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SUCCESS OF A CHANGE MANAGEMENT PROJECT IN A MULTINATIONAL CASE COMPANY

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This thesis was implemented as an assignment received from a case company operating globally in marine and power generation industry. The purpose of the thesis was to study the change management project implementation in the case company's service organization's spare part supply function. Two functions in the customer serving end of this function were combined to cover globally all tasks and issues related to the supply of the spare parts. The thesis studied how the appointed project team implemented the change management project and what were the case company’s internal employees and management reactions towards the implementation.

The theoretical framework describes the program established in the case company and introduces the two main concepts concerning change management projects. There concepts are Anneli Valpola's five critical factors in change management and Donald Kirkpatrik's model to evaluate learning. In addition to these also other change management models were introduced and also the change experience was studied.

The research is a case study that combined both qualitative and quantitative methods, as the two project managers were interviewed about the implementation, and three surveys to evaluate the implementation were presented to all stakeholders. The interviews with the project managers were conducted in April 2016. The first two rounds of the surveys were held by the case company during 2015, but the last round was held in April 2016. Both, the interviews and the surveys were analyzed based on theory-based content analysis.

Based on the research results the project teams followed well the case company's project management model which had similar factors as the most common change management models. The stakeholder experience showed general satisfaction towards the implementation with minor resistance. Generally could be concluded the change project was successful, but the results not yet exactly what was expected.

Recommendations for future similar projects were derived based on the analysis. These were suggestions to involve the end customers more, base the project manager in the same location as the team, map the recruitment process per country well in advance, a global training plan and a one year follow up plan for the new setups to anchor the change into the culture better.

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Tämä opinnäytetyö toteutettiin toimeksiantona kansainväliseltä yrityksyltä, joka toimii meriteollisuuden ja voimalaitostuotannon saralla. Opinnäytetyön tarkoituksena oli tutkis muutosprojektin muutosjohtamisen toteuttamista. Yrityksen huolto-liiketoiminta koki globaaleja muutoksia varaosatoimituksista vastaavassa funktiossa, jossa kaksi toimintoa yhdistettiin tekemään asiakaspalvelusta nopeampaa ja tehokkaampaa. Opinnäytetyössä tutkittiin myös miten eri sidosryhmät, joihin muutos vaikutti, kokivat projektitiimin muutosprojektin toteuttamisen.

Teoreettinen viitekehys kuvaa projektin alku- ja loppupään sekä kaksi keskeistä konseptia muutosprojekteja koskien. Nämä konseptit ovat Anneli Valpolan esittämät viisi kriittistä tekijää muutosprojekteissa sekä Donald Kirkpatrickin 4-tasoinen oppimista mittaava malli. Näiden lisäksi myös muita yleisiä muutosjohtamisen malleja käytiin läpi sekä syvennyttiin muutoskokemukseen.

Tutkimus toteutettiin tapaustutkimuksena, joka hyödynsi molempia, laadullista ja määrällistä tutkimusmetodia. Laadullinen osuus toteutettiin projektijohtajien haastatteluiden kautta, määrällinen osuus kyselytutkimuksina sidosryhmille. Haastattelut totetutettiin huhtikuussa 2016. Kyselyitä tehtiin yhteensä kolme per lokaatio, joista kaksi ensimmäistä yritys toteutti vuoden 2015 aikana, ja viimeinen tehtiin huhtikuussa 2016. Molemmat analysoitiin teoriaohjaavan sisältöanalyysin kautta.

Tutkimustulosten pohjalta voidaan sanoa yrityksen projektitiimin seuranneen hyvin yrityksen projektimallia, joka sisälsi samanlaisia kohtia kuin yleisimmät muutosjohtamisen mallitkin. Sidosryhmien kokemukset kyselyiden perusteella olivat yleisesti positiivisia, ja he olivat tyytyväisiä projektin toteuttamiseen, muutosvastarintaakin koettiin vain minimaalisesti. Yleisesti ottaen projektin sanottiin menneen hyvin, mutta tulokset eivät vielä vastanneet täysin odotuksia.

