, Irene does not seem at all interested in IT or in extra work. You would likely give her a rating of 1 indicating no support for the project.

### Head Office

\_\_\_ Al     \_\_\_ Beth     \_\_\_ Carol     \_\_\_ Dave

### Eastern Branch

\_\_\_ Eve     \_\_\_ Fern     \_\_\_ Gary     \_\_\_ Hazel     1 Irene     \_\_\_ Jan

\_\_\_ Ken     \_\_\_ Lora     \_\_\_ Mia     \_\_\_ Nora

### Western Branch

\_\_\_ Owen     \_\_\_ Pat     \_\_\_ Q.T.     \_\_\_ Ray     \_\_\_ Simone     \_\_\_ Thelma

\_\_\_ Upton     \_\_\_ Velma     \_\_\_ Will     \_\_\_ Xavier

2. **Obstacles:** What are some of the *obstacles* you would expect to face in your IT project implementation? Please identify **4 obstacles** and briefly state why you would expect to face this.

- \_\_\_\_\_  
\_\_\_\_\_
- \_\_\_\_\_  
\_\_\_\_\_
- \_\_\_\_\_  
\_\_\_\_\_
- \_\_\_\_\_  
\_\_\_\_\_

3. Briefly indicate your first **3 steps** to begin implementation of the new project.

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_