Step by step vs. Culture
A strategy for managing change

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Abstract

Even though companies are facing a continuously changing environment, far from all businesses manage to succeed with their organizational changes. (Olson, 2008) If wanting to meet market demands and avoid unnecessary costs it is important to ask the question if we can, in some way, predict, understand or influence the process of change. (Ahrenfelt, 2001) The purpose of this thesis is to determine if life-cycle theories can be used exclusively when planning and managing a process of change. To answer the purpose, the thesis is based upon a qualitative case study at Consafe Logistics group. The objective with the empirical studies, executed through nine interviews with various managers, was to determine whether or not life-cycle models and organizational culture can be of assistance when managing change. The studies showed that the opinions differ between the respondents and that the topics internal communication and documentation were frequently brought up during the interviews.

Theoretically, this thesis addresses different life-cycle change theories and an alternative model for implementing change through organizational culture. Furthermore the theoretic section considers the areas Project organization, Leadership in processes of change, Knowledge, competence & education, Internal communication and Documentation. The thesis showed that applying life-cycle theories to a change can be of limited use since there are big difficulties in placing the different activities throughout the change in a chronological order. The theories can be used however to highlight the relationship between activities which can be useful for making time savings. Irrespective of the order activities are managed in a process of change, measurable goals, feedback and support throughout the process are central for the change’s outcome. This thesis has resulted in a general life-cycle model for managing organizational change based upon existing theories and empirical studies. Finally, culture and inertia are described as two factors that either facilitate or inhibit the success of the change depending on how they are managed.
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1. Introduction

The background, the purpose, delimitations and directives for this thesis are described below. To help the reader familiarize with the thesis disposition a brief description of the contents of each chapter follows.

1.1. Background

In the best of times, organizations are facing exciting opportunities as a result of new products, new technologies and new initiatives. In challenging economies and uncertain political environments organizations are often faced with changes of varied nature, and these changes disrupt the status quo and causes stress to people involved. (Olson, 2008) An urge to change is understandable from the management’s or consultant’s perspective but organizational changes are often ineffective or counter-productive. (Sorge & van Witteloostuijn, 2004) Thus, ensuring that the change is both victorious and persistent can be challenging and elusive and calls for both individual and organizational competences. (Kiefer, 2005) Roughly 70 percent of change efforts fail or are disrupted, and the consequences are significant in both short term and long term. Lower productivity and morale, missed objectives, wasted time, wasted money and higher employee turnover mean big costs of failure for the organization. (Olson, 2008) Thus, it is important to understand and contemplate the character of the process of change, its different phases and consequences. It will be important to ask the question if we can, in some way, predict, understand or influence the process of change. (Ahrenfelt, 2001)

Consafe Logistics offers customers logistical solutions, more specifically warehouse management systems, from here on called WMS. A WMS can be described as computer software designed to manage the storage and movement of items throughout the warehouse. (Multichannel merchant, 2008) It is said that organizations remain competitive because they are able to support and implement continuous and transformational change. (Gilley et al., 2008) To stay competitive on the market and keep up with market demands Consafe Logistics has begun a change process to improve their product portfolio. Consafe Logistics is looking for a structured plan for how to implement the process of change and avoid common pitfalls where others have failed.

1.2. Purpose

The purpose of this thesis is to determine if life-cycle theories can be used exclusively when planning and managing a process of change.
1.3. Delimitations

To restrict the thesis to only concern areas relevant to the change process and to find an answer to our purpose, necessary delimitations have been made.

• Even if Consafe Logistics will change their product portfolio there will still be customers depending on the company for service and support for excluded products. A plan for how to manage this service and support does not lie within the boundaries of this thesis. It is a result of the process of change, but not a necessary activity to succeed with the process of change.

• Porras and Robertson (1993) define four categories of components which describe an organization’s inner work environment; organizing arrangements, social factors, physical setting and technology. We will only focus on the organizing arrangements and the social factors.

1.4. Directives

Guidelines for how Consafe Logistics wish to benefit from the results of this thesis are written below.

• Consafe Logistics is looking for a common strategy, preferably constructed as an easy-to-follow check-list, for how to manage the process of change.
• The strategy should be useful to all subsidiaries and partners.
• The strategy should be made from a manager’s perspective.
• We should assume that the first sale to customer has already been established when developing the check-list.
1.5. Disposition

The content of each chapter are briefly described below.

**Chapter 2, Frame of reference**
Theories concerning areas relevant for the process of change are presented in the second chapter.

**Chapter 3, Analysis model**
A synthesis of the theories from the frame of reference makes up the analysis model which is presented in the third chapter.

**Chapter 4, Method**
Our research process, including how we did our literature study and data collection, followed by how we analyzed our collected data is described in the fourth chapter.

**Chapter 5, Empiric study**
The results from our empiric studies are presented in the fifth chapter. The empiric study has involved employees at Consafe Logistics group, Consafe Logistics’ customer base, three benchmarking cases and finally thoughts from the consultancy firm Centigo.

**Chapter 6, Analysis**
Results from the empiric study are compared to theories from the frame of reference in the sixth chapter. The analysis follows the structure of our analysis model.

**Chapter 7, Audited analysis model**
Necessary changes to the analysis model, uncovered in the analysis, are made in the seventh chapter and the final audited analysis model is presented.

**Chapter 8, Conclusions**
Conclusions drawn from the analysis are isolated in the eighth chapter.

**Chapter 9, Discussion**
In the ninth chapter the thesis method and the final results are discussed.
2. Frame of reference

To get a deeper understanding of the areas concerning process of change, a literature study has been carried out. On the basis of the purpose, relevant theories are presented below to underlie the upcoming analysis.

2.1. How and why change develops

There are different reasons and backgrounds underlying an organizational change. To understand the process of change and what theories to apply, one must begin by understanding how change develops. We start by defining the nature of the change according to the four process theories presented by Van de Ven & Poole (1995) (See Figure 1).

![Figure 1 Process theories of organizational development and change (Van de Ven & Poole, 1995)]

A change can be prescribed or constructed as a single entity or as multiple entities. A change sprung from Evolution, prescribed and multiple entities, is a recurrent, increasing and probabilistic sequence of variation, selection and maintenance events. These changes normally originate in population scarcity, competition and commensalism. According to the Dialectic theory, constructive and multiple entities, change is instead a recurrent, discontinuous sequence of confrontation, conflict and synthesis between contradictory values or events. Opposing forces underlie the changes of dialectic nature. Life-cycle
theory, prescribed and single entity, is the third theory and it describes the change as a linear and irreversible sequence of unfolding potentials present at the beginning. The generating force in life-cycle theory is a prefigured rule or program regulated by nature, logic or institutions. The last theory explaining change is Teleology, constructive and single entity, in which change occurs when an end state has been envisioned. The changes are recurrent just as in evolution and dialectic, but unlike these theories Teleology has sequence of goal setting, implementation and adaptation of means to reach desired end state. (Van de Ven & Poole, 1995)

2.2. Implementation theories

In this thesis our focus is on a life-cycle, step by step, process of change. We are aware that the life-cycle theories have been criticized by among others Howell & Costely (2006) because the life-cycle theories do not consider the process of change to be continuous. Bruzelius & Skärvd (2004) explain the life-cycle theories’ assumption that an organization can be in equilibrium since it is a matter of the ratio of stabilizing versus changing forces. It is this equilibrium that criticizing authors don’t believe in since it contradicts change as a continuous process. We also know that several change process theories can work simultaneously. (Van de Ven & Pool, 1995) Even so we chose life-cycle theories since we are interested in identifying their benefits and disadvantages and finally to see whether they have the potential to be developed. We will present two classical life-cycle theories for implementation of a process of change; Endsley’s (1994) implementation model and Lewin’s (1947) three step model. The two academically rooted theories are followed by two consultancy step by step strategies, Rydin’s (2007) twelve step model for organizational development and Tonnquist’s (2006) change process, and finally an alternative model for implementing change, rooted in culture, is considered.

2.2.1. Endsley’s implementation model

One of many life-cycle theories of what to go through when implementing an organizational change is the one introduced by Endsley (1994). The model has been formulated from a top perspective to provide information about the different stages an organization faces in a process of change and to inform about the various activities in each step. (Endsley, 1994) (See Figure 2)
Endsley (1994) suggests five major stages in her model; decision, introduction, initialization, early job experiences and institutionalization with key factors specified in each step accordingly to figure 2. The two first phases can be reversed or taken together as one depending on the situation. Irrespective of the order, the first phase is intended to make the organization leave the present equilibrium while the final step re-establishes a new dynamic equilibrium. The model focuses on facilitating individual adjustments to new technologies and to minimize the resistance to the change. Endsley (1994) means that it is important to pay attention to the individuals involved in the process of change since they have been found to be extremely important for a successful implementation. Bruzelius & Skärvad (2004) agrees that it is of great importance to involve the individuals and French & Bell (1999) further add that involvement and participation energize greater performance, produces better solutions to problems and enhance the acceptance for decisions. Whether it is favourable to attempt to eliminate the resistance in the process of change or not is discussed later in the frame of reference.

During the three phases introduction, initialization and early job experiences, feedback devises need to be incorporated to get hold of potentially negative reactions throughout the change. If the organization is flexible enough or not and to what extent feedback is addressed will be an important determinant of the success of the system and the adjustment process of the employees according to Endsley (1994). Bruzelius & Skärvad (2004) add that one prerequisite for an individual in an organization to learn is that he or she receives feedback on what they are currently doing.

**2.2.2. Lewin’s three step model**

As early as in 1947 Kurt Lewin developed the three step model stating that every process of change goes through three stages. (Angelöw, 1999) Even if it has been criticized by Howell & Costely (2006), they still consider the model to include relevant ideas even for continuous change. We find Lewin’s (1947) three step model to be interesting and will include other authors’ opinions on his model while describing it below.
**Unfreezing** is the first step and this is the period of time when the need and understanding for a change is initiated. (Lewin, 1947) The step is about reaching acceptance for a new way of being or working, and leaving the present situation behind, (Burnes, 1996) and corresponds to Endsley’s (1994) Introduction phase. The difficulty is to influence individuals or groups to leave the state of equilibrium that they are comfortable with. (Kritsonis, 2005) Kritsonis (2005) describes how the unfreezing step can be accomplished by the use of three methods. Initially the affected people have to experience an increase in forces pulling them away from the equilibrium they’re in, and then feel a decrease in the forces holding them back. Finally one should find a mix between the two. Examples of how to steer these forces are by motivating and explaining the need of change, including people in the process and building morals and trust within the organization. In the consultant book *Project management* (authors’ translation of Projektledning) Tonnquist (2006) suggests a way to reach the desirable attitude within the organization and at the same time test the change idea to see if it is durable. The method *Think Drop* is a way to prepare an organization for change and at the same time benefit from all the internal competence. An idea is planted in the bottom of the organization, where the people who in the end will be affected by the change work. If it manages to make its way to the top it is most certainly already supported by a significant part of the employees to make an implementation go smoothly. (Tonnquist, 2006) This is similar to Bruzelius & Skäravad’s (2004) support model (authors’ translation of förankringsmodell). On its way through the organization it has also been altered and improved by the different competences it passes. (Tonnquist, 2006) We are aware that caution has to be taken when using literature written by consultants since they intend to write in an uncritical and selling way. We have chosen to include Tonnquist (2006) since we have seen strong similarities to our academic literature. Bruzelius & Skäravad (2004) also bring up the expert model (authors’ translation of expertmodel) which in many ways is the opposite of the support model. In the expert model the decision is taken on a top level and the people it will affect the most are the last ones to hear about it which decreases their involvement in the decision.

**Moving** is the name of phase two, and this is when all focus should be on reaching the new level. (Lewin, 1947) Equivalent to a combination of Endsley’s (1994) Initialization and Early job experiences phases, forces trying to maintain the organization’s old behaviour have to be eliminated at this stage. According to Burnes (1996) this might require some form of confrontation from the management or just taking people away from the old environment through a team-building session or training. Kritsonis (2005) also states the importance of changing individuals’ perception of the old situation, making them see that they will reach a new equilibrium through change. By working together as a group and seeing influential leaders convinced of the need of change will bring the right attitude. The moving phase is about changing norms and behaviours to suite the new state. (Angelöw, 1999)

**Re-freezing** is the last step in Lewin’s (1947) model and corresponds to the final phase, Institutionalization, in Endsley’s (1994) model. Keeping a new state is equally important to making the specific changes. (Burnes, 1996) The re-freezing step searches to stabilize and establish the new conditions as the normal ones. (Angelöw, 1999) If this third step is
not successful there is a risk that the change is short-lived. To get the new norms and ways of working to become an equilibrium it can be of help to make them permanent in writing, for example through policies. (Kritsonis, 2005)

2.2.3. Rydin’s twelve step model for organizational development

As mentioned above, caution should be taken when using literature by consultants. Anders Rydin has more than 30 years of experiences as a consultant, mainly in processes of changes, as a business manager and as self-employee, thus we find it interesting to consider his model in this thesis. Rydin (2007) suggest a model in twelve steps more focused on specific actions that need to be taken in a process of change. The initial steps, Step 1 and 2, being Evaluating the conditions and Get the trust, both handles situations preceding to starting the actual process of change.

Step 3 and 4 can be compared to the unfreezing step in Lewin’s (1947) model described above. In the third and fourth step one has to decide where to start the change and whom it will concern. Establishing this gives a starting point from where to start the process of sowing the idea of change, and just like in the unfreezing step aiming for acceptance and understanding. (Rydin, 2007)

Step 5, 6 and 7 fall under the moving step in Lewin’s (1947) model. Rydin (2007), in agreement with Burnes (1996) and Kritsonis (2005), states the invaluable effect of teamwork and involving the individual in the process of change to reach a good attitude and see why change is necessary. The key is to make people feel included and useful, by evaluating the ideas and suggestions gained from these team-building activities.

Step 8-12 represent the re-freezing step in Lewin’s (1947) model. Rydin (2007) suggest evaluations as a way to make the new norms stick. By doing follow ups several times and showing the benefits of the change it will keep people positive and make them more hesitant to fall back into old habits. These evaluations should come frequently in the beginning, but then more seldom until the change has become the normal state. The final step is then to terminate the traces that a process of change has been made, for example disband the project group working with the change.

Further, setting out milestones in a project of change is important for the outcome. By limiting and appointing partial results throughout the process, set points are created that are to be followed by any means possible. (Rydin, 2007)

2.2.4. Tonnquist’s change process

Tonnquist (2006) proposes a model of six components to keep in mind when working with the process of change. Literature written by consultants intends to often paint a simplified picture of the reality, but after recognizing several similarities to the precedent life-cycle theories we have chosen to include Tonnquist (2006). The important components in a process of change that Tonnquist (2006) call success factors are presented below followed by the consideration of the importance of time.
1. The first factor of success Tonnquist (2006) proposes is to create a climate of change. Much like already described in the Moving phase (Lewin, 1947) this is done by showing the facts pointing on the need for change. (Tonnquist, 2006)

2. Dealing with the people affected by the change is one of the most important components of reaching success in a project. In the plan of how to communicate, the different target groups are defined and the message is formulated to fit the audience. (Tonnquist, 2006)

3. According to Tonnquist (2006) the third factor for a successful change is to create a vision getting everyone involved in the process all the way to the end. Remembering step 5, 6 and 7 Rydin (2007), Burnes (1996) and Kritsonis (2005) also points out the importance of involving individuals, and so does Endsley (1994) in her implementation model. Many researchers have identified the importance of a goal; among others Cummings & Worley (2005), Howell & Costely (2006) and Northouse (2007). *Leadership includes attention to goals. (…) Therefore, leadership occurs and has its effects in context where individuals are moving toward a goal.* (Northhouse, 2007)

4. Big effort should be put into pointing out how the work of change can be linked to the rest of the activities in the organization. This is preferably done by relating the goal of the project with the overall strategic goal. (Tonnquist, 2006)

5. The effect of the project of change should be measurable. Creating S.M.A.R.T goals (Specific, Measurable, Accepted, Realistic and Time limited) makes this possible. These are followed up at times of milestones and points of decision during the entire project. (Tonnquist, 2006) Rydin (2007) agrees and also talks about the importance of having measurable goals.

6. The last part in a successful change according to Tonnquist (2006) is to make it permanent, this being the main goal in the Re-freezing phase (Lewin, 1947). The change to be carried out hasn’t been implemented only because the project has ended. For a change to be rooted in time is of the essence. It is of great importance that there are contacts during the implementation of the change; these people need to support the organization and help practically implement the change during a foreseeable period of time. These contacts are also the ones who regularly follow up the project and make measurements to secure that desirable effects have been reached. (Tonnquist, 2006) All three life-cycle theories described above all agree that making the change permanent is vital for a successful change. (Endsley, 1994; Lewin, 1947; Rydin, 2007)

**The importance of time**

Things take time. This goes for every process of change. (Ahrenfelt, 2001) Tonnquist (2006) adds that it is common to make the mistake to worry about the time it takes to implement a change. It is easy to suppose that the longer a change is preceding, the bigger the risk of failure. (Tonnquist, 2006) It’s very difficult to estimate exact times for
a process of change and we must learn to express ourselves in months and years when talking about an organizational change. A reasonably big change can vary between two to five years. After two years the company should have passed the stages of resistance (see chapter 2.4.2) and instead be in a stage of practicing. (Ahrenfelt, 2001)

2.2.5. An alternative model for implementing change

The criticism aimed towards the life-cycle theories by Howell & Costely (2006) is rooted in the fact that step-by-step models do not consider the process of change to be continuous. They say that the only thing we can know about the future is that it will be different from today and therefore the aim should be on creating a learning organization, able to manage necessary change projects on their own. This changes the leader’s role into focusing on shaping the culture so that a work environment encouraging learning is created. (Howell & Costely, 2006)

Defining culture with ABC

To discuss the subject culture it is necessary to first give a definition. Hall (1995) talks about culture as ABCs in a specific group of individuals. The ABCs stands for cultural components on three different levels. (See Figure 3) Similar to Hall’s (1995) definition Bruzelius & Skärvad (2004) resemble organizational culture to five layers in an onion. The two views are presented below.

Artifacts and Etiquette are on the surface level, representing visible and concrete phenomena that a visitor to the culture will immediately grasp. Language, clothes and currency are examples that fall under this category. (Bruzelius & Skärvad, 2004; Hall, 1995)

Behaviours and Actions represent the second level with phenomena a little more subtle. The way that things are done and the way people act towards each other, for example how individuals use the language to communicate is an example of a B factor. (Bruzelius & Skärvad, 2004; Hall, 1995)

Core Morals, Beliefs and Values constitute the third and deepest level in Hall’s (1995) definition. The attitude towards certain phenomena and what people think is right or wrong describes the C

The specific group of individuals that has to be combined with the ABCs to describe culture has no predetermined size or mix. The group can be everything from the family next door to the entire German population. (Hall, 1995) The context of the ABC definition of culture is supported by Bakic-Miric (2008) as well as Encyclopaedia Britannica (2008) which describes culture as the customary beliefs, social forms, and material traits of a racial, religious, or social group.

Different characteristics of culture
Another way of defining culture is through scoring a group of individuals on five different characteristics. The five factors below are Hofstede’s (1993) characteristics of culture.

*Power distance index* is a measurement of how much the individuals in a group expect and accept that the distribution of power is unequal.

*Individualism* describes to what extent people are expected to look after themselves. The opposite collectivism occurs in groups of individuals where the family bonds or ties to society are strong.

*Masculinity* measures the difference between the men’s and women’s behaviours in a culture. If the men’s role is to act very assertive and competitive in a culture where women are expected to care for the bringing up of children and the household the masculinity would be high.

*Uncertainty avoidance index* is to what extent individuals are comfortable or not in chaotic situations. The index describes how much people strive to have order.

*Long-term orientation* is if people treasure knowing that their future is in their control or if they’d rather care about fulfilling their present duties, for example traditions, social obligations and personal reputation.

Rodrigues (1998) examines culture similar to the characteristics Hofstede (1993) states, but adds among others shared decision-making/few in charge, high-context/low-context and decisions based on data/emotions. Rodrigues (1998) and Hofstede (1993) are not the only researchers which have defined cultural dimensions. We have chosen not to further develop the dimensions, we solely want to make the reader aware of the fact that there are several different ways of characterizing culture and we have chosen the one spoken for by Hofstede (1993).

Is it possible to shape culture?
Culture has a big impact on how everyone acts, even if they might not even be aware of it. Differences in culture can make or break business deals, and understanding and being aware of the ABCs can be crucial to managing a partnership according to Hall (1995) Bruzelius & Skärvad (2004) state that for an organization to maintain long term success it
is important to develop, maintain, exclude and renew the organization’s values and basic assumptions. Sanchez (2004) goes further and claims that the end result of any organizational process can be explained and even manipulated by cultural factors.