Tutkimuksen perusteella tehtiin myös kehitysehdotuksia tulevia, samankaltaisia projekteja varten. Nämä sisälsivät muun muassa loppuasiakkaien mukaan ottamisen projektiin, projektinjohtajien sijoittamisen samaan lokaatioon mutosryhmän kanssa, palkkausprosessien tarkastamisen etukäteen, globaalin koulutussuunnitelman, ja vuoden mittaisen suunnitteluvaiheen toteutuksen jälkeen muutoksen ankkuroimiseksi työkulttuuriin.

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1 INTRODUCTION

1.1 Background of the study

This thesis introduces a study completed in the topic of change management. Thesis was be implemented under the degree program of International business and marketing logistics. The thesis topic is related to change management, and the incentive to conduct this study came from a multinational case company in marine and power generation industry, when a part of their service function was going through major global changes.

The writer has been working for the case company for two years now in total as a part of the service organization. She was responsible of the supply of the spares for the end customer.

1.2 Case company

The case company is a multinational operator in marine and power generation industry, as mentioned. It is originally a Finnish family enterprise but has grown over the decades to be one of the leaders in its field of industry.

The case company's service organization was going through major global changes by combining two functions in the customer serving end of the supply chain. The service organization concentrates on providing maintenance and spare parts for the customers having the case company's engines in their installations, e.g. marine vessels and power plants.

1.2.1 Parts E2E program

The project is referred to as Parts E2E in this thesis. The meaning behind the name is bringing the service close to customer and make the supply chain more visible for all its functions, end-to-end. Parts-prefix refers to the spare part business in the service organization.

Previously the service organization has had two main functions at the end part where customer is being served: first was the contact to the customer, which was local and assigned to the customer's operation area or service unit, and the second was a global function taking care of the supply of the goods from the warehouse to the customer. In between these functions there are constant hand-overs which were slowing down the response time to the end customers. The Parts E2E program's aim was to combine these two functions and make the customer service faster and more efficient.

The traditional, or old setup worked so that the customer operator at sea or in a power plant noticed they needed spares for their engine, e.g. simple products like o-rings and screws. The customer checked their spare part book, found the correct spare parts by the spare part number and contacts their local Network Company (NC) in the service unit, e.g. in Singapore. In the network company the NC coordinators received the request from the customer, created an order in the SAP system based on the request and sent the order to the Global Logistics Services (GLS) taking care of the global functions. The GLS coordinators picked up the order in SAP and processed it. They checked if the parts are in stock, do they need some special attention, were the address details correct and so on. When everything was clear, the GLS coordinator released the order for delivery to the customer and informed the NC coordinator about this.

In the E2E center, or the new service setup the work of the NC and GLS coordinators was combined so that there is no longer hand-over between different coordinators anymore. One E2E center coordinator is responsible for the order throughout the supply chain, working under the GLS function. They are the contact points of both internal and external functions, e.g. the end customer, purchasing, invoicing and the warehouse.

The project was implemented phase by phase in four different service areas, North Europe, South Europe & Africa, Middle East & Asia, and USA. A pilot project had already been conducted in South America region and North/Central Europe about two years ago. The purpose was to start the change in the service organization as only a part of each service location, so that the whole location and customer contacts will not change at once. This thesis focuses on Middle East & Asia, and USA location.

