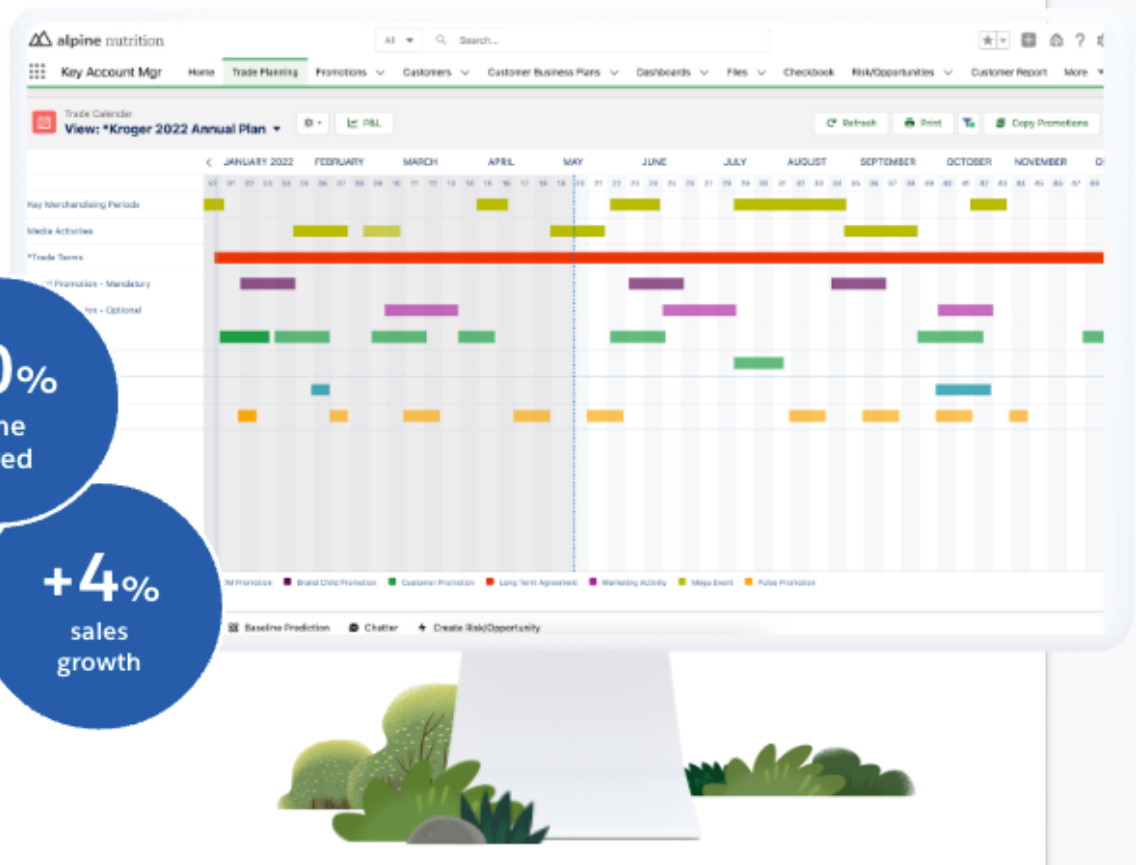




CG Cloud - TPM and Retail Execution

Continuous Transformation Management



30%
time
saved

+4%
sales
growth



INTRODUCTION

Would you want to know (at the outset) what success will look like at the end of your TPx implementation? Look around your organization at your most valuable investment: People.

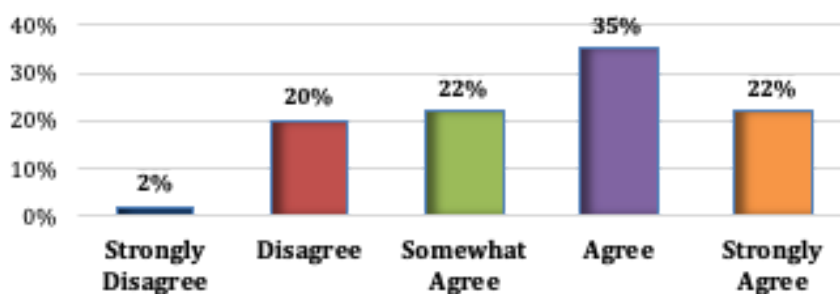
When the people's side of change is ignored or poorly managed, the project and the organization take on additional costs and risks. From this perspective, effective change management is in part a cost avoidance technique and risk mitigation tactic. Find out which types of costs and risks you can help your organization avoid by applying continuous change management.