According to Schein (1992) and Davis (1984) one of the most powerful tools for a manager is maintaining and changing culture. Given the correct stimuli the culture can be altered into a desired result. Sanchez (2004) agrees that culture can be changed, but that one has to be careful not to mistake organizational climate for culture. Climate is easily changed and very susceptible of outer forces in the work environment. An example of climate change is when a pay raise results in improved efforts. Culture on the other hand is very difficult to change and will not be affected short term. Pettigrew (1986) is one of several who oppose to the idea of changeable culture. Culture is a factor that strongly limits a company’s possibilities and which is rooted in the organization’s members. The only chance to affect the culture is by creating a deep sense of crisis followed by strong methods for creating change. In spite of their difference in how they approach a process of change Pettigrew’s (1986) view is very similar to Lewin’s (1947) model. The sense of crisis is similar to the unfreezing phase where forces keeping people to old habits are eliminated resulting in a chaos facilitating the implementation of new ways of thinking. Again the strong methods for creating change following the crisis described by Pettigrew (1986) are similar to the strong change focus in Lewin’s (1947) moving phase where all efforts are on reaching a new state of working. Hall (1995) says that for a manager to change culture it is most important to focus on the B-factors even if they take time to change. A language and table manors can be relatively easily changed, and the morals and values in a company will probably not change to support a partnership. This leaves the manager with the B-factors which can be controlled through positive or negative reaction towards people’s behaviours. Agreeing with Hall (1995), Bakic-Miric (2008) says that how we communicate, not the specific language, is the most important part of acting in an intercultural society.

The key to a successful partnership is not to get the same culture, but rather to acknowledge and accept the differences. Hall (1995) calls this bridging. If partners do not succeed to bridge their two cultures, misunderstandings and misinterpretations of intentions can seriously damage the relationship. Rodrigues (1998) also clarifies the importance of the sole acknowledgement that there is a difference, and not to expect things to be done the same way in different companies or countries. Once both parties have come to terms with the situation, benefits can be gained from the cultural differences. Cvetcovic (2008) adds that the intercultural tension that is created can result in creative solutions and unconventional, positive thinking. All it takes is for the energy to be canalized in the right direction. Unfortunately it often takes a situation of great need or even crisis to make organizations work in a new way according to Cvetcovic (2008), which corresponds to the crisis situation necessary to change culture described by Pettigrew (1986).
2.2.6. Similarities between life-cycle and culture based change theories

The four life-cycle theories and the alternative method based on culture that we have described show several similarities as well as differences. The life-cycle theories show a very clear aspiration to reach equilibrium (Lewin, 1947; Rydin, 2007), whereas the culture based model strive to be in a constant state of change (Howell & Costely, 2006). The change climate desired between the start and end equilibrium in the life-cycle models (Tonnquist, 2006), which is created to make the organization susceptible to change, is always present in the culture based model (Bruzelius & Skärvad, 2004).

In both types of models the leader is an influential actor with the power to affect the climate in the organization. In an optimal continuously changing organization managing itself, the leader is still a big part in managing the process of change, but he or she should take on the role as a motivator rather than giving strict guidelines of what actions that have to be done. (Howell & Costely, 2006) The leader in a life-cycle process will only take on the similar role during the time of instability. In step 5, 6 and 7 in Rydin’s (2007) twelve step model people should feel included and be motivated to take part in the process of change, which means trying to affect the climate. When a new equilibrium is set the life-cycle theories reinstate the leader in charge of initiative (Lewin, 1947; Rydin, 2007; Tonnquist, 2006) whereas the culture based organization strives to become self sufficient (Howell & Costely, 2006).

Howell & Costely (2006) talk about the importance of creating a learning organization, whereas the life-cycle models mention training as a necessary activity to satisfy needs of knowledge necessary to reach the new equilibrium (Burnes, 1996; Endsley, 1994). According to Bruzelius & Skärvad (2004) the key to a learning organization is to get individuals to teach each others through communicating knowledge. Sanchez (2004) puts communication as the primary element in shaping culture. The effect of reward systems, benefits, training, development and visions all depend on how well they are communicated. According to Sanchez (2004) analyzing a company’s communication policy to see if the communication to external constituencies coincides with the internal communication says a lot about the company’s culture.

Combining the two types of change theories we have identified important areas in the process of change which are treated in the life-cycle theories as well as in the culture based model. Hence we have chosen to address the areas project organization, leadership in processes of change, knowledge, competence and education, internal communication and finally documentation.

2.3. Project organization

Do changed circumstances and changed prerequisites demand special forms of organizations or is it possible to apply one organizational form in all situations? This
chapter is written with the intention to investigate what professional roles and what organizational structures are suitable for an organization facing a process of change.

2.3.1. The work organization in projects

Tonnquist (2006) states that a change in an organization does not happen by itself; it is rather made possible through the work of the members in a project group. In a situation where there is one specific task to solve working in project form is convenient according to Bruzelius & Skärvad (2004).

The project roles

It’s important to have well defined roles within a project group. To avoid people doing the same things or confusion about who is doing what strict guidelines are necessary. Shared responsibility often leads to misunderstandings. (Tonnquist, 2006) Organization is all about who has the responsibility and the authority to do what. (Thulin & Thulin, 2003)

The project owner is the person ordering and therefore also initiating the project. The project owner represents the customer and has the customer’s best interests in mind. By being the provider of financial resources he or she can steer the project towards higher quality and smaller costs. (Tonnquist, 2006) The role as project owner becomes more important with increasing project size, but even in small projects the role can cause problems. The project owner has an internal role as well as an external. He or she has authority to decide when a project should start, but not what resources should be used for what activities. The project owner is not just the initiator of the project, the task of appointing a project leader and a steering group is also his or hers. (Tonnquist, 2006)

The project leader has the task to deliver what the project owner asks for. It’s his or her responsibility to know the strengths and weaknesses within the project group and by using this ability assigning suitable tasks for the right project members. The project leader has to take on four different characters in a natural way; coach, mentor, expert and boss. To be able to shift between the different characters the project leader has to know him- or herself very well. One might say that it’s more important and also more realistic to know your own weaknesses than not to have any. The project leader also needs good social and person skills to know when which character is required. (Tonnquist, 2006) A successful project leader contributes to a healthy project group, and benefiting information sharing and constant communication is an example of good project management often resulting in innovative and efficient outcomes. (Gelbard & Carmeli, 2008) It is also up to the project leader to provide the project group with whatever resources they require within the time and cost frames of the project. (Bruzelius & Skärvad, 2004)

The project group is responsible for solving tasks leading to the finishing of the project. Every single member should have the competence to solve his or her problem, but getting the big picture and seeing his or her role in the project is the project leader’s
responsibility. A project group should only include the exact number of people needed to manage the project assignment. (Tonnquist, 2006)

The recruiting process should according to Tonnquist (2006) be based on the two factors competence and ability to work in a group. Whilst the ability to cooperate depends on all the different members in the group, the level of competence a person possesses requires time. Competence is achieved through practical application, meaning experience. The second factor, ability to work together, has a strong connection to the project result. Gelbard & Carmeli (2008) defines team dynamics as the quantity and quality of interactions between team members and say that the team dynamics often determine the outcome of a project and the overall success of the project team. A common problem when recruiting new people is that they are expected to work the same way everyone else does. They are treated like an extra set of hands instead of new competence and ideas, which is exactly what a company in change should be looking for. (de Klerk, 1996)

The steering group consists of representatives from the project owner as well as the organization that employs the project group. Each member of the steering group should have the necessary competence to judge and give opinions about the progress made in the project as well as the problems encountered. It’s important to find a good group composition so that competent decisions can be made quickly and that no side is favoured even though the project owner often has the role as chairman or chairwoman. (Tonnquist, 2006)

Tonnquist (2006) also describes Resource owners, Partial project leader, Quality manager, Reference group and Project coordinator as roles in a project organization. We have chosen to exclude these roles since they seem to be more relevant to for example projects in product development which requires tangible assets and where the final result is unknown in the beginning of the project.

2.3.2. Organization for a process of change

An organization divided into roles as described above is called a function based organization according to Thulin & Thulin (2003) while a project based organization is an organization where people are allotted short term or long term project roles, depending on the size of the project, to solve a specific assignment (Bruzelius & Skärvad, 2004). Thulin & Thulin (2003) claim that an organization based on function as well as on processes or projects, trying to follow through with a process of change faces the risk of having areas where no one is responsible. Implementing a change and at the same time managing the everyday work is made much easier through having a parallel organization. In a parallel organization all the members are part of two groups working side by side with different goals. One group is working with the everyday assignments and the other group is working with a process of change. Since everyone is taking part in both of the two groups, the gaps present in a strictly functional, process or project based organization can be filled. (Thulin & Thulin, 2003) This way of making the different roles less strict is also a way of increasing the internal flexibility which is something de Klerk (1996) agrees is important in a healthy organization. The parallel organization is criticized by
Tonnquist (2006) because it demands a lot more from the management and increases the risks of bad employee morals. Following through with a process of change at the same time as the ordinary assignments forces meetings and appointments to be scheduled more in advance. Opposite to the effect a parallel organization has on the different roles, the internal flexibility concerning when to do what is decreased. (de Klerk, 1996) If employees are working in several projects at the same time, they are forced to prioritize in situations where time is scarce. If co-workers prioritize different projects it will create disagreements and lower the moral at the work place. To avoid this the management has to take action and explain the purpose of the new project and bring up the subject for discussion. (Tonnquist, 2006) For an illustration of the differences between a function based organization and a parallel organization see figure 4.

Figure 4 Illustration of a function based versus a parallel organization (Thulin & Thulin, 2003)
2.4. Leadership in processes of change

To remain competitive, an organization is required to support and implement continuous and transformational change. One to two thirds of major changes have been deemed failures or have made the situation worse for the business. The leadership within the organization is the critical factor in enabling and driving change efforts according to Gilley et al. (2008). Hence, to map out the desirable characteristics and the foremost tasks of a leader facing change can facilitate a successful implementation of change.

2.4.1. What characteristics does the role as a leader of change involve?

Organizations don’t change. People do – or they don’t. If staff don’t trust leadership, don’t share the organization’s vision, don’t buy into the reason for change, and aren’t included in the planning – there will be no successful change – regardless of how brilliant the strategy. (Kinsey Goman, 2000)

Since it is unusual that the CEO and the management themselves are interested in running the processes of change it is necessary to appoint a so-called leader of change. The leader of change has an overall role to be a project leader with the assignment to keep all parts of the change together to reach the comprehensive goal. (Tonnquist, 2006) American Productivity & Quality Center (1997) instead states that the CEOs plan and manage organizational change, thus serving as the change agents. (American Productivity & Quality Center, 1997)

No matter what position the leader is in, Tonnquist (2006) affirms the importance of the leader to create a common vision for a group of individuals working towards a concrete goal in accordance to Kinsey Goman (2000). All individuals in a group have their own personal goals to be realized. If there is consensus between the individual goals within the group and the common goal of the project, the project will become stronger and is more likely to succeed. The more the leader knows about his or her project group, the likelier he or she is to create tasks that satisfy the individual needs. It is all about creating a win-win situation for the group as a whole and its individuals. (Tonnquist, 2006)

Leaders in all levels of an organization will face opportunities to create change readiness at the same time as they face the challenges of change. Gilley et al. (2008) have identified six leadership skill sets that supposedly influence the organizational success rate positively during change. The skill sets are presented below and are desirable characteristics in a leader of change. (Gilley et al., 2008)

Ability to coach

By coaching the individuals in an organization facing change, the leader improves the renewal capacity and the flexibility which have a positive impact on organizational change. (Gilley et al., 2008) Awareness is the first key element of coaching and awareness can be raised or heightened significantly through focused attention and practice. (Whitmore, 1997) The Encyclopaedia Britannica (2008) defines awareness as
having or showing realization, perception, or knowledge (...) alertness in drawing inferences from what one experiences.

Ability to reward
An effective reward philosophy makes allowances for every step of the process of change. Celebrating milestones and being rewarded for incremental change meet favourably response from employees. Reward programs should be planned to help the organization to achieve specific desired change outcomes according to Gilley et al. (2008).

Ability to communicate
Communication is a valuable tool for motivating employees involved in change. It is vital in overcoming resistance to change initiatives, to prepare employees and to give them a personal stake in the change process. (Gilley et al., 2008) Specify the nature of the change, explain why, repeat the purpose and actions planned, make it a two-way process, support change with new learning, institutionalize the information flow about the change and model the changes yourself are some communication recommendations to make change work. (Saunders, 1999) Also Kotter (1995) stresses the importance of communication and he means that the leader should communicate the new vision and strategies by using every communication vehicle possible. (Kotter, 1995)

Ability to motivate
Leadership is a process used by an individual to influence group members toward the achievement of group goals in which the group members view the influence as legitimate. (Howell & Costely, 2006) The leader’s ability to convince and influence others to work in a common direction is of the essence in an organizational context. Motivating others call for skilled leaders who can organize and promote a motivating environment, communicate effectively, address questions, generate and prioritize ideas, commit employees to action, and provide follow-up to overcome motivational problems. (Gilley et al., 2008) The leader needs to articulate the organizations vision in a manner that stresses the value of the addressed audience. (Kotter, 2001) It is not enough to create a common visualization of the goal, but the goal has to be broken down to divisional and individual level and in that level concretizes. (Tonnquist, 2006) Kaplan & Norton (1996) add that despite the best intentions from the management, empty statements like becoming best in class, the number one supplier or an empowered organization don't translate easily into operational terms. For the employees to act towards the envisioned strategy statements, these have to be expressed in concrete and measurable actions and goals, this agreeing with Tonnquist’s (2006) the fifth factor of success.

Ability to Involve and support others
Proving confidence in the employee’s ability to be successful on the job and valuing contributions demonstrates support. Support and employee involvement prove critical to
successfully implementing change, thus being supportive and make employees participate in the process is an important managerial task. (Gilley et al., 2008)

Ability to promote teamwork and collaboration
To achieve organizational goals a leader benefits from effectively managing teams and structuring workgroups so as to support collaboration. Interpersonal ability combined with collective process and structure can promote teamwork and collaboration, which eventually have an impact on ability to reach the vision. (Gilley et al., 2008)

2.4.2. How to explain the difference between intension and result
The scarcity of an optimistic relationship between planned change and its realization has caused a quest for a deeper understanding in the subject. The concepts resistance to change, inertia and supporting and restraining forces have been used to explain this gap. (Lovén, 1999)

According to Bruzelius & Skärvad (2004) organizational change does almost always face resistance irrespective of the extent of the change. The level of resistance and its strength is dependant on what the change concerns, how radical it is and how the process of change is managed. Bruzelius & Skärvad (2004) Several authors clarify the different stages of resistance a person goes through when facing change. The SARA model is an attempt to explain what and at what stage of the process reactions occur between the employees. According to this model the employee faces the four faces shock or surprise, anger, rejection and acceptance. According to this model, leaders and staff at different levels in the company reaches the stages at different times, probably due to the fact that the leader gets aware of the change earlier in the process and therefore has time to react earlier. (Hughes et al., 2006) Also Tonnquist (2006) recognizes that the individual in organizational change goes through a phase of resistance.

Ahrenfelt (2001) further presents a model describing the different stages employees go through when facing change. He focuses on the complementarities between the process of the leader and the process of the organization. Even though this thesis addresses the leader’s role in an organization facing change, the leader needs to be aware of the stages the organization goes through to identify his or her proper action in each step. Ahrenfelt (2001) identifies three phases of resistance in the process of change. (see Figure 5)
Scientists within the field of economics prefer the perception of inertia to the idea of resistance meaning that it is less judgmental. Inertia is a force holding organizations back, preventing them from over-reacting in temporary environmental changes. When organizations react with delays even to important environmental changes, due to market situation changes, inertia has its drawbacks. In the literature, two types of inertia can be distinguished; manoeuvre inertia and insight inertia. The first type comes from investments in future technology, production and markets. Insight inertia on the other hand is the inability of an organization to spot troubles following a normally trouble free history. (Bruzelius & Skärvad, 2004; Lovén, 1999) Österlund & Lovén (2005) further defines inertia as the company’s inability to change the competence resources fast enough to meet new market changes. There is a need to over communicating during
change. The key message might have to be communicated numerous times through various media. (Österlund & Lovén, 2005)

It is not unusual but rather natural that the organization is to resist the change since established patterns are not only questioned but also changed in the every day work. The resistance shouldn’t always be considered bad for the change though. (Ahrenfelt, 2001; Bruzelius & Skärvad, 2004) Resistance gives the individual a chance to go through the questions and to be part of the change. The different phases of resistance also give a great deal of important and some times decisive information for the one who really requires it, often the leader of change. Resistance and the work of resistance are first of all informative in the work of change and it is an expression for true engagement and true involvement. An indifferent and uncritical person is unengaged in the process and usually tries to stay outside the work of change. Authoritarian managers normally ignore this matter of course. The leader should keep in mind that the co-workers, through experience, are the organization’s foremost teachers when it comes to pitfalls and possibilities for the business, thus resistance should be acknowledged and used during the change. (Ahrenfelt, 2001)

2.5. Competence, knowledge and education

Competence augmentation and widening of the co-workers responsibilities are crucial factors for success since the organization is its employees. Learning is a here-and-now process of great need for the individual, the work group and the organization. A variable world creates a need for continuously competence development. (Ahrenfelt, 2001) Because of the significance of learning and increased competence in organizations, we will below discuss theories concerning the importance of education.

2.5.1. Managing knowledge

Competence development can be divided into two parts, the possessed knowledge and the knowledge that one lack and need to develop. At this stage, a difference between knowledge and competence should be drawn. Knowledge is something that can be taught while competence comes from knowledge put into practice. Needed knowledge is managed in an early stage of a project, while in a later stage of the process, the competences developed are handled. Competence development is the responsibility of the management but it is always executed on an individual level. To make the right organizational demands is a competence management challenge. Education is normally the fastest way to acquire knowledge. Every educational effort should be preceded by an analysis to find the gap between the individual competence and the competence demanded from the organization. Whether the competence development is accomplished through education or through recruitment; it is of great importance to document needs and to bring out a plan showing how the gap of knowledge is to be filled. (Tonnquist, 2006)
2.5.2. What kind of education and to whom?

In this context, education should provide two wide purposes. First of all it should enhance the understanding of the organization’s business for the employees to understand both where and why the change is necessary. Second, the education should serve the purpose of providing workers with the necessary skills to implement change. Giving the workforce increased responsibility and authority does little good if the tools to handle the change haven’t been given to them. Tools can range from leadership skills for rising managers to technical skills that qualify workers for the new jobs change might create. (American Productivity & Quality Center, 1997)

2.5.3. Learning styles

One basic fact to appreciate is that not everyone learns in the same way. Some people prefer to talk out loud by discussing the subject; others like to learn alone, reading or watching videos. Some people want learning to be fun and entertaining while others want nothing but the facts. These differences can often be accommodated through a mixture of activities; newsletters, e-mails, one-on-one sessions, group discussions, posters or lecture series. In the process of planning the educational design, one should keep in mind that lessons that don’t apply to one’s job tend to be forgotten quickly at the same time as tedious information to fit each individual’s task can be equally discouraging. (Kolb & Kolb, 2005)

As a result of our heritage, our particular past life experience, and the demands of our present environment most people develop learning styles that emphasize some learning abilities over others. (Kolb, 1976) According to Kolb & Kolb’s (2005) experiential learning theory learning is defined as the process whereby knowledge is created through the transformation of experience. Knowledge results from the combination of grasping and transforming experience. Learning can be conceived of as a four-stage cycle. (Kolb, 1976) The model describes two dialectically related modes of grasping experience; Concrete Experience (CE) and Abstract Conceptualization (AC) as well as two related modes of transforming experience; Reflective Observation (RO) and Active Experimentation (AE). (Kolb & Kolb, 2005) A typical presentation of Kolb’s two continuums is that the east-west axis is called the Processing, how we approach a task, and the north-south axis is called the Perception, our emotional response, or how we think or feel about it. (Business balls, 2008) Alan Chapman at Business balls (2008) has illustrated Kolb’s thoughts in a very descriptive way, and therefore we chose to include Chapman’s illustration instead of Kolb’s. (See Figure 6)
The individual must be able to involve him- or herself fully, openly and without bias in new experiences (CE). He or she must be able to observe and reflect upon these experiences from different perspectives (RO). Further, he or she must be able to create concepts that incorporate his or her observations into logically sound theories (AC) and finally these theories must be used to make decisions and solve problems (AE). Different individuals learn according to different styles. Thus, to know and identify which style an employee should apply to and learn best and most through can be of great importance for the company’s future. (Kolb, 1976) Thulin & Thulin (2003) adds that the choice of method for competence development doesn’t only depend on the person about to learn but also on what kind of knowledge is to be taught. The employee can attend a course, or undergo an education, learn from co-workers, learn from others within the organization or in other organizations. The choice of method also depends on the means available. (Thulin & Thulin, 2003)

**Explicit or tacit knowledge?**
Knowledge is a multifaceted concept with multilayered meanings. In short, knowledge is created and organized by the very flow of information, anchored on the commitment and
beliefs of its holder. One dimension of the knowledge creation process can be the
distinction between tacit and explicit knowledge. (Nonaka, 1994) Tacit knowledge is
defined as knowledge we all unconsciously possess. We can not gain it by reading; it is
created through a combination of theories and experiences. The every day knowledge of
non linguistic character that a professional person possesses is incredibly important for
the development of the organization. (Ahrenfelt, 2001) Tacit knowledge is highly
personal and hard to formalize which results in making it difficult to communicate to
others. Explicit or codified knowledge on the other hand refers to knowledge that can be
transmitted in formal systematic language. (Nonaka, 1994)

Nonaka (1991) has identified four basic patterns for creating knowledge in any
organizations. The four patterns are socialization, externalization, internalization and
combination and are represented in figure 7. (Nonaka, 1991)

![Figure 7 Modes of the Knowledge Creation (Nonaka, 1994)](image)

**Socialization**, from tacit to tacit. Sometimes the individual shares tacit knowledge
directly with another. (Nonaka, 1991) One effective method to transfer tacit knowledge is
through mentorship. The overall task a mentor commits to is to share his or her
knowledge and making other people grow and develop. (Tonnquist, 2006) Thulin &
Thulin (2003) agrees that mentorship is a mutual learning where the more experienced,
the mentor, is an adviser and guide for the less experienced, the adept. Nonaka (1991)
argues that although this knowledge transfer between mentor and adept can be effective
for the personal tacit knowledge base, on its own, socialization is a rather limited form of
knowledge creation. Neither the apprentice nor the master gain any systematic insight
into their craft knowledge. Because this knowledge never becomes explicit, it cannot
easily be leveraged by the organization as a whole. (Nonaka, 1991)

**Combination**, from explicit to explicit. Discrete pieces of explicit knowledge can be
combined into a new whole. For example, when a controller of a company collects
information throughout the company for a financial report, that report is new knowledge
in the sense that it combines information from different sources. This combination does
not really extend the company’s existing knowledgebase though. (Nonaka, 1991)

**Externalization**, from tacit to explicit. When the foundations of an employee’s tacit
knowledge can be articulated, he or she converts it into explicit knowledge, thus allowing
it to be shared with the team. Another example might be if the controller develops an inventive new approach to budgetary control based on his own tacit knowledge developed over years of experience rather than merely compiling a conventional financial plan for his company. (Nonaka, 1991)

**Internalization**, from explicit to tacit. As new explicit knowledge is shared throughout an organization, the information begins to become internalized by other employees. That is, they use it to increase and reshape their own tacit knowledge. (Nonaka, 1991)

While each of the four modes can create new knowledge independently, the central theme of Nonaka’s (1991) model of organizational knowledge creation hinges on a dynamic interaction between the four different modes. Hence, knowledge creation is constructed of both tacit and explicit knowledge and, more importantly, on the interchange between these two dimensions through internalization and externalization. A failure to build a dialogue between tacit and explicit knowledge can cause problems for the organization.