1.2.2 Project organization

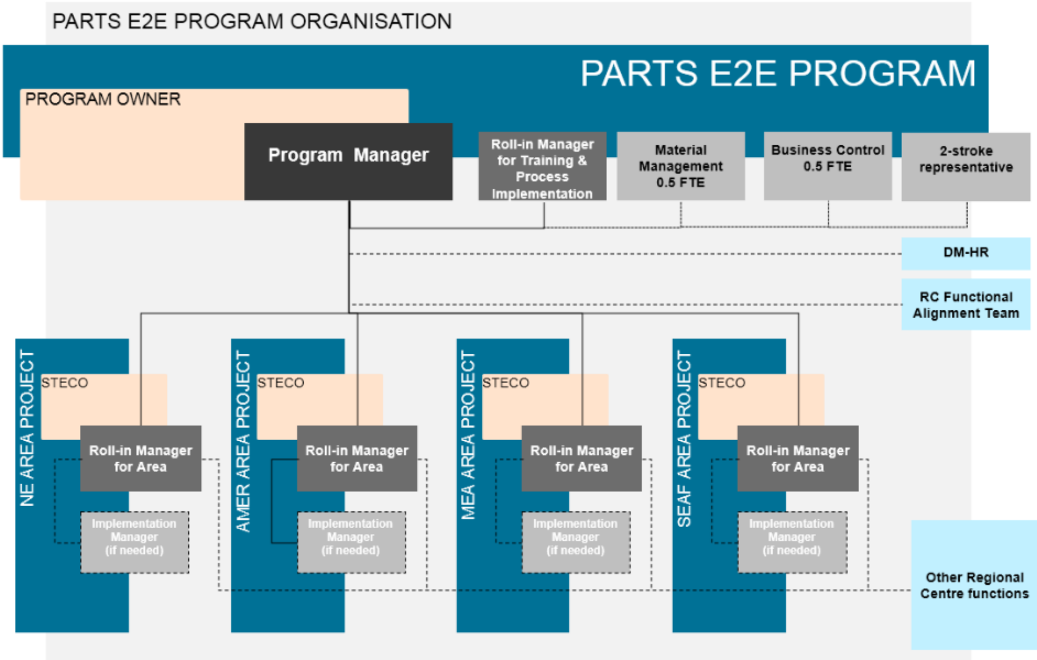


Figure 1. Case company's project organization for Parts E2E Program. (Courtesy of the case company, 2015)

Figure 1 above describes the project organization for Parts E2E in the case company. The organization has the same structure for each location. The roll-in manager in each area project are the project managers referred to in this thesis. Other positions mentioned in this figure cover functions working globally across the individual area projects. The Steering Committee (SteCo) was the decision making function which made the final decisions to what direction the change management project was going. To them the Roll-in managers made suggestions and advises how to proceed.

2 PURPOSE OF THE STUDY AND RESEARCH QUESTIONS

2.1 Purpose

The purpose of this thesis is to evaluate on the basis of change management theory a practical approach to the change management projects taken by the case company, and to deduct recommendations on how the case company’s approach to change management projects can be further refined for later change implementation purposes.

To achieve this purpose, the thesis is analyzing the different practical steps of a change management project lead by the case company’s project department, and it also evaluates the impact of these steps on the perceptions of internal stakeholders by conducting a series of stakeholder surveys before, during, and after the project implementation.

The findings of the analysis of the change management approach taken by the case company and its impact on the stakeholders were mirrored to theory-based success criteria, in order to evaluate how successfully the project has been implemented and how the case company’s approach to change management projects can be further improved.

The stakeholders in the thesis include all internal employees involved in the change, i.e. the management of the new organization, the managers and the employees. The most important are the two stakeholder groups to be united. These two groups were working as each other’s' contact persons, and they are the NC parts coordinators and the GLS parts coordinators. The NC parts coordinators were the customer contact assisting the customers locally to get what they need, and the GLS parts coordinators were the NC parts coordinators' contacts arranging the physical deliveries from the central distribution center to the customer. Now the aim was to have only GLS Coordinators handling the complete chain from customer request to delivery, by having access to all local and global functions. The new group is called E2E Parts Coordinators. Figure 2 below describes the setup before the change. The red box in the figure shows the functions that were combined.