The most successful organizations and projects look at people and processes before looking at the system.

More often, the implementation starts then finishes and this is when we think of change transformation, including "training" our people on a new system leaving the essential task to answer fundamental questions on the organization's strategy and vision to the training team.

Based on the POI 2021 State of the Industry Survey, 80% of respondents agree that change management has been an issue with TPx users.

Change management has been an issue among your TPx users.



Graph 1: Change management for TPx users
 Source: Promotion Optimization Institute, LLC Annual State of the Industry Survey.
<https://poinstitute.com/state-of-the-industry>

We all have been a part of a change that was poorly managed, either as the offender or the recipient.

When projects and initiatives are mismanaged from the "people side of change" perspective, we do not achieve the desired results and outcomes. We know from experience that the individual changes that culminates in organizational change do not take place.

The odds become high to have a lower probability of meeting objectives, finishing on time, and finishing on budget. We know that speed of adoption will be slower, ultimate utilization will be lower, and proficiency will be less and so will expected returns.

“If you don't take change by the hand, it will take you by the throat.”

Winston Churchill

Promotion Optimization Institute research communicates change transformation as absolutely critical to improve all facets of work within a CPG manufacturer and retailer. People are a dynamic and critical aspect of CPG and all organizations. Change is no longer episodic, but instead, organizations are experiencing waves of change.

CHALLENGES

Growing is uncomfortable, and change is uncomfortable. Mitigating the complexity associated with successful TPx projects requires consistent effort!

Implementing positive disruptive changes comes with its load of challenges. Based on our wide experience with different industries, we gathered the common pain points across industries as well as types of change:



- ▶ Resistance to change often comes from **top performers!** One of the reasons a person performs well at a task is the tools he/she uses to complete the job. Changing the tools has a direct (but short term) impact on performance, something top performers often resent
- ▶ Projects that share the same bottom line but have different owners are **conducted in silos**. An organization is an **ecosystem**. Any dysfunction can manifest a threat to the ecosystem!
- ▶ **A broken chain!** A change will be efficiently implemented if all key stakeholders are on board. One reluctant key player and the change is at risk. Think of a healthy ecosystem.
- ▶ **Link strategy to incentives and execution!** It is all in the execution. Constant reminders with the execution team on “why we are doing what we are doing” is key to keep the team on-track.
- ▶ Define your **success metrics!** Often, teams embark on their TPx journey, and change transformation without a clear understanding of the bottom line for individuals (e.g. incentives), and the enterprise (e.g. customer satisfaction, profit, etc.)

Consequences we need to answer. The Cost of Poorly Implementing and Managing Change

Ignoring the people side of change has consequences:

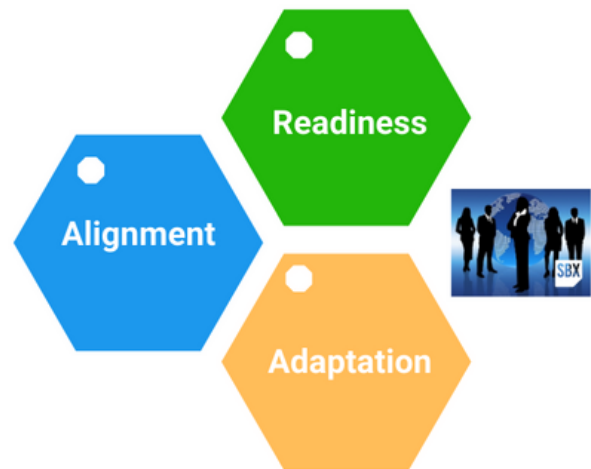
- ▶ Productivity declines on a larger scale for a longer duration than necessary; think of project delays, missed milestones, budget overruns, rework required on design, loss of work by project team...to name a few
- ▶ Key stakeholders do not show up to meetings
- ▶ Customers begin to feel the impact and see the disruption caused by change
- ▶ Managers are unwilling to devote time or resources needed to support the change; when we think of the number of times obstacles appear unexpectedly, projects fail to deliver results, put on hold or are all together abandoned, resources not made available, resistance active and passive.
- ▶ Valued employees leave the organization

When we apply continuous change and transformation effectively, we prevent and avoid cost and mitigate risks tied to how individual employees adopt and utilize a change.