### 2.6. Internal Communication

_To spread and share the vital knowledge with others within an organization, one of the most central parts of all project work, the business needs a working internal communication._ (Tomnquist, 2001) Thus, this sixth part of the frame of reference is concentrated upon the implementation of a well-functioning internal communication.

#### 2.6.1. How to inform

Information is a one way process and a monologue, while communication is a two or more way process. (Ahrenfelt, 2001) This one way process, information, is a contributing stress factor since distributing information has become very easy. Many workplaces could decrease the daily stress they are facing today by analyzing what kind of information is supposed to go to whom and in what quantity. The absolutely most efficient way to distribute information is to keep it electronically. This demands a well functioning technique support, available to all co-workers though. It is also of great importance that the employees feel responsible for finding the information needed. (Thulin & Thulin, 2003) Archibald (1992) presents an idea of how to create a communication plan to secure that necessary information reaches concerned employees. The plan is to answer the questions what and when is to be communicated and to whom and how is it to be executed?

#### 2.6.2. Problems with internal communication

Geddie (1994) gather in his article *Leap Over the Barriers of Internal Communication* primary obstacles to effective internal communication. He means that internal communication is too often taken for granted even though the audience is vital for the real and lasting success of the organization. He identifies the obstacles as a failure to recognize that communication must be essential to strategic planning, a failure to trust
employees and to communicate precarious issues openly. He also promotes failure to kill the belief that power comes from hoarding information, lack of training in or low comfort level for efficient communication, the fear of making mistakes and poor focus by too many communicators as obstacles for successful communication.

2.6.3. What not to forget when informing
To build well functioning channels of information is a strategic question that demands time initially but gives a better result and working environment in the long run. The internal information can be written or oral, formal and informal. The better the formal information works, the more trustworthy the information as a whole becomes. Thulin & Thulin (2003) give a guideline for the information to be accessible, sufficient and reliable.

Even though a firm can use several formal communication ways to reach out to the audience as described above, the informal grapevine should not be forgotten as an important source of information and spreading of knowledge. (Wood, 1999) Wood (1999) has gathered some agreed key communication principles from the literature presented below.

1. The first communication should come from the senior management person in charge.
2. Face-to-face communication is most effective; it allows interaction.
3. Senior managers are seen as the key to communication.
4. The newsletter is not a major source of organizational communication but employees think it should be.
5. There is a clear distinction between information (generally too much) and communication (not enough).
6. There is an emphasis on the concept of managing by walking around.
7. The process needs to be constantly assessed and revamped.
8. Written communication followed by an open meeting is effective.

2.7. Documentation
Documentation is never a glamorous job. This could be one of the explaining reasons why many organizations still keep minimal or no documentation. Many workplaces neglect updating their documents due to a stable workforce. Though, when different employees enact different approaches in their responsibilities, this lack of accurate documentation can become a problem. A formally documented work instruction or specification can work as a key to maintain a consistent performance. (Cheng, 2008) This section presented below discusses the importance of documentation and how much and what should be documented in an organization.
2.7.1. Why put energy into documentation?

Cheng (2008) states that when paying visits to the shop floor he often asks one single question to the operators: Assuming I was just hired for this job, can you show me the right way to do it? The employees are often enthusiastically helping him with what should be done but once they are faced with the question how he can make sure he does it right in their absence, they become dead silent. Documentation is a way to make individuals less indispensable.

2.7.2. How to document

Whatever the name for the documents, may it be a setup sheet, parameter table or a work instruction for example, an important question is how it is created. Since the Industrial Revolution, machines and products have become more complex. This means that self-made instructions can cause infinite, useless risks every time a company faces a change. (Cheng, 2008) Something to reflect upon is if the documents need to be printed or if it is enough to save them electronically. Today’s digital multifunction devices can output to a number of electronic document types. These documents can then be stored on a computer or be emailed to recipients directly. Keeping the documents electronically saves space and facilitates the process of finding stored documents. (SolutionTech, 2008)

To document the process is the first step in formalizing a quality system. To create documents needed, the process needs to be thought through, this exposes wholes in the process that need to be managed and it forces a consistency in how the process is run. (Dalgleish, 2005)

An analysis of your company’s documentation might help you reduce costs if finding that it exceeds the level of needed documentation. A way of creating an effective document management plan is to analyze the current documentation process, including workflow, types of documentation and communication methods. This analysis is preferably followed by a review resulting in finding opportunities for cost savings and increased efficiency, which are further carried out according to a plan of action. (SolutionTech, 2008)
3. Analysis Model

A synthesis of the theories discussed in the previous chapter resulted in an analysis model presented below. The thought behind our analysis model and the different parts in it are described below.

The analysis model developed as a synthesis of the theories presented in our frame of reference is presented in figure 8.

We initially chose to base our analysis model on Endsley’s (1994) implementation model, but after our literature study we identified a lack of consideration of certain areas in the process of change. Therefore we combined Endsley’s (1994) implementation model with Lewin’s (1947) three step model. We chose to not include Rydin’s (2007) model since it is so strongly related to Lewin’s (1947) model and therefore we consider it to be indirectly represented. After recognizing advantages with the culture based model for a process of change we added culture in an attempt to combine Howell & Costely’s (2006) alternative model with the life-cycle models. The common areas of interest

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1 The areas of interest for a process of change are in figure 8 written Proj Org, Leadership, KCE, Int Comm and Document.
concerning the process of change we identified, *project organization, leadership in processes of change, knowledge, competence and education, internal communication* and *documentation*, have been added to all phases to complement Endsley’s (1994) key factors. +/- symbolizes opportunities and risks that the leader should be aware of in each of the change process’ phases. We chose to keep *feedback* because it accordingly to Bruzelius & Skärvid (2004) is a requirement to create a learning organization. We further added *support* since also support has proven to be important throughout the change. (Tonnquist, 2006). We also added *inertia* as a counterweight to Endsley’s (1994) opinion that all resistance should be decreased since we have seen that resistance has advantages according to Ahrenfelt (2001) and Bruzelius & Skärvid (2004). We have chosen to write inertia in the model to avoid the negative association to the word resistance (Lovén, 1999).
4. Methodology

To be able to estimate the reliability of a survey or a report, the methods which it is based upon have to be considered. (Lekvall & Wahlbin, 2001) Hence, this fourth chapter, methodology, will give the reader an insight into our research process, selection and data collection.

4.1. Research process

Our work began with a literature study, followed by preparation for our data collection. Our data collection included interviews and benchmarking, which we analyzed by comparing it with the theories from the literature study by using the analysis model. We drew conclusions from the analysis which gave us an answer to our purpose. The different steps are separately presented below first illustrated in figure 9 and then under corresponding headlines.

- **Project start**
- **Preparation of data collection**
- **Data collection**
- **Conclusions**
- **Literature study**
- **Analysis**

![Figure 9 Research process (Authors, 2008)](image)

4.1.1. Literature study

The first part of the work with our thesis was to carry out a literature study. We began with a preliminary treatment of the literature before the frame of reference was written and throughout the study we have tried to stay critical to the theories.

How to find the right literature

To be able to see which direction we wanted our empirical study to take we began by considering the subject of the process of change from a theoretical point of view. To get the essential information for the frame of reference we carried out a literature study, concentrating on relevant books and articles. The literature was of scientific character and mainly concerned the topics organizational change, change management, leadership, project management and culture. In addition to the books, we used articles from various well known journals, a selection of these being *International Journal of Project Management, Academy of Management Learning & Education* and *California*
Management Review. To find these journals, we used the database Business Source Premier. The articles of interest were found after searches with the keywords; organization, change, leadership, change management, education, documentation, culture and strategy combined in different ways to get the optimal outcome for this thesis.

A preliminary literature treatment
After acquiring literature needed, it can be beneficial to prioritize them and make organized notes of the content before starting the work of the frame of references. (Patel & Davidson, 1994). We used Patel & Davidson’s (1994) ideas of organizing the literature before carrying out the actual text. Prioritizing the literature was followed by a thorough review of the highly prioritized books. We made this by making a document each for all the literature with the highest rating. In the documents we specified the main context, their angle of approach and for which areas in our frame of reference it could be of interest. By doing this, we facilitated the organization and production of the frame of reference.

When writing, one often realizes what information is lacking, what possibilities the results actually give and what thoughts can be connected to them. Therefore, Johansson & Svedner (1998) suggest that a draft should be made as soon as possible since it stimulates the work and thinking of the researcher. We followed their recommendations and saw to it that summaries were made shortly after interviews and literature studies.

Keep a critical mind
We have tried to keep a critical approach to the theories and to get different angels on all areas of interest in the process of change while reviewing the literature. Knowledge critique is a way of adapting logical thoughts according to Eriksson & Wiedersheim-Paul (1999). We are aware that caution should be taken when using consultant literature since it intends to be uncritical and written in a selling way. Even so the materials from consultant literature we have used have shown strong similarities to many of our academic theories, and we have therefore decided that they can be of value to our thesis. To remember is that being critical is not the same as being negative but rather questioning. (Eriksson & Wiedersheim-Paul, 1999) We are aware that there are two sides to the same coin and therefore we have considered different, sometimes even contradictive, opinions about the areas concerning the process of change. What we uncovered in the frame of reference resulted in an analysis model. Being critical helped us to see weaknesses in the separate models we studied, which made us develop an analysis model consisting of parts from several models.

4.1.2. Data collection
The main data collection was preformed at Consafe Logistics and was constituted of interviews. We further studied secondary material, observed the behaviour at the office
and we finally included a consultancy bureau and three benchmarking cases in our empirical study.

**Our role**

We, the authors, have not entered Consafe Logistics as change agents but more in the role as observant and interviewers. In the role as observant you can only study behaviour of today and not knowledge, opinions and values (Lekvall & Wahlbin, 2001) making the interviews our source of primary information. We have also acquainted ourselves with secondary material available through internal documentation and communication.

**Qualitative study**

When trying to understand cultural phenomena and human communication it’s a question of circumstances that cannot be mapped out through objective measurements. (Wallén, 1993) To get deeper knowledge than the fragmented information that quantitative methods give the researcher a qualitative approach is favourable. (Patel & Davidson, 1994) The goal of the qualitative method is to expose a number of qualities that relatively well captures the central objectives in a certain phenomenon, in other words, getting a conception of the occurrence of issue. (Eneroth, 1994) Due to the nature of our purpose; importance of experiences and points of views instead of measurable information, we have chosen to do a qualitative study.

**Case study**

A research strategy can be chosen between surveys, experiments, desk investigations, and case studies depending on the nature of the starting point of the research. (Lekvall & Wahlbin, 2001) Encyclopaedia Britannica (2008) states that a case study is *an intensive analysis of an individual unit (as a person or community) stressing developmental factors in relation to environment*. A research design is the logic linking between the data to be collected and the initial questions of study. One of the most challenging of all social science attempts is using case studies for research purposes. If the main part of the questions posed in the research is of “how” and “why” character, a case study is favourably used. (Yin, 2003) Instead of doing a broad study we are interested in going deeper into one company getting to know opinions, the work environment, how and why decisions are made and implemented. Hence we have done a case study.

**The structure of our interviews**

Using open interviews where the questions are decided as the interview proceeds or extended observations is a better approach than using questionnaires with predetermined questions if getting the whole picture of the respondent is desirable. (Johansson & Svedner, 1998) In a qualitative survey, data that is not meaningfully quantified is gathered, analyzed and interpreted. (Lekvall & Wahlbin, 2001) The qualities described by Yin (2003), Johansson & Svedner (1998) and Lekvall & Wahlbin (2001) inspire us to chose open, unstructured interviews where only the main topics are predetermined. Using
only predetermined topics as a guide for the interviews gave us the opportunity to control the direction of the interviews. During our interviews we have had the following topics based on our analysis model:

- What is the situation like in the subsidiaries and partners today?
- Why was the decision made to focus on Astro?
- How has the decision been received in the different subsidiaries and partners?
- How has the process of change been carried out?
- How will Consafe Logistics make the change permanent?
- How is support and feedback between the different parts of the organization approached?

We are aware that it is difficult to ask direct questions about culture, therefore conclusions on this subject were made after observations during the interviews and while working in the office environment. Since we were provided with our own office at Consafe Logistics, we were able to communicate informally with the respondents as a complement to the interviews.

**Selection**

To get the information desired, interviews with employees at Consafe Logistics, both employees at the Mother Company and employees at the subsidiaries, have been carried out. In total we have carried out nine open, unstructured interviews with employees in the Consafe Logistics group. In table 1 the interview respondents’ position, total time at Consafe Logistics, year of birth and gender are presented.

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Total Time at Consafe Logistics in 2008/10</th>
<th>Year of birth</th>
<th>Gender</th>
</tr>
</thead>
<tbody>
<tr>
<td>Artemiev, Dmitry</td>
<td>Country Manager, Consafe Logistics LLC</td>
<td>10 months</td>
<td>1965</td>
<td>Male</td>
</tr>
<tr>
<td>Bowes, Paul</td>
<td>Manager / Technical Leader, Consafe Logistics UK Ltd</td>
<td>14 years, 5 months</td>
<td>1969</td>
<td>Male</td>
</tr>
<tr>
<td>Hellström, Dan</td>
<td>Director, Consafe Logistics A/S</td>
<td>17 years</td>
<td>1956</td>
<td>Male</td>
</tr>
<tr>
<td>Koot, Jord</td>
<td>Managing Director, Consafe Logistics B.V.,</td>
<td>1 year, 10 months</td>
<td>1964</td>
<td>Male</td>
</tr>
<tr>
<td>Olenmark, Bengt</td>
<td>Product Manager (Second), Consafe Logistics AB</td>
<td>23 years</td>
<td>1953</td>
<td>Male</td>
</tr>
<tr>
<td>Ollier, Neale</td>
<td>Sales Manager, Consafe Logistics Ltd.</td>
<td>2 years, 5 months</td>
<td>1971</td>
<td>Male</td>
</tr>
<tr>
<td>Persson, Lars</td>
<td>Chairman of the Board &amp; Responsible for Products &amp; Markets, Consafe Logistics</td>
<td>19 years</td>
<td>1963</td>
<td>Male</td>
</tr>
</tbody>
</table>
Our group of respondents contains nine people working in different countries for Consafe Logistics. Only one of the respondents is a woman, namely our tutor at Consafe Logistics, Charlotte Widstrand. The ages range from mid thirties to mid fifties. There is also a range from just under a year to over 20 years in experience with working with WMS and the specific company culture in Consafe Logistics.

Our intention has been to interview representatives from all the different subsidiaries and partners. The only subsidiary incapable to participate was Consafe Logistics Norway. We are aware that some useful points might have gone missing, but evaluating the overall result we are satisfied with only having one decline.

We are aware of the fact that we have only interviewed a small share of the employees at Consafe Logistics. Thus, the reliability diminishes since we haven’t been able to include all opinions available. We are also aware that all of the respondents represent the manager level in the company, and that as a result it is difficult to notice inertia since it is often more present further down in the organization. We have followed the recommendations of who to contact given by Charlotte Widstrand, and since our strategy check-list is to be created from a top perspective we believe that the right people have been approached. If we were to do an exhaustive study of the strategy implementation, its affect on the entire organization and its markets, interviews with people working on all levels should have been necessary. We also visited one of Consafe Logistics’ customers in Sweden, Runsvengruppen AB. We had an interview with Tobias Fors, logistics engineer, which helped us to get a preliminary understanding of Consafe Logistics’ relationship to customers.

We have executed the communication mainly through face-to-face contact, through telephone and email. The information from the employees at Consafe Logistics has mainly been through interviews in person, but due to geographic distance some interviews and additional questions have been communicated over telephone or via email. All interviews with the employees at the Lund office have been conducted face-to-face as well as the interviews with the country managers from the Benelux and Poland. The interview with the country manager at Denmark was over the telephone. All communication with the subsidiary in the U.K. and the partners in Russia has been handled via emails. All respondents have been contacted via email after the interview giving them an opportunity to comment on the preliminary empiric text to give us the best accuracy according to the Delphi model which says that showing the summarized material to the respondents is a way to increase the validity. (Lekvall & Wahlbin, 2001) We are aware that letting the respondents read the empiric text can mean risking that
statements and opinions are changed, but in our case we were fortunate to have no significant alteration.

The main contact with our tutor, Eva Lovén, at Linköping’s University and the management consultancy bureau, Centigo, was carried out via email, though we did have three meetings face-to-face with Eva Lovén and one meeting face-to-face with the consultancy bureau Centigo during the process.

Benchmarking

The method *benchmarking* is used to learn from those best at a certain process. This method is about a mutual exchange at the same time as it is a method to make improvements in a systematic way. After identifying that something needs to be improved, a search for an organization to learn from is carried out, preferably from the leading business in the area or from companies which have faced similar situations. The model business can with advantage be active in a different field. (Thulin & Thulin, 2003)

We have used the Renault Volvo merger and Lawson Software’s acquisition of Intentia for our benchmarking study according to Centigo’s recommendations. Consafe Logistics’ subsidiaries are obtained through international acquisitions, thus we find these two cases of business mergers of interest for this thesis. In addition, we used Nynas attempt to enter Russia because we believe that it can be helpful when it comes to the relationship to Consafe Logistics’ Russian partners. In the first case, we used a case study made by Bruner & Spekman (1998) to find the pitfalls Volvo and Renault didn’t give enough attention to during their failed fusion. In the second and third case, the *Lawson Software Intentia acquisition* and *Nynas attempt to enter Russia*, we have used reports made by students taking the course International Business, TEIM09, at Linköping’s University. We are aware that these reports didn’t undergo the same quality review as articles in international journals do. We did however attend the course ourselves and have concluded that the content in the reports is qualitative enough to be used for benchmarking in this thesis.