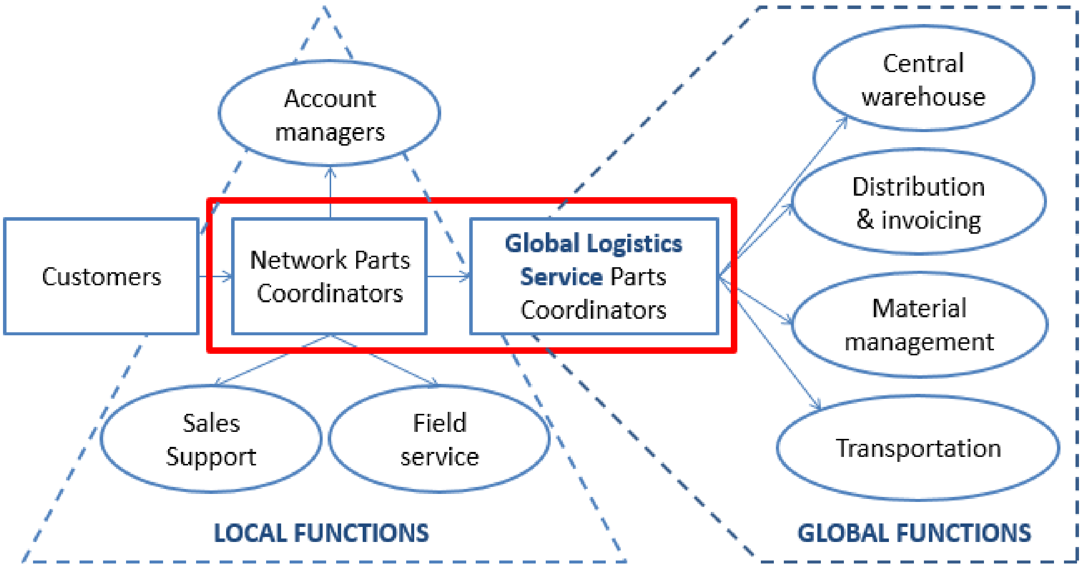


Figure 2. The traditional service setup in the case company.

2.2 Research questions

Main research questions:

- ❖ How can the success of the change management project implementation be measured?
  - ❖ How organizational changes are conducted in big global organizations?
  - ❖ What are the indicators for successful change management projects?
- ❖ How well did the case company's project team implement the change management project?
  - ❖ What were the success points in implementation?
- ❖ How did the internal stakeholders perceive the project team's implementation of the change project?
  - ❖ What can be learned for future similar projects?

These three main research questions determine the structure of the thesis. They all support the main objective, to study the implementation of a change management project and give the case company's project team feedback and ideas for future similar projects. The research questions are simple and easy to understand, but these also keep the subject in certain boundaries.

2.3 Conceptual framework

The conceptual framework describes the contents of the thesis. It introduces the Parts E2E Program in the case company, what is its goal, to combine two functions and result into cost-efficient, improved customer service. Figure 3 below shows the framework.