ASK THE RIGHT QUESTION

The individual perspective is an understanding of how people experience change.

- ▶ Awareness of the need for change
- ▶ Desire to participate in and support the change
- ▶ Knowledge about how to change
- ▶ Ability to implement required skills and behaviors



Graph 2: People and Change

Readiness

Is your leadership and target audience ready for the upcoming change?

"Ready" encompasses the alignment of people's skills with what's coming, the availability of sufficient resources, human and financial, to conduct and sustain the change, the level of authority the sponsors and the decision makers on the project possess...to name a few.

Adaptation

Is your continuous change management strategy to support the change in place?

"Change Management" encompasses the continuous organizational effort to ensure solid return on investment following the change. Be aware of the other changes your people are going through and other initiatives in place, assess the size of the change, evaluate its impact and evaluate the organization's ability to address it efficiently, evaluate your current dysfunction in processes, systems and other areas and how/if the change will address it...to name a few.

Alignment

Is the organizational structure aligned with the needs of the future?

"Aligned" encompasses the synergy between the various players impacted by the change, be it Sales, Finance, Marketing, Operations...The projects that share the same bottom line, that have different owners but are working in silos, link execution to strategy and inform the team on "why we are doing what we are doing", identify the waste in time, money and resources...to name a few.



POI recommends that CPG Manufacturers and solutions providers create a change readiness and impact assessment of change required across functions to develop adoption plans.

Michael Kantor, CEO and Founder, Promotion Optimization Institute

NOW WHAT

The following proven approach helps your organization manage the change successfully and minimize the impact of the disruption.

In order to anchor the organization in the agitated elements of the arising transformation, the leaders of the change require a solid compass that is adaptable to their organization and its unique processes and culture. It provides a basis for discussion that will allow the team to execute a change management strategy that fits and respects the identity of the organization.

“*The value of experience is not in seeing much, but in seeing wisely.*”
William Osler

The framework covers equally a wide range of organizational shifts and change of culture.

- ▶ Increase employees' understanding and buy-in of the main changes in place through a solid adoption strategy and its related plans such as the deployment plan, the training plan, the organizational diagnosis plan, the communication plan and other related plans
- ▶ Identification of the success metrics at the beginning of the mandate to help the team keep an eye on the bottom line, as it increasingly becomes difficult to stay focused on the strategy while execution and its challenges are taking place
- ▶ Improved communication and visibility among the various initiatives that are taking place at the client's organization that overlap and sometimes share resources and urgency with the initiative
- ▶ The people going through the change process wish to receive the information on the change and the impact of it on their daily tasks.

“*The single biggest problem in communication is the illusion that it has taken place.*”
George Bernard Shaw

ADOPTION STRATEGY – APPROACH ON 7 AXES



Approach by
SBX TECHNOLOGIES

Graph 3: Transformation Management Framework

The value of a framework is its ability to encompass hard skills as well as soft skills, simultaneously execute process reviews and organizational impacts.

SO WHAT

If the change is the price, what is the value?

Effectively managing the transformation enables an optimized utilization of your Trade Promotion Management system which in return translates into early wins and a higher return on investments for the various levels of the organization.

Success transformation management leads to gains and wins with CG TPM.

Anchor it in your organization will lead to wins at various levels

- ▶ When the system takes care of the logistics, **people's time is freed up to** focus on increasing revenue
- ▶ When the data effectively translates the state of the market, the **cost is reduced** with **more efficient** promotion planning and trade spending

- ▶ An improved **customer relationship** and collaboration among business partners with your account managers focused on business challenges rather than data entry increases market share opportunities, brand awareness and brand loyalty
- ▶ When technology is properly integrated within your business with the help of a solid transformation strategy, your selling expenses to sales ratio improves, the accuracy of forecasting is enhanced and campaign/event cost to revenue ratio tells a better story