4.2. Analyzing data

A case study means that a few objects are examined in several different manners. (Eriksson & Wiedersheim-Paul, 1999) In a case study, data is not coded into measurable numbers, instead the researcher normally works relatively close to the often verbally based data available and the examiner tries to get the overall picture from an individual case. One way to compare the different sources, being different thoughts of the employees at Consafe Logistics, is to compare them with each others and group them together depending on similarities. The comparison is then followed by an analysis of the differences between the groups. There are no fixed standards to follow when analyzing case studies. (Lekvall & Wahlbin, 2001) Interpretation is therefore, exactly like measurements, a basic method to find the meaning in observations. (Eriksson & Wiedersheim-Paul, 1999)
We have, when analyzing our data, tried to map out the unanimous thoughts from the employees of how to solve the problem and of the current situation, as well as pointing out the areas where the opinions go apart. We have structured the analysis according to our analysis model. Hence the first level of headlines follow our analysis model; decision, introduction, initialization, early job experiences and institutionalization which correspond to our topic questions. The analysis led to an audited analysis model since flaws in our initial analysis model were uncovered.
5. Empirical study

We have met with employees at the mother company and with representatives from the different subsidiaries to gather empiric data. Below we present the result from the interviews at Consafe Logistics. The chapter ends with the results from a benchmarking study and the outcome from a meeting with the consultancy bureau Centigo.

5.1. Empirical base

To get a basic understanding for the company Consafe Logistics and the underlying reason for their change process, the reader will below be introduced to Consafe Logistics and the relationship to its customer. We further explain the present situation at the different subsidiaries to give a picture of how far in the process of change the different units have come.

5.1.1. The beginning of Consafe Logistics

The company Consafe Logistics was founded under its current name, after a fusion of two companies, in 2004. Consafe Logistics offers customers logistical solutions, more specifically warehouse management systems, from here on called WMS. Initially Consafe Logistics offered two different WMSs; SattStore and Astro. At the time of the company fusion, resulting in Consafe Logistics, three subsidiaries were already running, selling SattStore. These subsidiaries in Denmark, the Benelux and the U.K. all became a part of Consafe Logistics in 2004. A few years later, in 2006 and 2007, the company expanded with new acquisitions and this time new companies in Poland and Norway were bought and made into subsidiaries. The latest expansion went further east and resulted in setting up two external Russian partners and a small Russian subsidiary. The external partners will get support from the mother company to sell Consafe Logistics’ products, but they will not be included in the group. The subsidiaries and partners all have different amount of experience of WMS and Astro depending on their background.

Strategic decision to change

Three years ago, in 2005. Consafe Logistics’ management made the strategic decision to only let one WMS be their flagship, namely Astro, to be able to stay competitive on the market and meet customer demands. Today many of the customers use the other WMS SattStore and therefore service and support of this system still have to be available for at least ten more years. This need to still be able to help customers with problems related to SattStore means that the most urgent measure to be taken is to stop delivering the system. As of now the decision has been taken on a management level but the change has still not been implemented in some of the subsidiaries. The process of change necessary in the subsidiaries to switch to selling Astro alone is affected by many factors including not only knowledge about the new software, but also differences in project management,
project organization, leadership, language and culture. With an augmented number of employees working with Astro, a need for sufficient documentation and improved internal communication has also increased.

### 5.1.2. Consafe Logistics’ customers

Depending on Consafe Logistics’ position on the market customer contact is initiated in different ways. In Sweden, where the company is the market leader, customers often come with inquiries themselves. In some countries Consafe Logistics does telemarketing to locate potential customers and in especially Benelux the customers hire consultants who work exclusively with WMS purchases. The market in the Benelux looks different than the one in Sweden. In Sweden Consafe Logistics has a big market share and little competition while in the Benelux there are about 70 competitors on the market. This competitive market makes it important for Consafe Logistics Benelux to be careful when talking to the customers. Trying to make an existing customer change from SattStore to Astro can make them turn to a competitor when they need a new WMS solution.

#### Customer Relationship

Consafe Logistics’ customer relationships has been described as strong and built on personal contacts, and Consafe Logistics is not expected to lose any customers as a result of the change. Several employees are convinced that whether the customers choose to stay with Consafe Logistics and change to Astro or leave all depends on how the new situation is presented to them. If the people in contact with the customers can explain the benefits and reassure them that they can only gain from the change, the risk that they seek other WMS suppliers is minimal. One employee at Consafe Logistics expressed that the customers he has talked to understand and accept their decision, but this employee still see a potential risk of loosing some customers.

#### A satisfied customer

The big warehouse Runsvengruppen AB is one of Consafe Logistics’ Swedish customers. They came across Consafe Logistics and Astro during a project to find a new business system. They got the offer to change both their business software system and WMS in one go, the WMS being Astro, and since the name Astro was recognize from other big companies it was chosen as the new WMS. During the implementation of Astro employees from Consafe Logistics were present during about two weeks. The employee we met at Runsvengruppen AB was the first one to get training in Astro, and afterwards it was up to him to spread the knowledge further within his organization. He says that this way of teaching worked out perfectly since getting the responsibility to teach others forces you to fully understand the material. It took almost the entire summer to get Astro running and the Runsvengruppen AB employees to get familiar with the new system, but the employee we met with says that there has been no bigger complications and that they are very happy about the new WMS. Overall Runsvengruppen AB is very satisfied with their cooperation with Consafe Logistics and there has never been any problem to get the necessary support either from their personal contact or from the support department.
5.1.3. The situation in Consafe Logistics group today

Consafe Logistics is present in the countries pointed out in figure 10. Looking at the maturity of the market, levels of experience with Astro and the progress made towards refocusing sales, the situation in each country differ substantially.

Consafe Logistics **Sweden** is no longer selling any new SattStore systems to new customers, though there are still some bigger customers who will keep getting their SattStore systems updated as well as old SattStore customers who wish to get the same WMS in new warehouses. Even if it is the final goal, no attempts to convert a customer’s WMS from SattStore to Astro have been made. Consafe Logistics Sweden has created a critical mass of Astro competence, big enough to meet customer demands.

Consafe Logistics **Denmark** sold their first Astro system in 2006. By the summer of 2008 the goal to only sell Astro to new customers was reached. Some old customers still demand SattStore, but today practically all WMS systems that are sold in Denmark are Astro systems. There is a need to increase the Astro competence in Denmark to be able to implement all the ordered Astro systems. Since Consafe Logistics Denmark has already changed into focusing sales primarily on Astro systems, creating enough workload for the employees is not a problem at the moment. At this subsidiary the next step is to create enough Astro competence to handle the planned deliveries. Today, four to six employees possess sufficient knowledge about Astro and these persons are now ready to teach the rest of the staff through learning-by-doing.

The subsidiary has today sold three Astro systems in the **Benelux**, one of which is implemented and running and the following two are still in the implementation phase. There is a belief that by the end of year 2009 Astro will represent half of the sold systems at Consafe Logistics Benelux, as of today about one out of six systems sold are Astro.
Since the market for SattStore is big in the Benelux compared to the Nordic markets the office there has kept selling it to stay profitable whilst they learn Astro. The Benelux market is one of the biggest markets for WMS in the world with all of Consafe Logistics’ biggest competitors present.

The Polish subsidiary, Consafe Logistics Poland, has not yet sold their first Astro system but the subsidiary has three potential customers and they are preparing to be ready when the first system is sold. Unlike the Danish, the Benelux and the British subsidiaries, Consafe Logistics Poland is not changing from selling SattStore to Astro but from selling one of their own WMS systems to Astro.

There are four people working at Consafe Logistics U.K. today, managing sales and SattStore implementation on the British market. They are managed by the Danish office, no efforts towards selling Astro have been made yet but in the near future they will launch a marketing campaign to attract customers. The employees at Consafe Logistics U.K. have gotten some Astro training but not enough to manage an implementation on their own according to themselves. The British market includes many big actors and the British office has already contact with several potential customers. The British employees realize that they have to start working towards the product change, but due to the lack of knowledge in Astro, they are afraid to loose too much business. A change will not happen until the knowledge and competence is built up according to the employees at the British subsidiary.

The subsidiary in Norway has not yet begun to sell Astro systems. Since the subsidiary has not been included in Consafe Logistics group for very long the process has not come far.

The two newly set up partners in Russia are represented by one Consafe Logistics employee. This representative’s main task is to manage partner motivation, including marketing and presale support to the eager partners. Yet there has been no sale of Astro, but there are several potential customers. The Russian market has a lot of potential, growing quickly from almost nothing. The big American companies are already present, but the price level is stable. Right now the main focus is on getting the first Russian project. The target is set to running three projects during the year of 2009, and to reach a level of eight to ten projects within the following five years.

5.2. Decision

When the two WMSs, Astro and SattStore, were included in the same company the two products' functions overlapped significantly. Therefore many employees were prepared that a change had to be made in the near future. Two overlapping products were the reason why the decision to change was taken. The management at Consafe Logistics had the choice to either make a completely new product including all of both Astro's and SattStore's strongest features or to choose to lay off the weaker one. It was not financially defendable to have two equivalent products and keep up with the market demanded
developments at the same time which made the change important to the company. The possibility for customers currently using one system to change to the other was also an important factor. It was clear that a change from Astro to SattStore would be very difficult if not impossible. Consafe Logistics also considered the products’ technical aspects, their position on the market and their image and made the decision to focus on Astro. Both products were already very detailed and developed, but the main reason for why Astro was chosen as the stronger product was because of the way that Astro is built. To a big extent the technical aspect was a contributing factor mainly because Astro allows continuous updates to be made as opposed to SattStore which is not easily updated. Because Astro allows frequent updates, the customers benefit from all the new features and functions, and at the same time it gives them an incentive to stay as customers with Consafe Logistics. All the subsidiaries which were included in Consafe Logistics at the time participated in making the choice to focus on Astro.

Whom the change concerns doesn’t only include the employees at Consafe Logistics group but also the company’s customers. Consafe Logistics is hoping that the focus on Astro will give them more time to develop the product further and that additional time can be used to extend the range of complementary products. There is also a possibility to enter, for Astro, new markets now that it has been updated to fill the gaps to SattStore. For example warehouses dealing with food make up a new market where SattStore was very strong in the past, but where Astro now can grow. There should be no significant difficulties for the customers using SattStore to change WMS to Astro. They have to get used to a new interface, but considering that any update in SattStore usually means considerable changes because it only happens very rarely due to the complexity of the system’s architecture customers’ decision to change to Astro is made easier. To make an update in SattStore is usually comparable with starting a new implementation project, and there is a belief that many SattStore customers will be motivated to change to Astro. Even if it would be beneficial for Consafe Logistics if all the customers could convert from SattStore to Astro it will not be possible. Some bigger customers’ warehouses include significant amounts of mechanics integrated with their current WMS, and a change would mean extensive financial costs, which results in restrained flexibility of the change.

5.3. Introduction

The manner in which the decision to change was informed to the organization was by putting the responsibility on the country managers. It was up to them how they wanted to present the news in their subsidiary. At Consafe Logistics Sweden the news was mostly spread by word of mouth, and no special posts were made on the Intranet. To many employees the decision came as no surprise, hence a general acceptance was reached quickly. The change will affect the different subsidiaries differently since their history includes different amounts of experience with the Astro system and WMS over all. The managers we talked to had not received any negative opinions about the change from the individual level, but similar to the organization the change will affect the specific individuals differently. The change will affect, apart from the organization at Consafe Logistics, also its customers. Warehouses using SattStore will still keep the same level of
service and support, but the wish for a new SattStore implementation will be harder to get fulfilled. The opinions, concerning what affect this will have on the customer base, go apart; while some believe that the impact will not lead to any customer losses others say that it is a necessary risk that has to be taken.

5.3.1. Leadership
The change has been introduced at the top of the organization at Consafe Logistics. Each of the representatives from the different subsidiaries who were included in the decision brought the information of the change back to his subsidiary. The country leader was responsible for informing about, introducing and managing the change process at his subsidiary, but he gets support from information that is spread via the different communication channels. When it came to announcing the news of the change, it was done very differently; face-to-face, email and word of mouth. No internal communication channel was used to approach the entire organization at the same time.

There are no plans or precautions of how to handle a bad reception of the news of change. The country leader has no reward system to help him motivate employees to become involved in and contribute to the change process, but according to several managers there is no need for it since everyone has had positive attitudes towards the decision. There have been no personal or individual goals set for each employee either. Everyone works in a group and the goal is always completing the next WMS implementation.

5.3.2. Knowledge, competence and education
It is the country manager’s responsibility to explain the need for change and to answer any objections made from the employees. How he does it is up to him to decide since there are no information guidelines. If he approaches the employees face-to-face the employees have the possibility to question the decision directly to him, but today there is no information session where the objections can be presented to the Consafe Logistic top management. Since the news of the change was spread by word of mouth to a big extent it did not allow for any communication about the decision were the knowledge could have built up in the organization. In addition the little information about the change that was posted on the Intranet as well as on the different data bases was insufficient and not updated.

5.3.3. Internal Communication
The Astro system is too complex for one person to know everything about it, thus there can not be only one person answering all the questions from the subsidiaries. The increased number of Astro projects sold creates a need to contact each other directly within the company, to use informal channels, and to create transparency where skills/knowledge/experience resides. As of today, when the employee at the subsidiary doesn’t know who possesses the knowledge needed the question goes through Charlotte Widstrand, project leader for the Roll-out team, and she passes the question on to the
competent person available at the moment. Direct questions concerning sales often go through Lars Persson or Bengt Olenmark.

**Competence Matrix**

With a growing company the task of answering questions from the subsidiaries will be too big for just a few employees. One solution to this was the making of the competence matrix. The matrix shows what employee or employees are competent in what area, and was developed as a help for the employees to know who to turn to with problems to solve. The matrix is poorly used today though, one turns to the people within ones network prior to using the list. In Denmark, this is probably due to the close geographical distance to the Lund office. Many trips over the sound have made it possible for the Danish employees to build a thorough network in Sweden. There are individuals that insist that it is a good idea though and that it needs to be brought to the employees’ attention that the competence matrix exists. The competence matrix was evaluated in the summer of 2008. Out of the eleven employees evaluating the competence matrix everyone answered that they do not use the matrix today. The majority states that they think it is a good idea but that they did not know about it until the inquiry. *It could be useful for new employees and it has to be promoted more to root it in* was one of the opinions that was expressed in the evaluation. Information about the competence matrix has been spread via mass e-mails but without much success. The best tool for internal communication today is the Intranet according to some respondents and news are posted on the Intranet and a big part of the company’s documentation is available here.

**5.3.4. Documentation**

Despite the benefits with Astro, such as easily made upgrades, the system has its drawbacks. One disadvantage is that the system is very complex. Before the Consafe Logistics fusion the centralized organization in Lund, MA-systems, allowed the employees to keep the knowledge tacit and it was been enough to know who knows what. As the company is growing with a complex product, with offices in multiple countries/markets, this knowledge/experience needs to be more easily spread and a need for increased documentation has risen. The challenge today for the employees that are just getting to know Astro is to know what it can do, how it works, how it solves the problem and what they can offer the customers. This could be put together in one important document which is lacking today, suggestively called *function description*. The function description could be made from the today existing *activity model* (authors’ translation of *verksamhetsmodell*). There are opinions that a function description could bring benefits to the work in the subsidiaries and that a list of strengths and weaknesses in Astro’s functionality would be a big help. One drawback with the function description is the uncertainty whether or not it would be possible to upgrade it simultaneously with the upgrades of the Astro system. To have a functioning function description demanded it requires that this document is consistently upgraded parallel with the updates in the Astro system. There are opinions that Consafe Logistics has made big improvement when it comes to documentation, and even if there is a lot to be done an effort would get it up to a sufficient level.
5.4. **Initialization**

All the employees at the different subsidiaries have not received *adequate and realistic training* to manage Astro implementations. The training has varied due to prerequisites and resources available resulting in the present situation where Denmark and Sweden only sell Astro to all new customers whilst the U.K. has not made any changes in their way of working.

**5.4.1. Knowledge, competence and education**

The first project in the Benelux resulted in a big loss of 200% while the second project presented a loss of 90%. The subsidiary hopes to reach break even at the third project. This slow and expensive implementation is a big loss for the company and the change to go from one WMS to Astro must be made more efficient to reach a higher profitability. This could be done by better and more documentation, education for the employees, leveraging cross company expertise/experience, enhancing the product functionality, and improving/shortening the implementation methodology/process. Training courses for application consultants, developers and salesmen plus an introduction course and a continuation course to Astro for new employees has been carried out to some employees at the subsidiaries. The education has taken place in Lund and held by employees from the Swedish office. Consafe Logistics’ representative in Russia has had application consultancy training. The employees at the British office had a three day training course last year in 2007. Unfortunately due to the mixed level of ability in the group and method in which the course was run some of the participants were not satisfied with the insight they got into the functionality of Astro. One respondent pointed out the drawback in offering the employees educations too early in the process. Acquiring the knowledge without following up with practical experience immediately creates a risk that the new knowledge is lost, thus requiring the educations to be carried out again. Since the lead time for an Astro system is about one and a half to six months from sales to the first step of the implementation the employees have enough time to acquire the knowledge once the first system is sold.

**Training in another country**

In addition to the courses carried out to the employees, Consafe Logistics Benelux has chosen to send a new employee to the office in Sweden for six months. The objectives are that this employee can gain sufficient knowledge/experience to return after several months and work with Astro in the Benelux office. The Polish office has followed the Benelux strategy by sending three employees to Lund to learn about Astro and get practical experience during over a year, before they go back to Poland ready to start working with Astro implementation. Consafe Logistics Denmark has instead employed a person from the Swedish office with about eight years of experience from the Swedish office. This way the Danish subsidiary acquired an expert and at the same time they are able to take advantage of this employee’s network in Sweden. One expressed opinion is that it’s more sufficient to have people coming to Sweden to learn about Astro than to
send single Swedish employees to each subsidiary. Not only will one Swedish employee in a subsidiary be forced to take on the heavy load of being the employee with most Astro competence, but sending people to Sweden will automatically create better communication channels. The company language in Consafe Logistics is English, but communication towards customers is often made in the local language. The only country where English causes a bit of a problem is in Poland, and therefore all the Polish employees are obliged to enter an English language course.

Synergy

There is a present project running within the company, the Synergy project, with the objective to share knowledge within the company the best possible way. An introduction to the project on Consafe Logistics’ Intranet states that With an increasing number of employees, working in multiple countries, in multiple offices, in multiple Business Areas, we definitely need to more and more work-as-one to successfully answer the ever rising expectations of our increasing base of customers. (...) The key in achieving this is excellence in information/knowledge sharing and cross-company collaboration. Learning, and translating that learning into action rapidly, is just impossible without sharing information throughout the various domains of our organization. And this is just what The Synergy Program is about. The roll-out of the synergy project is to start in December 2008. The realization of the Synergy project will improve the flow of information within Consafe Logistics, and much hope relies on it to succeed.

5.5. Early job experiences

The training courses at the mother company and the recruitments of new competences to the subsidiaries are followed by the actual change. The biggest effects on the subsidiaries as a result of the change have been reorganizations and recruitments to meet up to the demands that selling and implementing Astro brings. The training described above has given the employees the ability to adjust and hopefully also initiated a desire to adjust among the employees; they have all embraced the change well according to the managers. To be able to work with the Astro at the subsidiaries and to make the implementation processes consistent, different documents have been created and these are used in the early job experiences. Due to the benefits with the new product, Astro, many of the old ideals at the subsidiaries have become inferior resulting in little resistance towards the change. The change has been drastic at some subsidiaries while it has been a slight adjustment in others. Consafe Logistics Poland didn’t have the same experience of WMS, of using English as the company language and of Consafe Logistics’ way of working. Consafe Logistics Denmark and Benelux on the other hand were used to working close to Consafe Logistics Sweden due to SattStore and they had profound WMS experience. Thus the impact on the individuals differs between the different subsidiaries and the mother company. Since the change concerns all the employees at Consafe Logistics group, there are no others within the company to be affected by the change.
5.5.1. Project organization

There are three main roles involved in the implementation process: project leader, application consultant and developer. Depending on the project size, roles like technical project leader or different experts can also be included. The project leader manages the organization, the planning and much of the initial customer contact. The application consultant works close to the customer to agree on which functions should be added and to help the customer to get the most out of Astro. The developer manages the program code, for example adding new functions. Depending on the size of the project the number of application consultants and developers can vary.

An example of the effect on the organization

The organization at Consafe Logistics Benelux today can be described as below. (See Figure 11) Since 2007, a project group, consisting of a project leader, two application consultants and one developer, has been employed with the sole purpose of working with Astro. They will be the first in Consafe Logistics to implement Astro in customers’ warehouses in Benelux.

Figure 11 Illustration of Consafe Logistics' organization Benelux (Authors’ interpretation after interview with Koot (2008))

Until 2007

Astro Project group

SattStore Project group

Project leader

System leader

Developer

After 2007 when the Astro project group was employed

Project Leader

Appl Consultant

Developer

System Leader

Developer

Project Leader

Developer
The system leaders for SattStore and the application consultants for Astro can be considered system architects for the two WMSs. One problem in the process of focusing on one product is that the system leaders for SattStore need to possess deep technical knowledge while the application consultant for Astro must have a solid background in logistics. This means that the system leader cannot easily change into an application consultant. Since Consafe Logistics must offer support to the SattStore customers for at least seven years after the last system being sold, the knowledge of SattStore will still be necessary for the company.