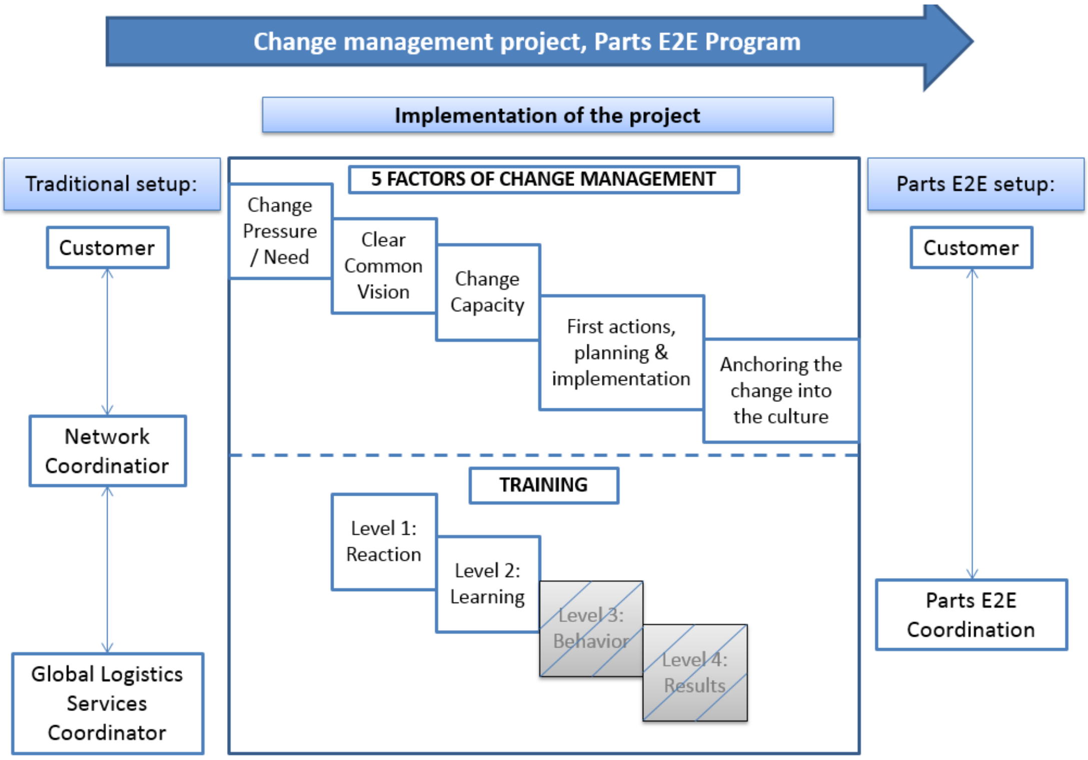


Figure 3. Conceptual framework. (Modified from Valpola 2004, 29 "Five success criteria in change" & The Kirkpatrick model, Concept to competence 2015)

2.4 Boundaries and limitations

The case company's project includes four different areas, but this thesis concentrated only on two areas which are MEA (Middle-East and Asia) and AMER (USA). This is because the implementation of the change starts at different time in the different locations, and in MEA and AMER the implementation has already started. This was to keep the thesis in a proper time frame also.

This thesis measured only the success and implementation of the change management project in the case company, it will not include study of how the change effects on the company's operations, or were the goals set by the case company for the change achieved. Also the effects to the employees and key stakeholders are measured, as their reactions to this change management project in the end determined the success of the project.

External customer stakeholder surveys were conducted by the case company on a quarterly basis. These changes to external stakeholders will not show intermediate effect and are observed over a longer period of time, and thus were left out of the scope of this thesis.

The study does not include analysis of productivity of the case company, how does the change effect on the business, as it would require longer period of time to investigate and follow.

The case company wishes to stay anonymous.

3 CHANGE AND CHANGE MANAGEMENT

3.1 Change

"Only thing that prevails, is change." According to Erämetsä (2003, 9) this is the mantra of our time. Nowadays people and companies need to constantly develop themselves and their operations. This means changes need to be made in order to survive in today's business climate, and the reaction towards the trends and developments needs to be quick, or one can be left out from the development of the industry. Change however does not happen overnight and thus patience and consistency is crucial for implementing a successful change. (Edmonds 2011, 349)

Kotter states in his book *Our Iceberg Is Melting* (2014, 15), that a change is a challenge, and the need for it is often missed from both the people and organizations. If the need is not recognized, or the urgency for it created, the change often also fails and the result is not permanent. Valpola (27, 2004) then writes change can be also seen as an opportunity but also as a threat, which makes it always a two-sided problem. It causes both positive and negative feelings and attitudes, which need to be faced and overcome. This sums up to that the people need to be lead better so the companies can more efficiently utilize the opportunity. (Salminen 2006, 145)

Changes in general can be big or small, and hence all are faced in a different way. Organizational changes can be also seen in a different ways within the organization, depending from whose perspective those are studied. (Juuti & Virtanen 2009, 7) In this study the change implementation is observed by the perspective of the stakeholders, i.e. the employees involved in the process, but by also the planning and execution by the project team.

A change can also surprise the organization, the results may not be what were expected and the affects can be very widely spread. A change can be restricted to occur only in a certain department of the organization but is does not mean it would not affect the whole organization. This is called a systematic change, where everything affects everything, due to what it is very hard to say in the beginning what will become out of the change. This kind of change is not possible to be lead only through the initial change objectives in order to gain only the change benefits. (Aro 2002, 32-33)

3.2 Change management

Salminen (2006, 153-154) describes change management as a communication process. The only way to make a change happen is to effect on the organization's stakeholders' thinking, and this Salminen calls communication. A successful change can be implemented if the change leader understands the mind-set of people in a change situation, process described in below figure 4. Basically a change has two sides to it, internal and external. An external change is usually a given fact, e.g. a customer's globalization, and an internal change is a choice one makes as a reaction to the external change. The external changes are more concrete and rational, and can be determined in time. The internal changes are in people's own control and more like transformations, emotional, rather slow and more difficult to determine in time. Both are needed to support each other and make the change successful. (Salminen 2006, 143-144; Aro 2002, 29-30)