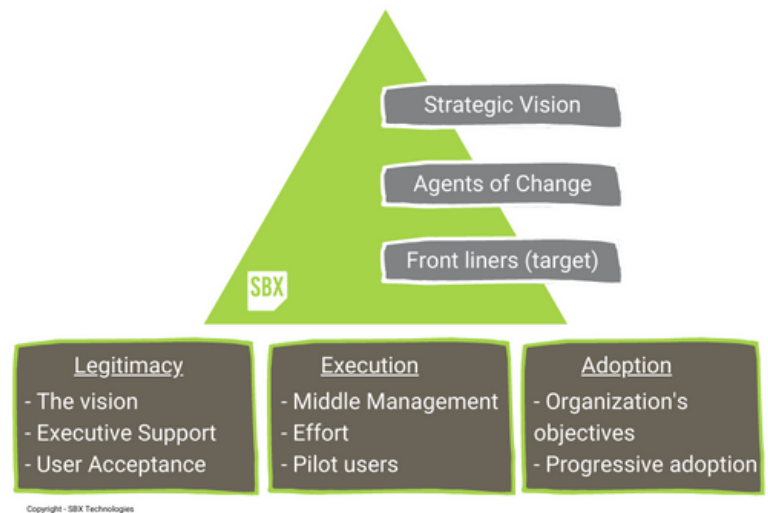


Graph 4: CG TPM Wins

CASE STUDY

SBX successfully created and managed the continuous transformation strategy on a sales processes automation solution for a leading organization. The continuous transformation strategy touched all levels of the management hierarchy from executives all the way to end users and covered a deployment of a solution to more than **1200 users**.

The Pilot project alone increased productivity of the team translated into **10%** efficiency and increase in revenue over the evaluation period.



Graph 5: Cases study approach

The work was done with the main stakeholders of the project, with each their own expectation of the change, their objectives, their resources and their expected outcome.

The transformation management strategy made sure that the various stakeholders' outcomes are aligned and point to a common bottom line - **And that's the legitimacy of the change along with its vision and strategic positioning within the organization.**

The project's timeline was spread over a 3-year period of time and engaged many resources across the organization. The **execution part of the plan** was an ongoing effort throughout the project and encompassed process engineering and process reviews across multiple business lines, the cross-functional intervention, comprehensive communication plans, detailed and exhaustive deployment and training plans as well as putting in place a Knowledge Center. The knowledge center design was to ensure proper support and continuous improvement on the project once in production and part of the ecosystem of the organization.

The approach was also measured and controlled by key performance indicators to ensure adoption and utilization of the new system met the organizational strategic objectives. The strategy also included the findings and the recommendations for future phases.



CONCLUSION AND NEXT STEPS

Despite gaps exposed by changing consumer habits, omnichannel retail, and a global pandemic, industry leaders have difficulty translating research and strategy into practice. Oftentimes the result is underuse, misuse, and overuse of integrated technology solutions, and concerns related to data and advanced analytics. TPx initiatives are demonstrating positive results, and organizations are achieving sustainable change in better planning and executing trade promotions. 2020 has made it clear to industry leaders that the post pandemic, new reality requires systemic change for profitable growth.

Included in your next steps:

- ▶ Have a visibly supportive executive level sponsor
- ▶ Establish a cross-functional steering committee
- ▶ Take a before/during/after change vision and approach
- ▶ Utilize super-users (workshops, UAT, socialization; training)
- ▶ Consistently communicate & socialize all aspects of the change
- ▶ Align incentives to motivate change
- ▶ Invest in ongoing training



The combination of both knowledge of CPG solutions and continuous transformation management makes SBX a great fit for clients who are looking for a Trade Promotion solution along with a high return on investment in terms of organizational impact, agility, easy-to-use and to-adopt technologies.

Jeanine Hage, CEO, SBX Solutions



ABOUT SBX Solutions

SBX Solutions is a **world-class launch partner of Salesforce Customer 360 for Consumer Goods industry.**

With its head office in Montreal, Canada, SBX Solutions provides a team of highly competent industry specialists with over 25 years of experience implementing CG solutions for some of the biggest players across the United States, Canada, Europe and Asia.

SBX understands and addresses the issues and the impact of a new technology may have on the organization with a solid change management and continuous transformation practice required to make room for a new technological tool within an organization.

To learn more about how SBX Solutions can help your business, contact our team in our various locations in Canada, United States and Europe.