How to work with Astro
Consafe Logistics has developed a project model for the implementation process with the purpose of managing customers in a unified way in every country. The project model is called Promise and is available to everyone in the company. Promise includes six phases each one stating necessary activities and milestones that have to be reached. (See Figure 12) Each phase is accompanied by a large number of documents and check-lists providing the project members with material helpful to organize and complete the project.

Figure 12 Promise Project Approach (Promise, 2008)

Phase 1, initiation
This is the first step after the sale has been made. Basic activities like setting up project documents, making a project plan, resource scheduling and organizing a kick-off with the customer are included. The final goal with the initiation phase is to get the project document signed.

Phase 2, specification
The customer’s special needs are listed and a preliminary study of what specific activities which have to be done is set up during the second phase. Milestones to be reached are agreeing on the pre-study document and on the customization list.

**Phase 3, configuration**
In the third phase the program is customized by the developer to follow all the precedent agreements, and a lot of configuration performed by the application consultants. Milestones are for example completed module tests and a system configuration document.

**Phase 4, testing & training**
During the fourth phase more people are included as a result of the key-user and end-user training taking place at this time. Extensive tests are also done to verify that the configurations in phase 3 are correct. Certified operators and successful tests constitute milestones in the fourth phase.

**Phase 5, commissioning**
Once the fifth phase has been reached Astro has been programmed to fit the customer’s needs and the staff has been trained. It is time to hand over and let the warehouse manage itself. The last preparations before leaving the customer are made, and during a period of a couple of weeks the warehouse is left to manage itself, but with extensive support from Consafe Logistics. It is also now that the Go/No Go meeting takes place hopefully leading to the start of a beneficial supplier customer relationship. The milestones are a signed service contract and a signed Go decision.

**Phase 6, go live & hand over**
Consafe Logistics leaves the customer with the running product, a process called go live, and hands over the contact to customer support. In this the sixth and last phase the customer should be completely prepared to manage the warehouse on their own. The team does a project review and if everything is pleasing, signs a project closure.

The implementation of an Astro system in a customer’s warehouse is a process that can vary immensely in both time and effort. Considering all the different problems that can arise during configuration and tests it is not surprising that this process can take anything from weeks to years. Today Promise is used in the Benelux and Sweden and opinions differ when it comes to whether or not the employees in Denmark use Promise for their projects. If personal models are used instead of Promise some people are made indispensable since they possess that can be accessed by everyone.

**Working across country boarders**
There is an ambition in the company to work closer together between the different countries to benefit from each other's progress. Unfortunately it is not financially possible to gather everyone for meetings, but for very special occasions, like releases of new products, that is the goal. With increased communication between the subsidiaries employees with special competence can get the opportunity to work in a different country
to exchange experiences and create quick communication channels. Especially when it concerns increasing the Astro competence in a subsidiary an exchange can be done. The next step for Consafe Logistics Benelux has already been taken and means to start focusing sales more on Astro. This is needed to create enough workload for the Astro project team to work with in a near future. Another step to take is to work across subsidiaries and not only use local resources. Some employees mean that Consafe Logistics must change organizationally on a global level by working with projects together between the different subsidiaries and the mother company. This means that the employees should become more moveable making the organization more dynamic. Working more across the national boundaries is not too easy though. In general, employees at one office are not likely to be excited to work abroad for a long period of time. In addition, working across national boundaries creates an additional dimension into the staff planning. In it lies the difficulty that there is a wish to manage all projects, including documentation and discussions, in the local language as well as the difficulty of transferring the employees’ mentality from a SattStore focus to an Astro focus.

5.5.2. Leadership
The change was initialized at the top of the organization and spread downwards to in different amounts of time reach all employees. As a result opinions from different levels of the organization have not been taken into account. Depending on the number of employees at the specific subsidiary the country manager might not work closely to the others in the organization on a daily basis. Therefore the way of leading differs from each country and it is sometimes hard for employees to get their voices heard.

5.5.3. Documentation
One problem to spread knowledge through documents, except for the lack of documents available, is that not everyone knows where to find the documents. Most documents are available from a common server, possible for all subsidiaries except for the Polish office to access today, or at the Astro Forum on the Intranet. The Consafe Logistics representative has only access to documents on request, but has been given Astro related material. The documents at Astro Forum are primarily used by the developers. The information has been spread through the country managers but there is a belief that the information hasn’t always reached the final user. One respondent said that he only has good knowledge of how to find documents posted on the Consafe Logistics Intranet, not common servers. Another problem to solve that has been pointed out is how to make the documents easier to locate. Taking on the problem by developing a search engine or a function imitating an encyclopaedia has been suggested.

5.6. Institutionalization
The *attitudes* towards the change have been very different, but the common opinion has been that the process has taken too much time which has affected the overall *commitment*. Insufficient knowledge due to delayed training courses has resulted in
unnecessarily low profitability in the first Astro implementation projects in Consafe Logistics Benelux. The subsidiary in Denmark has started the process of reinforcing the new ways of working by further building up the competence base with retraining. The managers we talked to feel that the pervasiveness towards the change has been minor throughout the entire process, and in the organizations in Denmark and Sweden everyone has adjusted to the Astro focus.

5.6.1. Leadership
Several subsidiaries see increasing the knowledge base for Astro as one of the main tasks to complete the process of change. Though there are few traces of a plan for how or when the new final state will be reached, which some explain with the fact that they have still a long way to go. The goal for all the subsidiaries undergoes the superior strategic plan to change into exclusively selling Astro and to develop a critical mass of Astro competence. All the country managers are aware of the background to the decision of focusing on Astro. Consafe Logistics Denmark has set a goal in terms of time in their local strategy. In the beginning of 2007 a goal to only sell Astro to new customers within one and a half year was set. Similar to Consafe Logistics Denmark, Consafe Logistics England has set the goal to have implemented the first Astro system during the year of 2009. The partners in Russia have set a short term as well as a long term goal, and in addition they are both measurable, namely a number of customers in a certain period of time. Consafe Logistics in Benelux, England and in Poland do not have a set plan of when they are supposed to exclusively sell Astro but the change in the Benelux has been said to be made as soon as possible.

The Consafe Logistics management never set up any measurable goals for the group when it came to changing the existing customers WMSs into Astro systems. A reason for this was that the Astro competence in some subsidiaries was, at that time, non-existing whilst the experience and customer base for SattStore was well established making it difficult to do any estimates. Some of the subsidiaries did however set up measurable time based goals for when they where supposed to start selling Astro and when all new sales should consist of solely Astro systems. None of the subsidiaries have a strategic goal of when to transfer the SattStore customers’ systems into Astro systems. In addition, no concrete financially, quantity or time based mile stones have been set except for the one in terms of time set in Denmark. Even if there is a wish to stop selling SattStore altogether there are still big customers who demand the system. The subsidiaries have to earn money and as long as their knowledge is predominantly about SattStore they will not stop selling it.

5.6.2. Documentation
An effort to improve the available Astro documentation posted on the Intranet and in the different databases has been made. Promise is a step towards having sufficient documentation covering all areas of interest, but it is used to a different extent in the different subsidiaries.
5.7. Support
An organized attempt to support the subsidiaries throughout the change process towards selling exclusively Astro was made in Lund. A team of three Swedish employees was put together called the Roll-out team. The purpose was to come up with a strategy of how to manage the change, develop necessary documents and training and to support the subsidiaries with knowledge and resources during the process. Due to staff re-organization the Roll-out team was short-lived and barely lasted past the turn of the year 2008. Several people think that it is necessary to put together the Roll-out team again to meet the demands from the subsidiaries. Requests to the Swedish office are made about extra resources and support, but today there is not enough capacity meet their requirements.

5.7.1. Customer Support
One of the questions that have not found its solution yet is whether the support should be centralized or local. Offering customers local support guarantees them help in their own language, but centralized support can make 24 hour access possible. Today the customer support is divided into three different levels; first, second and third line. All questions go through first line, also called help desk. Questions that need a deeper technical background are directed to second line and, if they can't be solved there, finally to third line. Today the different levels of competence in the subsidiaries cause that not even first line can be local in all the different countries. Some people believe that customer support in the local language is necessary, and that the local support team should contact Sweden themselves with second and third line questions.

5.8. Feedback
The managers at the subsidiaries we spoke to feel like most of the employees in the Lund office are focused on their own projects and have little time to spare to help the subsidiaries. One employee means that since the employees have a busy schedule at the Swedish office and the results are measured in Swedish measurements, it is hard to get the mentality to focus on other offices and on making other employees’ projects work. The priorities need to be considered; this being a question of both structure and culture. Some say that the office in Lund isn’t prepared to provide necessary support to the subsidiaries in the change process towards selling Astro as of today. This suspicion is confirmed by an employee that claims that Consafe Logistics England has not gotten any support from the Swedish office, much due to the fact that they are managed by the Danish office. The same employee also adds that having the possibility to get access to personal with expertise knowledge about Astro is crucial to succeeding with implementing Astro in England.

Apart from the opinions we received on support and feedback there is no model for how to evaluate the reorganizations in the different subsidiaries. The amounts of communication and review have differed from country to country.
5.9. Culture
As a company present in more than one country Consafe Logistics is exposed to problems or benefits due to cultural differences. Through aiming towards having a mix of nationalities by personnel exchanges the company hopes to cover the cultural gaps and to create beneficial communication channels. Because of the geographical closeness to the Danish office Swedish and Danish employees can work closely together. Working together doesn’t pose any problems, but when it comes to contact with Danish customers he feels that there has to be Danish employee in the front. Concerning the cooperation between Consafe Logistics Sweden and Benelux it goes very smoothly, and it is a big advantage that both nationalities have good knowledge in the English language. We learn about some Polish customs, but apart from the complex bureaucracy there are no difficulties working together. As of yet Consafe Logistic has not experienced any problems with working with Russians says there is a conviction that Consafe Logistics made a good decision to enter a partnership in Russia instead of starting up a subsidiary on their own since one can suspect there to be many hidden customs and ways of working.

5.10. Inertia
Since all the subsidiaries have different amounts of experience of Astro and the sales process is based on close customer relationships, one could have suspected some resistance towards the decision from for example the sales team. The common opinion is that the decision has been received very well and one employee says that he is convinced that the British salesman will have the same motivation to sell Astro as he does for SattStore, but that the lack of training and knowledge in Astro needs to be addressed so that Consafe Logistics U.K. is competent to sell the product. In Russia there is no problem to motivate the salesmen for the Consafe Logistics representative since all sales are managed by the partner internally. Contrary to many of the managers one considers it a challenge to make the salesmen sell Astro, not due to resistance towards the product, but because there is a need for more knowledge and experience about Astro in the company to promote Astro over SattStore to the customers. Another manager doesn’t think that the salesmen will be hesitant to sell Astro since it is a stronger product and therefore easier to sell. Once again a manager says that there have been no difficulties in making the salesmen chose to sell Astro instead of their former product because it is a matter of selling knowledge in logistics more than selling a single product. There has been a bigger problem to promote Astro to the project group since the different project roles in SattStore and Astro do not agree with each other. The difference between the required project roles for Astro and SattStore has forced Consafe Logistics Benelux to make the decision to employ new people to the Astro project group, whilst in Denmark both new employees and relocated resources make up the Astro project group.
5.11. A Consultant’s point of view

Centigo is a management consultancy bureau helping companies and organizations to work towards business wellness by guiding them through critical change projects. (Centigo, 2008) Centigo has during the work on our thesis been an extra external source for ideas and has given us constructive criticism throughout our work.

5.11.1. Supporting incentives to create product identification

Since the salesmen are to make the customers buy the product, it is of great importance that they know and identify themselves with the product. Salesmen that have been working with one product base for a long period of time are unlikely to willingly change into selling another product, especially if the old products are still in the company’s product portfolio. Therefore, it is important to make the salesmen feel for the new product. Additionally if a new product is brought into the market it is usually in its growing phase while an old product is mature or may even be declining. To make the salesmen change from selling a profitable product that they know and recognize to start selling a new product that is much less profitable in the beginning is not an easy task. To make the salesmen take this step from selling a mature, profitable product to a growing, not yet as profitable one, demands incentives and a supporting outer system. These supportive incentives are not necessarily of monetary art; one has to identify what drives people to choose to sell one product over another in order to influence them to sell the new product. It can also be an advantage to externally control the change while it is carried out by internal people. This way it is possible to get impartial input to the change. (Aurell et al., 2008)

5.11.2. Recognize all parties’ interests

Aurell et al. (2008) suggests that a balance score card is made to help ensuring that the change strategy fulfils the interests of all parties. To all parties the goal, results, critical success factors and activities should be mapped out. It is important to understand what drives people and what the business logics are to give recommendations that will be accepted and that are in line with the company’s vision. Therefore, one should ask the question what’s in it for me?, and at the same time keep all parties involved in mind to point out future benefits making sure that everyone will be on the right terms with the management’s decision. The next step in creating the checklist is to map out restraining outer forces prohibiting the project realization. It is important not to ignore the risks and the obstacles the change brings. (Aurell et al., 2008)

To make customers, who use the product that is to be excluded from the portfolio, change to the new product requires that the customers understand what they can get out of the change. To make the customers interested in changing products, the benefits of the new product need to be pointed out legibly also in a customer’s point of view. (Aurell et al., 2008)
5.11.3. The implementation

It is conclusive that everyone understands why a change is made and what advantages the change will bring. In a process like the one of interest in this thesis, clear visions and an explanation of the benefits it brings is often forgotten. Concrete goals are immensely important to a successful process. (Ehrhardt, 2008)

Documentation

Documentation is always a challenge. One option is to deal with it properly by putting all documents on the intranet and to begin documenting thoroughly. Sometimes it is enough to gather all existing documents in a SharePoint (Microsoft Corporation, 2008) equivalence making it easy to find the documents. The reason for lacking documentation is that everyone knows how we use to do it. This is rarely true and it often results in people working in their own way and that information is not willingly released with a mentality that I will no longer be needed if I share my knowledge. (Ehrhardt, 2008)

Feedback

To control that the parent company’s request to change into selling the new product is followed by the subsidiaries follow ups are necessary. The consultants at Centigo are using tools to check up on what people think about the new way of working. These tools do not show that the employees actually work according to the new way or how they work with for example the business software solution. The activities can always be measured through a scorecard with an activity list that is followed up. (Ehrhardt, 2008)

5.12. Benchmarking

Benchmarking is defined as “a systematic search for business excellence through continuous improvement, both from a strategic and an operation perspective”. (Klein & Margherita, 2007) To benefit from the mistakes and success of companies in similar situations, may they be in the same branch or not, can be of great help for a successful business. We will here examine the Renault Volvo merger, Lawson Software’s acquisition of Intentia, and Nynas’ attempt to enter Russia.

5.12.1. The Renault-Volvo merger

Bruner & Spekman (1998) has made an in-depth case study of the failed strategic alliance between Volvo AB and Renault SA. The authors highlight six key points of vulnerability for alliances after studying the Renault Volvo merger. (Bruner & Spekman, 1998) Out of the six factors, leadership style and cultural differences are particularly interesting for our thesis.

As for the leader, Bruner & Spekman (1998) claims that it is not sufficient for a leader of corporate transformation to be able to create a vision alone. Other necessary attributes
identified are the ability to build buy-in, involvement and participation. Trust, credibility and honesty are other desirable key alliance management skills. At the Renault Volvo alliance, mistakes were made through not fully acknowledging the risks and through not fully explaining the expected gains. (Bruner & Spekman, 1998)

One must also attend the differences in culture (language, values, customs and national traditions) on both a corporate and a country level. Alliances consist of people working together, finding a common ground on which to build the value that first brought the firms together. Cultural differences do matter; denial of the importance of cultural differences will only accelerate problems.

In alliances that cross national boundaries longer, rather than shorter, periods of time might be needed to establish a web of interpersonal ties among key managers, to build a more accepting environment for cultural differences and to nurture the trust and commitment. Though, one should keep in mind that waiting too long allows resistance to build. (Bruner & Spekman, 1998)

**5.12.2. Lawson Software’s acquisition of Intentia**

Lawson Software and Intentia merged in 2006, being the beginning of the company Lawson. Intentia was the one party facing most organizational changes and cultural barriers as the new unison company was created. As for leadership and organization, Intentia went from being an entrepreneurial business to becoming a part of a more hierarchic structure. The new atmosphere made several employees leave the company, though some of which did come back to the company after the situation was stabilized. Since Intentia was in a bad financial situation at the time of the merger, the employees needed little assurance of the importance of the change and thus the leader’s role as a motivator and visionary lost some of its significance. (Althin et al., 2008)

The cultural clashes in the newly formed company were uttered through the American more formal, hierarchic manners of working with more prescribed decision pathways. Since this merge considers an American and a Swedish company, the tangible cultural differences are not likely to be found in Consafe Logistics’ case. What one should pay attention to though is the importance of cultural differences also in this case. (Althin et al., 2008)

**5.12.3. Nynas attempt to enter Russia**

By the end of 1991, the oil company Nynas AB began to plan an expansion into Estonia. By having a contact person in the country the implementation was facilitated and after a successful expansion to the east side of the Baltic Sea an effort to enter Russia started. When trying to get a permission to build their own harbour Nynas AB encountered difficulties. (Bengtsson et al., 2008)

The situation that the one paying the most gets first in line was a usual way of negotiating in Russia at this time and since paying bribes was against the policy of Nynas AB this
became a problem. After several rejections, Nynas AB finally got their agreement but on the condition that their construction would fulfil demands that made it twice as expensive to build. Since this was not financially possible for the company, they protested and were offered to pay their way to a better deal. Five years after the expansion was first brought up to discussion; Nynas AB gave up the attempt to enter Russia. Nynas AB’s CEO at the time meant that they had felt invisible forces counteracting their efforts and as far as he experiences there are no new plans to enter Russia. (Bengtsson et al., 2008)
6. Analysis

Using the theories concerning the process of change described in the frame of reference, we will, in this chapter, analyze the empirical data we collected. The analysis is based on the analysis model.

6.1. The process of change and the decision

After studying Van de Ven & Poole’s (1995) theories of change in organizations we have identified the upcoming change at Consafe Logistics’ subsidiaries to be a combination of life-cycle and teleology. Since the decision to change was set by the management as a strategic goal, the change can be considered teleological. The plan is to only sell Astro to new customers to give place for extra development of Astro and of complementary products. This together with the vision that the change can be implemented by following a step-by-step check-list is in line with the life-cycle theory of change. (Van de Ven & Poole, 1995)

In line with Rydin’s (2005) step 3 and 4 in the model for organizational development and Endsley’s (1994) decision phase, a decision of where and when to start the process has been taken on a global level in the company group. This decision was made by the management at Consafe Logistics Sweden, but also country managers representing their subsidiaries participated; hence a joint decision to change could be made. Pettigrew (1986) writes that changing company culture and employee attitudes is only possible when a crisis situation is followed by strong forces promoting change. Consafe Logistics’ decision to focus on Astro was taken as a precaution to promote future development, which according to Pettigrew (1986) could result in difficulties to motivate employees to change. How easily an organization accepts change can also be seen as flexibility which is described as a key factor in Endsley’s (1994) implementation model. De Klerk (1996) says that internal flexibility is important for a healthy organization, and can according to Gilley et al. (2008) be affected through having the leader coach the employees. Consafe Logistics seems to have little difficulty in initiating a process of change since the information about the decision was spread quickly, even if unorganized, which points to internal flexibility, but the fact that the actual change takes a long time in some subsidiaries shows that the organization changes slowly.

6.1.1. Opportunities and risks

When taking a decision it is an advantage to benefit from experiences in all levels of the organization according to Bruzelius & Skärvd’s (2004) support model and Tonnquist’s (2006) Think Drop model. This is an opportunity which is not taken by Consafe Logistics in the decision to focus on Astro.
Even if the decision to change has been communicated to all the subsidiaries they have not made the same amount of progress. If there is too much time between the decision and the actual change there is a risk of losing motivation within the organization. Kritsonis (2005) forces pulling from the old state and forces pushing towards a new state are missing, and if there is a strong motivation initially but nothing happens the employees can become frustrated and resistant to change.

6.2. Introduction

The process of change has not been able to start at the same time in all the different subsidiaries because of the different market situations and levels of Astro knowledge, but the decision has gone out to everyone. According to the management all employees understand the importance of the change but in some cases it is difficult to leave the present situation behind because of financial demands and lack of knowledge. Thus, according to Lewin’s (1947) model the different units have entered the unfreezing phase, but at different points in time. The managers say that the employees at the Swedish, Danish and Benelux offices have all reached an understanding for why the change is necessary and they have all accepted the new ways of working which is a key factor in Endsley’s (1994) introduction phase. According to Lewin’s (1947) model this implies that all these three subsidiaries have not just entered but also passed the unfreezing phase. Consafe Logistics in Poland and the U.K. have understood the importance and need for the change, but they have not yet made any changes in their ways of working leaving them still in Lewin’s (1947) unfreezing phase. At the same time they have gone through some training to manage an Astro implementation which would mean entering Endsley’s (1994) initialization phase as well as Lewin’s (1947) moving phase.