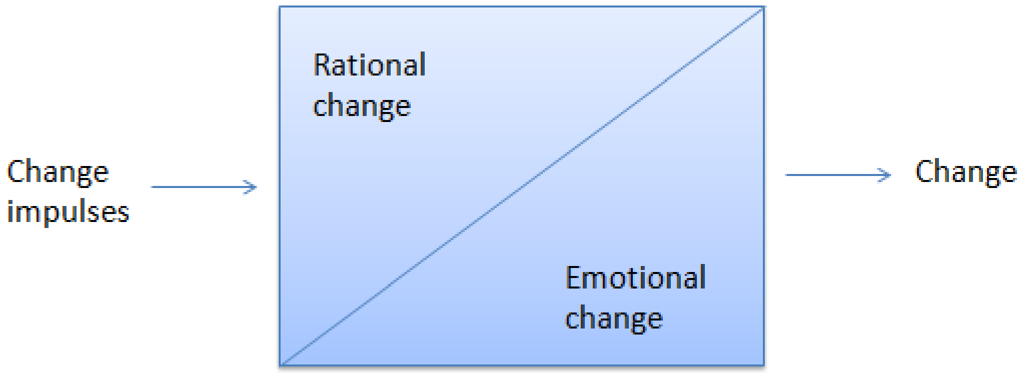


Figure 4. Change of thinking and emotions. (Salminen 2006, 154)

Management is described as a set of processes keeping the change process running smoothly, e.g. managing the operations of different functions and systems in the organization. Management is seen to include planning, budgeting, organizing, staffing, controlling and problem solving. Leadership, i.e. leading of the people, is described as a set of processes that itself creates the organizations or adapts the organizations to changing circumstances. This determines the direction of the future, helps the people, the stakeholders, to see the common vision, and motivates and inspires them to take action to achieve the vision. (Kotter 2012, 28-29) On the other had it also is somewhat artificial to divide change management between 'management' and 'leadership', as the manager's most crucial skill is to make the people find the best way to implement and anchor the change. (Erämetsä 2003, 152-153)

The success of a change depends on how clearly and realistically the management can see the potential of the current situation and how the current strengths can be utilized. No change is non-surprising and everything cannot be planned in advance, and this requires the management, or the executors a lot of bravery and patience to take everything that comes as an opportunity to develop. The most important for the change process itself is to clearly define the wanted change, only this way the present can be modified to the wanted. (Valpola 2004, 15; 27)

Four important tools for a change management project team to lead the people are support, rewarding, cooperation and looking towards the future. Each person experiences the change differently and the management should remember to offer the support always when needed, often open discussion is seen as the most beneficial channel for support. Rewarding is important, and often the stakeholders are satisfied with small things, e.g. knowing their position is secured. Also receiving clear and open feedback on performance is important. Financial rewarding can also encourage but it is not seen having long-term effects. Cooperation in a change represents the management taking part to the stakeholders' change process. This means listening the problems, ideas and issues the stakeholders may have during the process. Also occupational health services and human resources may support the management with this. Looking forward into the future is important as sometimes the everyday working life can be exhausting. (Ponteva 2010, 68-79)

Developing and supporting the learning culture in the organization is important when implementing a change, as it is desirable to achieve permanent changes in the behavior, not only in theory. To get this kind of behavioral changes as a result from a change, depends on the atmosphere and the culture of the organization. In an ideal organization each person knows what they are responsible of, the community at work supports each other, the rewarding systems work well, the community encourages and gives opportunities to occupational growth and innovation, and the personnel has a common vision about learning being everyday life in the organization. This will strengthen the inner motivation of the employees and increases also the occupational knowledge and professionalism. (Ruohotie, Honka 1999, 128-131)

By creating this kind of supportive and encouraging organizational culture in a change situation, it creates a sense of security and trust in the change. Ruohotie & Honka describe this as the development of a learning culture, but it can be easily applied to change situations also. The main points of it are described in the figure 5 below.