In the case with the Russian partner, Consafe Logistics are facing a start-up rather than a change. This office does however have to face similar stages as the subsidiaries. The Russian representative and foremost the partners are enthusiastic about starting to sell Astro but are in the same situation as the subsidiaries in Poland and the U.K. in the sense that they have not yet started to work in the new way. Again similar to Poland and U.K. the Russian representative has gotten some Astro training and access to documentation which means having entered Endsley’s (1994) initialization phase and Lewin’s (1947) moving phase without completing Endsley’s (1994) introduction phase or Lewin’s (1947) unfreezing phase.

6.2.1. Leadership

In Consafe Logistics’ process of changing towards an Astro focus, the country manager could be considered the leader of change Tonnquist (2006), giving them the responsibility for creating a vision, to coach and to reward according to Gilley et al. (2008). To make the change accepted throughout the organization Tonnquist (2006) suggests a method called Think Drop. By beginning with getting acceptance from the top management and then implementing the change throughout the organization, which is the reversed way to think drop, Consafe Logistics is instead using what Bruzelius & Skärvad
(2004) call the *expert* model. This decreases the company’s chances to benefit from the internal competence. To introduce the mere idea of change at the bottom of the organization and letting the employees react to the plan and comment on its insufficiencies the change process can be improved by all the different competences it passes according to Tonnquist (2006). According to Hughes et al. (2006), by introducing the idea of change early the employees enter the stages in the SARA model not much later than the leaders. This would help the country managers to get a better understanding of what the employees are going through. The think drop method could be a way of using the informative work of resistance, that Ahrenfelt (2001) mentions, to benefit from different opinions about the change. In Consafe Logistics’ case, all interviewed have said that the negative opinions and resistance towards the change has been minor, which can be an expected result when talking to managers. Despite the lack of knowledge about resistance, it can be profitable for the company to notice the different opinions about the change prior to its implementation since having employees working against the change can cause bigger problems than spending energy on getting them positive to it. Since the change has been introduced to all the employees today, it is too late to use the think drop method or a similar process to capture the different opinions and experiences about the current change, but it might be something to keep in mind when facing future changes.

**Changing the focus**

The management has not used the three methods spoken for by Kritsonis (2005); pulling the employees from the equilibrium they are in, increasing the forces pulling them towards a new state and finally finding a balance between the two. The subsidiaries have begun the change but none of them has been pulled away from a SattStore focus to Astro’s advantage, and only one of our respondents mentions that a new focus needs to be implemented in the subsidiaries. To create a new focus the leader has to be able to communicate the vision to the employees and coach them according to Gilley et al. (2008). Aurell et al. (2008) stress the importance of incentives, not necessary of monetary art, to change the focus upon a new product that in the beginning is less profitable than the old one is. Some of the respondents believe that the employees are willing to change into selling Astro, mainly because they understand that it is a better product thus making the technical aspect the incentive for the employees. Hence, the profits of Astro should be clearly explained to the employees since it is what makes the focus change, and as a result creating the pulling force suggested by Kritsonis (2005) necessary to move the employees from their present equilibrium. Gilley et al. (2008) mention ability to reward as one key factor that a leader should possess. In Consafe Logistics’ case there are no monetary rewards to successful employees, but just the benefit of selling a better product can be seen as a reward, which makes it very important for the leader to communicate the message.

**The importance of measurable goals in leadership**

Some of the leader’s required qualities are his or her ability to reward, communicate and motivate according to Gilley et al. (2008). Kotter (1995) also states the importance for a leader to communicate a clear vision. There have been no measurable goals set for
Consafe Logistics group saying when in time or what criteria that has to be fulfilled when the process of change can be seen as finished. Gilley et al. (2008) and Kotter (1995) both stress that a vision should be communicated as well as actions planned which points to the importance of clear goals. Unfortunately Consafe Logistics Denmark, the U.K. and Russia are the only units that have set time based goals. It would be easier for all parts of the Consafe Logistics organization if the main goal with the process of change was measurable. To only sell Astro to new customers will never be reached since it is impossible to know if Consafe Logistics will sell a SattStore system to a new customer a year later. For a leader to fulfil the qualities written above, his or her job is made easier if he or she can point to milestones and goals which should be followed by any means possible according to Rydin (2007). Gilley et al.’s (2008) ability to reward includes celebrating milestones which is made very difficult if there are none. Milestones can further help to give the employees a clear vision of what is going to occur in the future, reassuring the employees uncomfortable with uncertainty.

Individual goals
Kritsonis (2005) states the importance of looking to each individual in the process of changing the entire organization, and Tonnquist (2006) says that the goals should be made individual by using the leader’s knowledge about his project members. When an employee knows that in the future things which lie outside of his or her field of competence will be expected of him or her, the stress on this person can increase and make him or her more change resistant. Setting clear goals which show when this person will attain the necessary knowledge through training will make him or her feel more secure. Since the process of change has not been strictly organized and commonly done in the different subsidiaries the country managers do not have the possibility to inform employees about planned activities and required training.

6.2.2. Knowledge, competence and education
According to the American Productivity and Quality Center (1997) education should provide two wide purposes, one of which being enhancing the understanding of the organization’s business and why and where a change is necessary. Today, no education to create an understanding of why the change is needed is carried out to the employees at Consafe Logistics. This task is put on the country managers alone. After getting the information about the change from the country manager, the employees come in contact with Astro either from a custom-made training course built to fit the employee’s specific position or through colleagues who have already started working with Astro. Learning from colleagues means face-to-face communicating which according to Wood (1999) is the most effective way of communicating since it allows immediate interaction. If accompanied by a manager this could be a good opportunity for him or her to get a hold of opinions about the change and also to counteract resistance at an early stage. Wood (1999) suggests that an effective way of communicating is written communication followed by an open meeting. Thus, initial training should preferably be preceded by a shorter written version for the employees to familiarize with the idea of the change before the first meeting. Today there is available documentation and information about Astro on
the Intranet and databases, but the knowledge about how to locate it is lacking. Wood (1999) also points out the importance of the first communication coming from the senior management, since getting any news that will effectively change one’s everyday work is easier to accept if it comes from an influential leader. Getting information about the decision out to everyone in the organization has not been a problem, showing that letting the country managers do this is a working concept, but the way each country leader chooses to spread the information can not be controlled. Apparently it is important not only from whom the message comes, but also how it is communicated.

### 6.2.3. Internal Communication

According to the country managers we have spoken to, getting the message about the change out to the employees have been successful. There is however doubt that all information given to the country managers reaches the final users. Both Gilley et al. (2008) and Kotter (1995) point to the importance of the leader to communicate, and in Consafe Logistics’ case the leaders’ ability to communicate might have to be questioned if the messages do not always reach all the employees. Consafe Logistics’ Intranet has been considered to be the best communication channel, but Geddie’s (1994) thoughts that internal communication is too often taken for granted should be remembered. Kotter (1995) stresses the importance of using every communication vehicle possible to reach out to the audience since the key message might have to be repeated according to Österlund & Lovén (2005). Thus, information should probably be spread in more ways than through the Intranet. Mass emails have been tried in an attempt to reach the employees with information about the *competence matrix*. The evaluation of the matrix did however show that the information had not reached the employees. The company could benefit from making a communication plan recommended by Archibald (1992) where answers to the questions what, when, to whom and how the communication should be carried out is presented. One option might be to evaluate what communication vehicles actually work by getting feedback from the employees. Thulin & Thulin (2003) meant that it is of great importance to make the employees feel responsible for finding the information they need. One question for Consafe Logistics is how to make the employees accept responsibility for finding information. One stress factor for the employees according to Thulin & Thulin (2003) is that it is very easy to spread the information, making it overwhelming for the employees to seek out what information is important to whom. Thus, if the responsibility should lie on the individual to seek information, it is important that not too much is communicated on the Intranet or via other communication channels. In addition, Thulin & Thulin (2003) say that the most efficient way to keep information is electronically, but it is of great importance that there is a functioning technical support controlling admitted material, which is not the case at Consafe Logistics today where everyone can post new information.

### 6.2.4. Documentation

Information should be made accessible, sufficient and reliable according to Thulin & Thulin (2003). Most employees can access all documents today but not everyone knows where they can be found. The most effective way to distribute information is to keep it
electronic according to Thulin & Thulin (2003) but it might be a problem for Consafe Logistics to control that the right information is the one available due to continuous product updates resulting in new document versions. Taking on the problem by developing a search engine or a function imitating an encyclopaedia could be one solution. Regardless if the documents are searchable or well structured on the common server they need to be made more accessible according to Thulin & Thulin (2003) and the employees need to know where and how to find the documents. Despite individual opinions that much has been done to improve the documentation it is still considered to be insufficient today among all our respondents. For the employees to be able to work with the Astro implementation process without constant support the documentation need to be made sufficient. A group could preferably be assigned to think through the documentation process, to create the necessary documents and to discover weaknesses in the process according to Dalgleish (2005). Controlling the documentation process was one of the tasks the Astro Roll-out team was assigned to do when they were active. A review of the documentation can in the best cases result in cost savings for the company. (SolutionTech, 2008) To further make the documents reliable they need to be updated simultaneously with updates on the product which is one of the issues our respondents have mentioned.

6.2.5. Opportunities and risks

+ The fourth factor for a successful change produced by Tonnquist (2006) is to link the vision to other activities. There is an opportunity to motivate the focus on Astro by pointing out benefits affecting different parts of the organization. Some of the respondents explain that the change will allow more resources to be put on development of Astro which is a big benefit for the R&D department. As a result of increased development Astro will become a stronger product which makes it easier for the salesmen to promote it to customers and also get the sale despite of tough competition.

− Tonnquist’s (2006) third success factor is the importance of goals and a clear vision and the fifth factor is having measurable goals. Consafe Logistics Denmark is the only subsidiary with a S.M.A.R.T. goal according to Tonnquist (2006). The Polish and the Benelux subsidiaries all lack measurable goals. The Russian partner has set both a short term and a long term S.M.A.R.T goal with the number of customers as the measurement of success. Many authors stress the risk of not getting employees involved if a clear vision is missing.

− When it comes to internal communication there is a risk that employees are expected to take responsibility to find useful information without making theme fully aware that it is required by them. This is a process of change in itself and will need to be approached with care. Today all the managers we talked to had identified the lack of necessary documentation. If employees start looking for information without finding the documents relevant to them, they will quickly fall back into not looking for it.
6.3. Initialization

After an understanding for the change was reached all the subsidiaries’ employees concerned by the change received training from employees at the mother company. The training has varied due to prerequisites and resources available.

6.3.1. Knowledge, competence and education

The second wide purpose of education, according to the American Productivity & Quality Center (1997) is providing employees with the necessary skills. This is fulfilled through the different training courses provided by Consafe Logistics Sweden. Employees from the Benelux, Denmark, Poland and the U.K. have all been given tools to handle the change through offered Astro courses suited for their specific positions. By having separated courses for the different project roles the included exercises and the provided documentation will be adapted to the participants, relieving them from the complication of sorting out what is relevant to them. Employees from the Benelux have had sufficient training to sell and implement three Astro systems for customers. So far none of the projects have been profitable, much due to lack of training initially. Necessary training should be handled at an early stage (Endsley, 1994; Tonnquist, 2006) and our respondents believe that Consafe Logistics could have been more prepared to get profitability in their Astro projects. The importance of getting the right training close to when the knowledge is needed came up during our empiric research. Training done too long before it's needed for a real Astro implementation is often superfluous since it is quickly forgotten. When a sale of an Astro system has been done the project group assigned to work with the implementation should get training immediately. Since the lead time between a sale and the beginning of the implementation is about one and a half to six months the first project group need to be fast learners to get sufficient knowledge during that time. The knowledge obtained through training at the mother company further needs to be transformed into competences according to Tonnquist (2006) which in Consafe Logistics’ case means using his or her knowledge in an Astro implementation project.

By watching and attending courses at Consafe Logistics the employees begin with Diverging and Assimilating according to Kolb’s (1976) learning styles. Employees from Poland and one employee from the Benelux continue with the Converging and Accommodating styles (Kolb’s, 1976) in Sweden by working with Astro together with the Swedish employees in Lund. The employees from Denmark, the Benelux and the U.K. who have attended courses in Sweden get the Active Experimentation and the Concrete Experience once they have returned to their subsidiary and begin to work in an Astro project. The early job experiences in a process of change can be viewed at as the active experimentation of the actual change. (Kolb’s, 1976) When the first projects were implemented in Denmark their project group got its active experimentation and the rest of the Danish employees will go through the different learning styles when they begin with learning-by-doing at the subsidiary. It is important to keep in mind that different people learn in different ways and some people need an emphasis on feeling and some on thinking when learning and some learn best when watching while others need to
practically *do* the task to learn. (Kolb & Kolb, 2005) An illustration of what situation in Consafe Logistics may require a certain learning style is presented in figure 14 below.

Consafe Logistics offers different ways of teaching depending on the nature of the information and the resources available. By offering courses, practical experience at the Swedish office or documentation, Consafe Logistics meets Thulin & Thulin’s (2003) ideas that the teaching methods doesn’t only depend on the person about to learn but also on the material to be taught.

**Figure 13** An illustration of what situations may require what learning style (Authors interpretation)

Transforming knowledge and competence

By sending people to Sweden to work there for some time, like in the case of the three Polish employees and the employee from Benelux, the subsidiaries can benefit from the tacit knowledge at the mother company. When the employee acquires the tacit knowledge from other employees and then keeps it tacit, *socialization* has occurred according to Nonaka (1991). In this case, the employee does not only obtain tacit knowledge but he or she also gets an understanding for whom to contact when dealing with different Astro issues. A reorganization of the documents on the common server or the creation of a search engine for the common documents suggested is a way of transferring explicit knowledge to new explicit knowledge, i.e. *combination*. Consafe Logistics’
knowledgebase isn’t extended this way but the creation of the newly gathered and structured information is new knowledge in the sense that it combines information from different sources. (Nonaka, 1991) There is a common opinion that there is a need for new documents to be created. *Externalization* occurs when the new documents are created since the employees need to use their tacit knowledge and put it into words, thus making it explicit and available for the other employees. When these new documents are spread through the organization some employees increase and reshape their tacit knowledge making the information *internalized*. If the organization can not build a dialogue between tacit and explicit knowledge it can cause problems. (Nonaka, 1991) The Synergy project is an attempt to increase communication between the different company units, and if successful it will transfer knowledge from employee to employee.

### 6.4. Early job experiences

According to all the theories about organizational change we have brought up in the frame of reference, once an organization has reached acceptance to transform into a new state of being it continues towards a phase where the actual change takes place. (Angelöw, 1999; Burnes, 1996; Kritsonis, 2005; Lewin, 1947) As stated above, Consafe Logistics in Sweden, in the Benelux and in Denmark have all gone through Lewin’s (1947) unfreezing phase. In addition, employees at both the Danish subsidiary and the Swedish office have gone through sufficient training to solely focus new sales upon Astro and forces that maintain the old habits have been eliminated or at least diminished following Kritsonis’ (2005) suggested methods. In Benelux there is still a problem of profitability with the Astro projects and customers who still demand SattStore can be considered a force keeping the Benelux office from passing through Lewin’s (1947) first phase completely. Burnes (1996) states that getting the employees to keep on working with Astro despite the poor profitability can be facilitated through some form of confrontation from the management, team-buildings or training. The importance of getting the employee to feel included and useful as an effect of teamwork can be achieved through team-building activities also according to Rydin (2007). The Polish and the British subsidiaries have gotten some training in Astro, thus they have begun to enter Lewin’s (1947) moving phase although they are not yet able to implement Astro at customers’ warehouses. Hence, the Polish and the British offices are currently in the beginning of Endsley’s (1994) initialization phase since they do not yet posses adequate training. At the same time Consafe Logistics Poland has located potential customers and in the near future the Polish employees who have been working in Sweden to gain Astro competence will be returning. This puts the Polish office ready to gain early job experiences which is the fourth phase in Endsley’s (1994) implementation model.

#### 6.4.1. Project organization

According to Thulin & Thulin (2003) it is important to have well defined project roles to avoid people doing the same thing or for areas to lack a person in charge. After looking at the organizational change that took place in the Benelux office where adjustments had to
be made to fulfil Astro demands we can see that some changes have to be made in each subsidiary, but is there also a need for a re-organization on a higher level? To follow through with a strategy towards refocusing on Astro Bruzelius & Skärvad (2004) suggest a project group with well defined project roles which cover all necessary responsibilities.

**Project roles**

The decision to implement the change has been made by the Consafe Logistics management, and together with the fact that they have authority to distribute financial resources it makes them the project owner according to Tonnquist (2006). They also say that the project owner can decide when the project should begin and who should be allotted the positions as project leader or steering group, but not how the financial resources should be spent. The power of distributing resources could instead be appointed to the project leader along with the assignment to deliver what the project owner has asked for. (Tonnquist, 2006) The position as country manager in each country of presence resembles the position as project leader where the project is Consafe Logistics’ focus on Astro. As support, the country leaders had the Roll-out team as long as it was active, and afterwards Charlotte Widstrand alone. Because of the Roll-out team’s profound knowledge in the issue they acted similar to a steering group, who gives support as well as constructive criticism and opinions according to Tonnquist (2008). They also had good leadership qualities since they, in their external position, had ability to involve necessary competence in their task to support. As a result teamwork and collaborations between different parts of the Consafe Logistics Group is promoted, which according to Gilley et al. (2008) is critical to successfully implementing change. Aurell et al. (2008) state the benefits of steering externally but acting internally. If the Roll-out group was reinstated to act as a steering group the subsidiary could be seen as the internal organization. The task of actually managing the Astro implementation projects is done by a base group including a project manager, an application consultant and a developer. Naturally depending on the project size more than one person can have the same position and more roles can be required. It is up to this group to deliver the change required of the project leader (Tonnquist, 2008), in Consafe Logistics’ case being the country manager. The responsibility to provide the project group with necessary resources, in this situation to a large extent meaning training, so that the project can be managed within the specified time and cost frames is on the project leader. (Bruzelius & Skärvad, 2004) In figure 13 below the organization for implementing the change and for implementing Astro is illustrated.
Project or parallel organization

The organizations within the subsidiaries are project based according to Bruzelius & Skärvad’s (2004) description. Referring to the example where the Benelux office was forced to hire new people to meet the demands for Astro, one could see that reorganization is required. Since the newly hired were alone to possess Astro competence they could not be forced into a cemented way of working, and was instead a fresh addition to the organization. In that way the risk of not benefiting from the new minds and just seeing them as an extra set of hands were avoided. (de Klerk, 1996) During the transition period when SattStore is still very much a part of the assignments the office needed two project groups; one for each WMS. Hence some people are working in the old way and some people are working in a new way, which can be compared to a parallel organization where there are every day activities and change activities going on at the same time, but where the same people are involved in both. (Thulin & Thulin 2006) This way Consafe Logistics avoids the risk of having areas without anyone responsible according to Thulin & Thulin (2003) and also encourage an increased internal flexibility according to (de Klerk, 1996) Not everyone can continue working with the same things because of the fact that much less SattStore competence will be necessary in the future, but many can take on a corresponding role in the Astro organization. After the goal to focus on Astro has been reached and a new equilibrium has been reached the organization will go back to working in a project based organization where every Astro implementation at a customer’s warehouse constitutes a new project.
Working across country boarders
Working across national boarders and cooperating between the subsidiaries demands an increased flexibility in the organization. Endsley (1994) brings up the flexibility in an organization to be an important prerequisite for organizational changes. With increased mobility within the organization it is difficult to work in a function based organization (Thulin & Thulin, 2003) since the roles are frequently changed and moved throughout the organization.

6.4.2. Leadership
Since the moving phase is about changing norms and behaviours to suite the new state according to Angelöw (1999) the five leadership characteristics advocated by Gilley et al. (2008) should be especially addressed in this phase of a change. The importance of the individuals’ involvement throughout the process of change has been recommended by a number of authors recited in this thesis. (Burnes, 1996; Endsley, 2005; Kritsonis, 2005; Rydin, 2007; Tonnquist, 2006) The change at Consafe Logistics wasn’t implemented with Bruzelius & Skärvd’s (2004) support method, but rather with the expert method since the individuals didn’t get a chance to be involved in and accept the change prior to the decision. Therefore the leader should use his or her ability to motivate, reward and involve the employees to prevent them from falling back into old habits and to get them involved in the process. (Gilley et al., 2008) If the leader is successful and the employees start to change and accept the change it is important that the leader is trustworthy and that he or she points out the goal over and over again. Even though more of an expert method has been used in Consafe Logistics the employees have accepted the change which points to good leadership skills within the organization. In addition, the leader should show a will and an intention and always support the decision according to Ahrenfelt (2001) and Kritsonis (2005). Our respondents showed a unanimous positivity and conviction that the decision to change focus towards Astro is correct. It is not his or her role to convince, but to motivate sceptic employees to try the new conditions and hopefully be convinced by there own actions. The leader should also use his or her ability to promote teamwork and collaboration. (Gilley et al., 2008) With a good teamwork in the organization the subsidiaries can use the concept the Danish office is planning on using, which is letting the employees with the newly acquired Astro competence teach the remaining employees about Astro. The teamwork is a part of how employees learn from each other and the leader has to promote group collaborations. (Gilley et al., 2008)

6.4.3. Documentation
Promise is one of the most organized document files, but it is not consequently used by all subsidiaries. If everyone used the same methods it would make Consafe Logistics group more consistent in its communication towards customers, and having a better document conformity would make fewer people irreplaceable. A formally documented work instruction or specification can work as a key to maintain a consistent performance (Cheng, 2008), which is asked for by some of the managers we talked to. Tonnquist (2006) says that communication must be fitted to suite the specific audience it is meant for, and what has to be remembered is that there is the factor of different countries and
therefore also different cultures. One way of working might not be applicable in all subsidiaries. It is important to consider how graphic presentations are made and how the interpretation of a text can differ depending on the language it is written in. Not just the project leaders, but all the employees, working in an international company should be aware of the A factors in Hall’s (1995) model. The commonly used materials in Consafe Logistics are the same irrespectively of countries apart from the language translation which is often done.

6.4.4. Opportunities and risks

- It is a risk if the leader is not completely convinced of the decision to change according to Kritsonis (2005). If he or she fails to motivate others in the organization the forces pulling people back towards the initial equilibrium will increase.

- As well as in the decision phase, it is important to start the change while people still have the attitude that a change will happen soon and while they are mentally prepared for it. If they are prepared but the change never happens there is a risk that they are forced to fall back into old habits and will not be as easily motivated later on.

6.5. Institutionalization

The process of change is not finished at the same time as the project of change has reached its goal. (Tonnquist, 2006) It takes time, often longer than expected, to change peoples Behaviours and Actions, and those can still be unaffected after the end of a project. (Hall, 1995) The last step in Lewin’s (1947) model, re-freezing, includes making the new conditions stable and established as the normal ones (Angelöw, 1999) which is equivalent to Endsley’s (1994) institutionalization phase where the key factors values, attitudes and commitment are included. The Swedish and the Danish offices are the only two who have entered the last phase. They have both reached the goal to only sell Astro to new customers, but even so SattStore is still a big part of the every day work for many employees and no old SattStore customers have yet been converted into Astro customers. Sufficient competence to implement Astro has been built up, but especially Denmark is still working to increase the Astro knowledge and competence base.

6.5.1. Leadership

Rydin (2005) writes about how evaluations and follow-ups can help to keep people from falling back into old habits. There has not been any structured model for how to evaluate the progress that has been made in Consafe Logistics Sweden and Denmark. Both offices have stopped selling SattStore to new customers, but so far there has been little evaluations which could be helpful to other subsidiaries. Under the leadership quality ability to motivate Gilley et al. (2008) mentions providing follow-ups as one of the key tools to overcome motivational problems. To show sceptical employees the positive outcomes due to the change will help to motivate to reach further improvements. Hence
for Consafe Logistics to do regular evaluations as a part of the change process would help to keep employees’ attitudes positive as well as avoid the risk of losing the newly achieved equilibrium. To benefit from the subsidiaries’, that complete the process of change first, documenting experiences will be a big help in the future for other subsidiaries and also for the employees to remember the new ways of working according to Kritsonis (2005). Also Endsley (1994) has set reinforcements as a necessity to make the change permanent which is equally important to making the specific change according to Burnes (1996).

The importance of time
Ahrenfelt (2001) says that making a time plan for a process of change is very difficult. People are often tempted to claim that the quicker the better, even though he says that a reasonably big change can take from 2 to 5 years to complete. Consafe Logistics Denmark is the only subsidiary that has set a time based goal, namely to only sell Astro to new customers by the summer of 2008. Judging from the fact that they succeeded within the timeframe, they had managed to estimate the time required. Could their estimation be of help to other subsidiaries to form measurable goals? Even though Ahrenfelt (2001) and Tonnquist (2006) both warn about the effect time based goals can have on project members we believe, after considering the amount of theories stating the importance of measurable goals (Kaplan & Norton, 1996; Tonnquist, 2006), that a timeframe is preferable to not having any goals. In addition since Denmark succeeded they have both knowledge and competence of how to set time based goals for the specific change at hand.

6.5.2. Documentation
A good way of preventing an organization to fall back into old habits is to document any new ways of working and make it accessible to all personnel. (Kritsonis, 2005) Since many of the subsidiaries will most likely be exposed to temptations to keep working with SattStore as long as it is profitable, keeping documentation can help as a reminder of the new situation. While the Roll-out team was active they developed necessary documentation for the outlines of a change strategy, but due to the short time they were working much is still missing. If the Roll-out team is to work as support to the subsidiaries the amount of support would decrease immensely if the documentation available covered all of the main required activities and was well known to all employees. If a satisfying database, which would initially demand a big time and energy effort, could be initiated then the subsidiaries could manage much of their basic training themselves. If the documentation was made sufficient, in line with Thulin & Thulin’s (2003) concept of documentation, the subsidiaries would be in a better starting position to make the result of the change permanent. For the employees to be able to work with Astro in absence of direct support and to be able to introduce new project members to the work enough documentation is needed according to Cheng (2008).
6.5.3. Opportunities and risks

− If there are no clear goals to define when the new equilibrium has been reached there is a risk that employees have a hard time settling down after the change. Employees who are naturally unsecure in new situations and easily stressed during a process of change are easier to calm for the leader if he or she can’t point to clear goals. By using milestones and personal plans the single employee can see his or her place in the big picture which is one of the leader’s tasks according to Gilley et al. (2008).

6.6. Support and feedback

Rydin (2007) and Tonnquist (2006) agree that making the change permanent is crucial to succeeding with the change process. Tonnquist (2006) also mentions the importance of a support group active during the implementation and responsible for doing regular follow-ups and making sure that the project is heading in the right direction. The task to manage support was put on the Roll-out team until it was discontinued. There is a wish within Consafe Logistics to put the Roll-out team together again, and the need for support, documentation, Astro training and an overall steering organ points to that the aspiration is justified. As the situation is today some of the country leaders say that the Swedish office is not ready to provide necessary support to the subsidiaries initiating the change process.

6.6.1. Opportunities and risks

+ There is an advantage if organizations can get information from others who have gone through the same process. Especially in Consafe Logistics’ case where the subsidiaries are in different stages in the process there is an opportunity to learn from each others.

6.7. Culture

The impact of culture at Consafe Logistics’ case can be divided into using culture as a tool for change according to Howell & Costely’s (2006) alternative model for implementing change and into the cultural and linguistic differences between the mother company and the subsidiaries.

6.7.1. Culture as a tool for change

As an alternative to Endsley’s (1994), Lewin’s (1947) and Rydin’s (2007) life-cycle models we have learnt about Howell & Costely’s (2006) concept of creating a learning organization through culture. Consafe Logistics have managed to create a climate for change without creating a feeling of crisis. No big efforts have been made to create a feeling of need for the change and an understanding for the importance to work in the new way. The company is a result of a newly done merger however and the current
change of products is a result of this fusion. The merger naturally brought big changes to the company and most employees understood that something needed to change due to the new situation. Thus, there might not have been a need for creating a crisis situation described by Pettigrew (1986) in Consafe Logistics case.

6.7.2. Culture and linguistic differences

Our respondents haven’t experienced any problems in making the employees change from working with SattStore to Astro. What should be remembered though is that all the benchmarking cases we have brought up in this thesis were more affected by cultural differences than anyone anticipated and experienced in the beginning. It might be of help to question whether there actually is no cultural differences or if there are differences that solely haven’t been identified or acknowledged. Bruner & Speakman (1998) agree on the importance of culture in mergers and they state that denial of cultural differences will only accelerate problems. This is in line with Hall (1995) and Rodrigues (1998) who mean that a successful partnership calls for acknowledgement and acceptance of the cultural differences. When getting an understanding for another nation’s culture it could be useful to keep Hofstede’s (1993) cultural dimensions in mind. Knowing if the employees you are to work with comes from a masculine, individualistic culture with high uncertainty avoidance index or if it is a feminine, long-term orientated culture with a low power distance index (Hofstede, 1993) can be of great help when bridging (Hall, 1995) in a partnership.

Even though there haven’t been any considerable problems when working between the subsidiaries according to the employees we’ve talked to there have been some minor differences in the cultures. The bureaucracy in Poland and the need for a Danish employee to keep the dialogue with the Danish customers are examples of cultural differences on an A or B level (Bruzelius & Skärvad, 2004; Hall, 1995) which don’t go as deep as to concern morals, beliefs and values. The language has not been a major problem either. The English language courses for the Polish employees have been the only concern when it comes to language and all the remaining subsidiaries are situated in countries where English doesn’t cause a problem.

Consafe Logistics has chosen to enter the Russian market through external partners. Seeing as Nynas managed to enter the eastern market through a contact in Estonia but failed when they tried to become actors on the Russian market without a local contact (Bengtsson et al., 2008), using partners might be the best strategic choice for Consafe Logistics. Hall (1995) says that acknowledging the cultural differences are crucial for managing a partnership. In a culture unfamiliar for the employees at Consafe Logistics, local actors might prevent the company from encountering outer forces that are holding them back.

6.7.3. Opportunities and risks

A multinational company can benefit from cultural differences if they are embraced according to Rodrigues (1998) and creative solutions and unconventional, positive
thinking can be the result from acknowledged differences. (Cvetcovic, 2008) Since Consafe Logistics is planning to increase the work between the subsidiaries and the mother company, cultural differences will become even more important to the company.

- If, on the other hand, the existing cultural differences aren’t recognized they can cause problems for the company. In all the three benchmarking cases we studied in this thesis, culture was not reckoned as a risk and even ignored even though it was one big contributing factor for the result. Hall (1995) says that culture has a big impact but often people are not aware of it.

6.8. Inertia
We have identified that the inertia in Consafe Logistics come from both external and internal forces. In Consafe Logistics' case the external inertia is created by the customers who still demand the SattStore system as well as support and service for the SattStore that they already have. The internal inertia, which according Bruzelius & Skärvad (2004) is always present even if our respondents had not noticed it, could be created through the employees' resistance to change.

6.8.1. External Inertia
All the subsidiaries are aware of the change to come, but only Benelux, Denmark and Sweden have made sales and implementations of Astro. An organization that at first embraces a new decision but then doesn’t change within the near future faces the risk of re-stagnating in the old habits (Kritsonis, 2005), and when it is finally time to change the organization it is probable to believe that it will be more difficult to convince a second time. Resistance can be built up because of the opinions that the last time the decision wasn’t followed by a change and no catastrophes happened, so why not keep the old ways of working? This is what is happening especially in Poland and in the U.K. The two subsidiaries have accepted the decision to refocus sales towards Astro, but as of yet they haven’t been able to change. They are still obliged to sell and implement SattStore to have business, and the small amount on training they have gotten will be lost if it is not used. We wonder if it is really possible to change the attitude in an organization without making any concrete changes. In line with Tonnquist’s (2006) first success factor Consafe Logistics have managed to create a climate of change, but then no actions are taken to follow through with the actual change.

This need to be able to still support SattStore customers and provide customers who demand SattStore systems with a solution can be considered outer forces preventing the organization from changing quickly enough. Aurell et al. (2008) brought up the idea of restraining outer forces prohibiting the project realization and the importance not to ignore the risks and obstacles the change brings. Endsley (1994) and Lewin (1947) both say that all forces trying to maintain the old habits have to be eliminated. The change need to be made top priority in subsidiaries where a more profitable product is to be
excluded from the product portfolio to Astro’s advantage. To make this occur, a strategic plan of how to make existing customers change need to be realized, a way of diminishing manoeuvre inertia. (Bruzelius & Skärvad, 2004; Lovén, 1999) The company’s inability to change the competence resources fast enough to meet new market changes is for Consafe Logistics dependant on how to make the existing customers change into Astro. Getting the customers to change WMS will result in employees with deep SattStore competence having to begin to work with Astro. Their competences will be changed but with continuous new SattStore sales this competence change is not defendable as of now.

6.8.2. Internal Inertia
According to our empiric study our respondents have noticed no resistance towards the decision to change apart from the opinion that employees lack knowledge due to a lack of training. We do know though, from among others Bruzelius & Skärvad (2004), that organizational change almost always involve resistance irrespective of the extent of the change. We do want to mention the fact that all resistance doesn’t have to be negative accordingly to Bruzelius & Skärvad (2004) as well as Ahrenfelt (2001) and that even if not spoken out load managers should be attentive to it. The different opinions and opposing forces should be used and seen as an advantage for the organization since it often results in creative and alternative solutions to problems.

6.8.3. Opportunities and risks

+ All the managers are convinced about the need of change. Accordingly to Gilley et al. (2008) an influential leader has the ability to affect the all over attitude in a group. We believe that this is an opportunity that Consafe Logistics take advantage of since we have experienced the same certainty about the change no matter from what subsidiary the respondent has represented.

− There might be a risk that the resistance exists at Consafe Logistics and that is ignored form the top management. If there is resistance to change among the employees this should be acknowledged and used by the leaders. The leader should keep in mind that the co-workers are the organization’s foremost teachers when it comes to pitfalls and possibilities, and that resistance is a way of expressing true engagement. Thus resistance shouldn’t only be considered bad for the change. On the other hand employees acting indifferent are not contributing to the process of change, and should be approached by the leader. (Ahrenfelt, 2001)
7. Audited Analysis Model

The result from the frame of references, the analysis model, has been modified since the analysis of the empiric data resulted in discovered flaws in the initial model. The thought behind our audited analysis model and the changes from the initial analysis model are described below.

The audited analysis model, developed as a result of a reflection of the preliminary analysis model, is presented in figure 15.

![Audited Analysis Model Diagram](image)

**Figure 15 Audited Analysis model (Authors, 2008)**

### 7.1. From five to four phases

We discovered a need for training already in the *introduction* phase and further training in the beginning of the *moving phase* after analyzing our empiric material. Thus, we have chosen to divide the *initialization* phase in our initial analysis model and added it to the two adjacent phases. In the model, this meant that we kept knowledge, competence and education in both the preceding and the following phases but also added the key factor...
training. Eliminating the initialization phase from our model left us with three phases that corresponded well to Lewin’s (1947) phases. Hence, we have chosen to fuse the two into one. We prefer Endsley’s (1994) labelling of the introduction and the institutionalization phases over Lewin’s (1947) unfreezing and re-freezing. We are however of the opinion that Endsley’s (1994) classification of the phase in which the change actually occur, early job experiences, doesn’t give a clear picture of what the phase actually is about, that is taking actions to move to a new state, thus we kept Lewin’s (1947) label, the moving phase, for this one.

7.2. Transparent phase boundaries
It also became apparent when analyzing the empiric data that Howell & Costely’s (2006) critique of the life-cycle models against the lack of consideration of the fact that most changes are continuous is justified. It was not often clear to what phase in our analysis model that the different activities at Consafe Logistics belonged. Hence, we have chosen to make the outlines for all the phases in our audited analysis model dashed and in addition, we made the phases overlap each other to illustrate that it isn’t possible to draw a distinct line between the different stages in a process of change. Even though there is a difficulty in separating the different phases apart, we consider the life-cycle models interesting in their approach of showing that some activities should be preceded by others. Thus, we do not want to completely reject the life-cycle models despite their drawbacks.

7.3. Key factors and areas of interest
After analyzing the empirical data we discovered that not all areas of interest were actually of interest for all phases. Thus we have, in our audited analysis model, removed areas from all the phases accordingly with the analysis and empirical data. In the first phase of the analysis model, the decision, we have chosen to keep only Endsley’s (1994) key factors since they answer well to the contents of this phase, hence the added areas of interest were superfluous. We removed project organization from the introduction phase and we’ve chosen to exclude internal communication form the following, moving, phase. In the final phase, institutionalization, we only kept leadership and documentation from the original five areas of interest since these were the only two of interest in our empirical data. We find Endsley’s (1994) key factors of interest in all phases; hence we’ve kept all factors in our audited analysis model.

One additional result of our analysis is that we have noticed that culture was appropriately placed with both a positive and a negative direction since it can inhibit as well as prohibit a successful change. Since we have identified opportunities and risks in all the phases, we have chosen also to keep the +/-, symbolizing opportunities and risks, in the audited model.
7.4. Continuous feedback and support
We have gotten the importance of feedback and support, advocated by several authors (Bruzelius & Skärvad, 2004; Endsley, 1994; Rydin, 2007; Tonnquist, 2006), confirmed by our empirical data, thus we chose to keep it in the audited analysis model. We have further added feedback and support also from the last phase since we are of the belief that they serve a purpose throughout the entire process of change.

7.5. Inertia as a positive driving force
As our last change to the initial analysis model we have added a positive direction to inertia due to the positive impact resistance can have on a change. (Ahrenfelt, 2001; Bruzelius & Skärvad, 2004) Since none of the respondents had encountered resistance, we believe that it can be of value to show that the resistance does not only bring negative input to the change to make the leaders pay extra attention to this phenomenon.
8. Conclusions

Using the analysis as a base we have drawn conclusions about how to manage a process of change. The conclusions are presented below followed by a general strategy for implementation of an organizational change.

8.1. Transparent phase boundaries

It is difficult and sometimes impossible to divide different activities throughout a process of change into diverse phases. What can be determined though is if some activities need to be preceded by other activities. Hence, mapping out the relationship between activities can be a valuable tool for time savings since it prevents activities from being initiated before it is possible to follow them through. It is rarely possible to give general guidelines for what activity should be handled at what stage of the process. However, following up the decision to change by actions to benefit from initially motivated employees should be done soon after communicating the decision.

8.2. Measurable goals

For any organizational change process, group and individual goals should be set up to facilitate motivation for the leader and equally important is that these goals are coherent with each other for everyone to pull in the right direction. In addition, action plans for the employees can help the individual feel less worried in times of uncertainty and more included in the change process. To change the internal focus towards the new ways of working it is crucial that the leader communicates a clear vision and clear goals with the change. A reward plan or at least a policy should be set up to reward success. The reward can be monetary or just a small celebration, more important is that the goal need to be measurable for the employee to know what is demanded from him or her and for the organization to recognize when a goal has been reached. However, one should be aware of the risk of measurable goals; if the organization only focuses upon fulfilling the goals, all that has not been broken down into measurable goals may be ignored.

8.3. Benefit from everyone’s competences and opinions

By planting the change idea in the bottom of the organization before the decision has been taken, the management can receive opinions from all levels in the company. These opinions should be taken into account for the decision to be the most favourable possible. It is important to keep in mind that the employees often know what works and what doesn’t work for the particular organization. This way the signs of resistance against the change can be picked up throughout the organization and these can be taken advantage of
or counteracted at an early stage. It might not always be possible to let the idea make its way through the organization if there is a time limit until implementation of the change. Nonetheless, the employees’ opinions should be considered.

8.4. Continuous feedback and support
There should be a continuous exchange of information about progress, problems, ideas and solutions so that a support team can quickly provide necessary resources and also alert other changing units in the organization about problems they should be attentive to. The support team will further quickly gain experience through getting primary information from many sources about the progression of the change. Evaluations should be a natural element in the project work, and it should be managed by the leader to give him or her the possibility to support others.

8.5. Necessary reorganization
Early after that the decision to change has been communicated to everyone in the organization the employees should be made aware that a reorganization might be necessary. During the moving phase working in a parallel organization is preferable since it involves everyone and assures that no areas are left without anyone in charge. Having a parallel organization also promotes internal flexibility which makes the organization cope with change better in the future.

8.6. A policy for documentation
By mapping out the need for further documentation and areas where superfluous documents are created the organization can increase the efficiency at the same time as cost savings are made. A written documentation policy with someone in charge of thinking through the documentation process at an early stage is valuable for the change process. This employee should create missing documents necessary for the change process, discover weaknesses in the documentation process and decide what should be taken away and how to and who can add material. Sufficient documentation can decrease the work load on a support unit and make the changing units more self-sustaining. However, sufficient and reliable documentation demands that documents are updated simultaneously with updates on products, work processes and other updates and changes throughout the organization. When making a documentation plan it is of great importance to consider culture if the plan concerns employees with different nationalities.

Later on in the process of change, when the organization actually is changing, the existing documents and work processes should be used for consistent results to customers and to diminish the risk that some employees become irreplaceable due to the fact that no one else knows what has been done or how it’s been done so far in a project.
8.7. A policy for internal communication

The organization should write a policy for internal communication at an early stage in the change process. When mapping out how the internal communication should be executed it is of interest to examine what communication channel(s) is (are) the best one(s), what communication is to go through what employee and how to be assured that everyone knows how and where to find necessary information. To make people involved in the change process, to make them interested in being responsible for acquiring required information by themselves and to inform the employees of where the information can be accessed a teambuilding or training courses can be valuable. This way the risk of expecting employees to take responsibility to find useful information without making theme fully aware that it is required by them is diminished. If these teambuilding session or training courses don’t succeed to make the employees acknowledge their responsibility in the communication process some kind of confrontation from the management might be necessary.

8.8. Knowledge, competence and education

We have come to the conclusion that there are three important points to consider concerning training and knowledge when managing a process of change.

8.8.1. Early training to manage resistance

The first information about any big change should come from the most influential leader, and to be able to affect the attitudes in the organization good and motivating leaders should be totally convinced of the decision to change. To be able to spot instant resistance and to benefit from the opinions concerning the change or counteract resistance an initial training can be of great use. This training should be executed at an early stage in the process of change to inform the employees about the decision behind the change and the importance of the change for employees, and as a result they will be motivated at an early stage. To benefit from the opinions among the employees this training should to be a two or more ways communication rather than a pure information session. This early training is also a perfect opportunity for the management to present the communication and documentation policies.

8.8.2. Training close to real experience

The training the employee must undergo to take on his or her role in the new organization should be done close to when the knowledge is needed. If the training is held to long before the knowledge is turned into competences through practical experiences the knowledge is quickly forgotten. One good way of learning is through teamwork which also makes the individuals feel involved. The management should also remember that everyone learns differently and that this might demand specially adapted training courses for certain individuals.
8.8.3. Policy to access tacit knowledge
To transfer the knowledge from the experienced employees to those who are facing new tasks and challenges through the change it is important to include different methods. To transfer tacit knowledge to tacit knowledge or explicit to explicit is a limited form of knowledge creation for the organization. Tacit knowledge can be transformed into explicit, through new documentation from experienced and competent employees. When other employees use these documents to increase and reshape their tacit knowledge explicit knowledge is turned into tacit. Knowledge creation in the organization occurs foremost when the two types of knowledge interact; an organization facing change should put extra effort into these two methods to create a learning organization.

8.9. General strategy for managing change
As a result of our analysis we have developed a check-list presented in table 2 that can be of use to facilitate a process of change. The easy to follow table contains the columns phase, goal, precedent activities, necessary resources, measurable result and available support. The only column filled in is the first one, leaving the others for the leader of change to fill in to suite his or her specific change process. Each column is described below and followed by table 2. A specifically filled in strategy table for our case company, Consafe Logistics, is presented in appendix 1.

The phase column lists questions that should be answered and actions that need to be taken. The rows are not numbered to show that they are not necessarily in the order that they have to be done, since it is difficult to place activities in the “correct” phase.

To point to the importance of clear goals the leader of change should for each row fill in what the goal is with each of the questions and actions as a help when motivating others.

Even if different organizations can follow through with a change process in different orders some activities have to be preceded by certain activities. In the third column precedent activities are filled in.

An initial estimation of what financial resources, competence and written material necessary to complete each row’s activity is filled in under the necessary resources column.

The fifth column is called measurable results. If it is possible to state a measurable goal to define when the activity has been executed it should be filled in here.

Available support like contact information to people with expert competence or helpful documentation is filled in the sixth column.
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<th>Phase</th>
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<th>Precedent activities</th>
<th>Necessary resources</th>
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Table 2 General strategy for managing change (Authors, 2008)
9. Discussion

Below follows a discussion of the method the thesis is based upon as well as the recovered results.

9.1. The method

One could probably claim that we might have gotten another picture if we had talked to employees further down in the organization. We do believe though that it would have been unlikely for us to get people to tell us about any resistance due to several reasons. Not having the possibility to visit subsidiaries took away the benefit of interviewing face-to-face necessary to build up a level of confidence between the interviewer and the respondent. We are convinced that the results in this thesis are of interest even though we didn’t have the possibility to include opinions from all levels of the company. To get a more detailed strategy and an even more accurate picture of the reality it would be interesting to do the study once more but with a bottom-up perspective.

9.2. The results

The results of this thesis demonstrate that numerous factors, interacting in a complex way, affect a process of change in an organization. Getting the message out to the audience, setting clear goals for the organization to know what to aim against and keep documents of the process were some trouble areas in our case company. The fact that even the seemingly basic activities cause problems for an organization facing a change confirms to us how complex a process of change actually is. The difficulty to divide the different activities into the accurate phases make us question to what extent the life-cycle models can be of use. We also question the conception of equilibrium when the world around us is in a constant state of change. This disbelief promotes the concept of a learning organization, but to reach a change friendly company culture, which requires changing the inner cultural factors, it takes time. Time is not always in abundance which makes it easier to use the life-cycle methods. We do believe though that any new company should aim towards creating a learning organization from the start. We do believe however that it can be helpful to know that some activities need to precede each others and that a generally developed strategy can be a good support in a process of change. For our developed strategy to be useful we do believe that it needs to be audited after it has been applied to different organizations and different situations. We do nonetheless consider the checklist and guidelines presented in the conclusions to be a good guiding principle for organizations. The need for support and feedback wasn’t fully acknowledged in our case company. To manage a process of change, especially in units located geographically far away from the support unit we are of the belief that a thorough supporting system must function to check that set goals are reached and to spot problems at an early stage, this was also confirmed by the theories presented in this thesis.
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Appendix I

A Change Strategy
For Consafe Logistics
A strategy for Consafe Logistics

Using the conclusions as a base we have adjusted the developed general strategy for organizational change to be able to apply it on Consafe Logistics’ change towards focusing sales on Astro. We begin by presenting general guidelines for the change, a risk analysis for the change and we further continue with a check-list that can be used to facilitate the change.

Transparent phase boundaries

It is important, when planning the change for the different subsidiaries, to be aware of the fact that it is difficult and sometimes impossible to divide the different activities into a logic order. Thus, to have a check-list to follow strictly form the beginning to the end is rarely useful. Circumstances may differ between the different subsidiaries with the result of a need for changed order among the activities. It can however be useful to use a checklist throughout the change as a guide for what steps to go through and as a help for knowing what activities need to be preceded by other activities.

Measurable goals

For any organizational change process, group and individual goals should be set up to facilitate motivation for the leader and equally important is that these goals are coherent with each other for everyone to pull in the right direction. For the employees at the different subsidiaries to know what is demanded of them it is important that short term as well as long term goals for the change is set. Since Denmark successfully set time based goals their experience of estimated time needed to follow through with the change should be taken advantage of. It is better to set time based goals at the subsidiaries than no goals at all. Even though it is difficult to give an accurate approximation of when to get the first customer and how many new customers the subsidiary can have per year, a goal to work towards for the employees is helpful. It can be of help to overlook the reward system to see if there is a need for increased rewards when it comes to Astro sales and implementations to support the employees when changing into an Astro focus. The reward can be monetary or just a small celebration, more important is that the goal need to be measurable for the employee to know what is demanded of him or her and for the organization to recognize when a goal has been reached.

Benefit from everyone’s competences and opinions

By planting the change idea in the bottom of the organization before the decision has been taken, the management can receive opinions from all levels in the company. This is
unfortunately too late for Consafe Logistics at the current subsidiaries since the decision has been communicated on all levels. It is however important to keep in mind that the employees are the organization’s foremost teachers and they often know what works and what don’t work for the particular organization. Thus, continuous feedback from the employees that are currently changing into an Astro focus can be especially useful when improving the change strategy.

Continuous feedback and support
There should be a continuous exchange of information about progress, problems, ideas and solutions so that a support team, tentatively the Roll-out team, can quickly provide the subsidiaries with necessary resources. This continuous information also helps the support unit to alert other changing units in the organization facing similar situations about problems they should be attentive to. Consafe Logistics in Lund needs to be better prepared to meet the demands in support and resources from the subsidiaries. To meet these demands we propose the Astro Roll-out team or an equivalence to be established again. If there is a continuous exchange of information about progress, problems, ideas and solutions the Roll-out team can quickly provide necessary resources and also prepare other subsidiaries facing similar situations about problems they should pay extra attention to.

The support team will further quickly gain experience through getting primary information from many sources about the progression of the change. Evaluations should be a natural element in the project work, and it should be managed by the country manager to give him or her the possibility to support others.

Necessary reorganization
Early after that the decision to change has been communicated to everyone in the organization the employees should be made aware that a reorganization might be necessary. The subsidiary might have to be reorganized with the purpose of being able to implement Astro at customers’ warehouses. At least one project group need to be employed constituted of a project leader, an application consultant and a developer. These employees can be assigned internally within the subsidiary, within Consafe Logistics group or through a new recruitment depending on the resources available. The required reorganization is specific for the subsidiary concerned, thus we cannot give general guidelines for how to reorganize to be best prepared for the change.

A policy for documentation
By mapping out the need for further documentation and areas where superfluous documents are created the organization can increase the efficiency at the same time as
cost savings are possible. Making a policy for documentation and overlooking the process should be one of the primary tasks for the Roll-out group to handle if they are to be re-assigned. This group should make sure that missing documents necessary for the change process are created, discover weaknesses in the documentation process and decide what should be taken away and how to and who can add material. For everyone to be aware of the documentation process this should be written and explained to all employees in the organization. It can be favourable for all the subsidiaries to make their own documentation policy as a complement to the general policy.

One document that needs to be created is a function description describing the pros and cons with Astro, what Astro can do, how it works, how it solves the problem and what can be offered the customers. This document can be made with the today existing activity model (authors’ translation of verksamhetsmodell) as a base. One further document to develop is the competence matrix, this document needs to be complemented with the proper competences and spread to the employees. This is a document that should be taken advantage of in the beginning of the change process since it helps those who haven’t developed a personal network of Astro competences. One thing to keep in mind though with these kinds of documents is that they need to be updated simultaneously with updates on products, work processes and other updates and changes throughout the organization. The process of these updates should be expressed in the documentation policy.

With sufficient documentation in the beginning of the process of change the subsidiaries could introduce themselves to the information before the first encounter with employees already possessing Astro experience and thus be better prepared for the change process. Sufficient documentation can decrease the work load on a support unit and make the subsidiaries more self-sustaining. It is further important to acknowledge the cultural aspect when documenting, all documents, without exceptions, should be made in English so that all subsidiaries can benefit form them.

Later on in the process of change, when the organization actually is changing, the existing documents and work processes, such as Promise, should be used for consistent results to customers. Following these process documents diminishes the risk that some employees become irreplaceable due to the fact that no one else knows what has been done or how it’s been done so far in a project.

A policy for internal communication
The organization should also write a policy for internal communication at an early stage in the change process. This is preferably another task for the Astro Roll-out group to manage. When mapping out how the internal communication should be executed it is of interest to examine what communication channel(s) is (are) the best one(s), what communication is to go through what employee and how to be assured that everyone knows how and where to find necessary information. Mass emails have been expressed as a poor choice in communicating a message to a big crowd. If possible, face-to-face
information is preferable but if this is impossible the Intranet can be of great use. Also a specific internal communication policy for the subsidiaries can be a favourable complement to the general policy.

To make people involved in the change process, to make them interested in being responsible for acquiring required information by themselves and to inform the employees of where the information can be accessed a teambuilding or training courses can be valuable. This way the risk of expecting employees to take responsibility to find useful information without making them fully aware that it is required by them is diminished. If these teambuilding session or training courses don’t succeed to make the employees acknowledge their responsibility in the communication process some kind of confrontation from the management might be necessary. To make it possible for the employees to find the required information it is important that documents and information is easily found. Today it is not always obvious where to find what documents, thus a clean up of the common server or a search engine for the internal documents can facilitate an employee’s search for documents.

Knowledge, competence and education
We have come to the conclusion that there are three important points to consider when it comes to training and knowledge when managing a process of change.

Early training to manage resistance
The first information about any big change should come from the most influential leader, and to be able to affect the attitudes in the organization good and motivating leaders should be totally convinced of the decision to change. To be able to spot instant resistance and to benefit from the opinions concerning the change or counteract resistance an initial training can be of great use. Having an initial training session at the subsidiary, held by the Roll-out team or another representative from the Swedish office, to explain the profits with Astro and why the change is important for the company could create an early understanding among the employees. At this first training or forum the Roll-out team can provide the employees at the subsidiaries with the communication and documentation policies. This way Consafe Logistics will reduce the problem of not everyone knowing where to find what information. To benefit from the opinions among the employees this training should to be a two or more ways communication rather than a pure information session.

Training close to real experience
The training the employee must undergo to take on his or her role in the new organization should be done close to when the knowledge is needed. If the training is held to long before the knowledge is turned into competences through practical experiences the knowledge is quickly forgotten. One good way of learning is through teamwork which also makes the individuals feel involved. The management should also remember that everyone learns differently and that this might demand specially adapted training courses.
for certain individuals. An initial Astro project group should get the first training to be able to implement the first Astro systems to customers’ warehouses. Depending on the WMS experience among the employees transfer of competence can be preformed in three different ways. The employee can attend an intensive course held in Lund or at a subsidiary with sufficient experience and time, it could be made through employees working in Lund or at another subsidiary as in Consafe Logistics Poland’s case or finally it can be through employing a resource with Astro competence as in Denmark’s case. These employees with the first Astro experience and competence at each subsidiary should further transfer their knowledge to the remaining employees at their respective subsidiary.

**Policy to access tacit knowledge**

To transfer the knowledge from the experienced employees to those who are facing new tasks and challenges through the change it is important to include different methods. To transfer tacit knowledge to tacit knowledge or explicit to explicit is a limited form of knowledge creation for the organization. Tacit knowledge can be transformed into explicit, through new documentation from experienced and competent employees and when other employees use these documents to increase and reshape their tacit knowledge explicit knowledge is turned into tacit. Knowledge creation in the organization occurs foremost when the two types of knowledge interact; an organization facing change should put extra effort into these two methods to create a learning organization. Thus it is important for Consafe Logistics to make use of the written documents for the employees newly acquainted with Astro to take in the written information and make it their own tacit knowledge. It is further important that the tacit knowledge within the company is expressed explicitly, one of the tasks for the Roll-out group through the documentation policy.

**Risk analysis**

A risk analysis has been carried out to point out the areas to which extra precaution should be taken and it is presented in table 3 below. In the table, the probability and consequences for the risks are estimated. The most critical risk to be aware of is the risk of the employees not knowing where to find documents. To avoid this, the documents need to be made easy to find and the employees must be informed of where to find the information necessary. Two further crucial risks for the change are that the office in Lund isn’t prepared for the change and that all information doesn’t reach it’s final destination.
<table>
<thead>
<tr>
<th>Risk</th>
<th>Prob. 1-5</th>
<th>Cons. 1-5</th>
<th>Risk value PxC</th>
<th>Countermeasure</th>
</tr>
</thead>
<tbody>
<tr>
<td>The process of change</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>Make sure that everyone knows Astro’s benefits and are able to explain the benefits to customers. Good internal communication and a clear vision need to be expressed by the leaders.</td>
</tr>
<tr>
<td>Cultural differences are ignored</td>
<td>2</td>
<td>4</td>
<td>8</td>
<td>Be aware of the differences and embrace them</td>
</tr>
<tr>
<td>Project Organization</td>
<td>3</td>
<td>4</td>
<td>12</td>
<td>Re-assign the Roll-out group</td>
</tr>
<tr>
<td>Leadership</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>The leader expresses the vision clearly and makes individual plans.</td>
</tr>
<tr>
<td>Internal Communication</td>
<td>3</td>
<td>4</td>
<td>12</td>
<td>Inform several times and through different communication vehicles. Control that the information has reached everyone concerned. (Internal Communication policy)</td>
</tr>
<tr>
<td>Documentation</td>
<td>4</td>
<td>4</td>
<td>16</td>
<td>Establish routines for the documents to be updated concurrent with updates on the product or in the organization (Documentation policy)</td>
</tr>
</tbody>
</table>
A check-list to facilitate the change

For the Roll-out group to handle the support to the subsidiaries, the trainings and initially the communication and documentation policies the group members should preferably be assigned to the Roll-out assignment fulltime at the beginning. Once the communication and documentation policies are finished and running the Roll-out group could be working with support and training of the subsidiaries part-time next to other assignments. We have below, in table 4, presented the main activities for the subsidiaries to go through when changing into an Astro focus. It is the country managers’ mission to fill out the blanks since these are dependant on the subsidiaries situation.

The easy to follow table contains the columns phase, goal, precedent activities, necessary resources, measurable result and available support. The only column filled in is the first one, leaving the others for the leader of change to fill in to suite his or her specific change process. Each column is described below and followed by table 4.

The phase column lists questions that should be answered and actions that need to be taken. The rows are not numbered to show that they are not necessarily in the order that they have to be done, since it is difficult to place activities in the “correct” phase. Since the decision already has been taken, this has been shadowed in the check-list but the questions posed in this phase should be answered for the measurable goals to be made the best ones.

To point to the importance of clear goals the leader of change should for each row fill in what the goal is with each of the questions and actions as a help when motivating others.

Even if different organizations can follow through with a change process in different orders some activities have to be preceded by certain activities. In the third column precedent activities are filled in.

An initial estimation of what financial resources, competence and written material necessary to complete each row’s activity is filled in under the necessary resources column.

The fifth column is called measurable results. If it is possible to state a measurable goal to define when the activity has been executed it should be filled in here.

Available support like contact information to people with expert competence or helpful documentation is filled in the sixth column.
<table>
<thead>
<tr>
<th>Phase</th>
<th>Goal</th>
<th>Precedent activities</th>
<th>Necessary resources</th>
<th>Measurable result</th>
<th>Available support</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Decision</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Why change?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Who is affected?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>When to start?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Where to start?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Introduction</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Set measurable goals</td>
<td></td>
<td>To decrease uncertainty, to increase motivation and for evaluations of the project's progress.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First message of the change combined with a first training course</td>
<td>To make employees aware of the change and get opinions and pick up resistance.</td>
<td>Introduction material</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal communication policy</td>
<td></td>
<td>To have control over that the right information reaches the right person.</td>
<td></td>
<td>· An Internal Communication policy has been made</td>
<td>A common Internal Communication policy created by the Roll-out team, a cleaned up common server and the Roll-out team available for questions.</td>
</tr>
<tr>
<td>Documentation policy</td>
<td></td>
<td>To increase the required documentation, avoid out of date documents to be published and make them easier to locate.</td>
<td></td>
<td>· A Documentation policy · Missing documents are created</td>
<td>A documentation policy created by the Roll-out team who also are available to help create the documents the subsidiary is lacking</td>
</tr>
<tr>
<td>Phase</td>
<td>Goal</td>
<td>Precedent activities</td>
<td>Necessary resources</td>
<td>Measurable result</td>
<td>Available support</td>
</tr>
<tr>
<td>------------</td>
<td>----------------------------------------------------------------------</td>
<td>----------------------</td>
<td>---------------------</td>
<td>--------------------------------------------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>Reward policy</td>
<td>To motivate to success and to celebrate met goals.</td>
<td></td>
<td></td>
<td>A Reward policy</td>
<td></td>
</tr>
<tr>
<td>Feedback</td>
<td>Reconnect to the support team to get inputs and help others.</td>
<td></td>
<td></td>
<td>The Roll-out team has received feedback from the country manager.</td>
<td>The Roll-out team</td>
</tr>
<tr>
<td>Moving</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reorganization</td>
<td>Get an organization suited to manage Astro implementations.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Teambuilding</td>
<td>To refocus on Astro, get ideas, benefit from or counteract resistance and motivate the organization.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training course</td>
<td>Reach a required level of knowledge necessary to manage an Astro implementation.</td>
<td></td>
<td>Course materials</td>
<td></td>
<td>The Roll-out team</td>
</tr>
<tr>
<td>Phase</td>
<td>Goal</td>
<td>Precedent activities</td>
<td>Necessary resources</td>
<td>Measurable result</td>
<td>Available support</td>
</tr>
<tr>
<td>-----------------------</td>
<td>----------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------</td>
<td>---------------------</td>
<td>-----------------------------------------------------------------------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>Documentation</td>
<td>To cover areas of interest in the change process as well as the Astro implementation</td>
<td></td>
<td></td>
<td>&quot;The Roll-out team has received feedback from the country manager.&quot;</td>
<td></td>
</tr>
<tr>
<td>Feedback</td>
<td>Reconnect to the support team to get inputs and help others.</td>
<td>The first Astro implementation has been made at the subsidiary.</td>
<td></td>
<td>&quot;The Roll-out team has received final feedback from the country manager.&quot;</td>
<td>The Roll-out team</td>
</tr>
<tr>
<td><strong>Institutionalization</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Documentation</td>
<td>To finalize the change and prevent from loosing the Astro focus.</td>
<td></td>
<td></td>
<td>&quot;The process of new ways of working are written down.&quot;</td>
<td></td>
</tr>
<tr>
<td>Feedback</td>
<td>Reconnect to the support team to get inputs and help others.</td>
<td></td>
<td></td>
<td>&quot;The Roll-out team has received final feedback from the country manager.&quot;</td>
<td>The Roll-out team</td>
</tr>
<tr>
<td>Evaluation</td>
<td>Evaluate the change for the subsidiaries to learn from each others.</td>
<td>The subsidiary can implement all demanded Astro systems without support</td>
<td></td>
<td>&quot;An evaluation from all employees at the subsidiary has been handed in to the Roll-out team&quot;</td>
<td></td>
</tr>
<tr>
<td>Celebration</td>
<td>Acknowledge the finalization of the change by celebrating together</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A change strategy for Consafe Logistics (Authors, 2008)