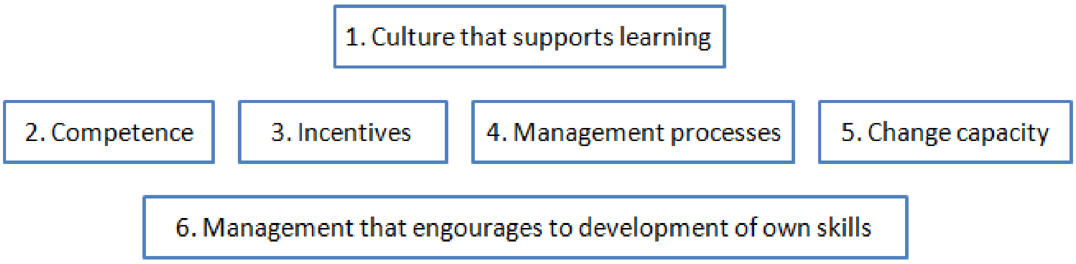


Figure 5. Actions needed to advance the Learning Culture. (Modified from Ruohotie, Honka 1999, 132)

All of the above are introducing three vital aspects in change management. These are communication, collaboration and contract. Communication is important throughout the change process, especially in the beginning when people need support and sense of security the most. Collaboration comes together with communication, in the sense that it is important for the employees to be able to affect the change and take part in it. Contracting means there will be established a psychological contract between the employee and the organization, which in most cases is non-verbal. It includes the employee's expectations for the organization, and vice versa. This psychological contract is crucial in the terms of the employees' commitment to the change. (Aro 2002, 66)

The commitment to the change and new work can be seen as 3-dimensional; affective, continuity based, and normative commitment. These cover the emotional attachment and identifying with the company, the negative feelings and the moral obligations the employee might feel during the change. The commitment can suffer a crisis when the contract between the organization and the employee fails to meet each other's expectations. It is important to understand this is impossible to avoid especially in big organizational changes, but it is important to make sure this kind of contract-less state is left short. A smart management needs to be active and face the employees individually and negotiate in order to keep the psychological contracts valid. (Aro 2002, 66-68)

3.2.1 Project management

The change process in the case company is implemented based on a project organization. This is a good solution when the change affects more than a hundred people. A project organization is an efficient solution helping to understand the change itself. The project organization of the case company is described in chapter 1.3.2. To support the project organization it is important to have clearly appointed people for different tasks, e.g. steering company, project team and separate sub-group teams. These different teams should have common meetings during the change process where they map the progress and steps to be taken. (Valpola 2004, 68-70).

A project is generally described as a temporary set of actions taken to create a unique product, service or result, to accomplish a predetermined goal. What makes it temporary, is that a project has clear start and end point in time, and hence also defined scope and resources. A project team is a set of people who normally do not work together, sometimes even people from different organizations. (Website of Project Management institute 2015)

Project management is described as "an application of knowledge, skills, tools and techniques to project activities to meet the project requirements". Project management has different processes that can be divided into five groups: initiating, planning, executing, monitoring & controlling, and closing. (Website of Project Management institute 2015)

In a project organization it is somewhat more difficult to lead the change due to the lack of direct need for personnel management, which in general is the responsibility of the line managers. Being the manager of a project group can be challenging as they may need to manage between different groups and the group members can be under several different line managers. Hence the project manager should firstly have full support from their own manager, meaning both schedule-wise and resource-wise. Also support from the higher management is important. (Arikoski, Sallinen 2008, 88)

The project management team is responsible of the project to achieve the set targets. The role of the project manager however cannot be limited to planning and execution. They should be involved before the planning starts, in the target setting phase. To be able to act up to their role, the project manager's responsibilities should be clearly determined in the planning phase, so that the line managers understand the project manager's duties and authorities. The project manager is responsible for many tasks from execution to informing and training. The trust between the project manager and stakeholders is crucial, and it is created with knowledge. When the project manager is seen to be on top of the tasks and issues, having a clear vision, the stakeholders are more willing to follow the leader towards the change. (Lanning et al. 1999, 67-72)

3.3 Successful change management

Many authors have created different kind of models for the steps or stages of change, which means there is no one and only model which an organization should utilize. However each of these approaches include similar factors. The most important are the decision that a change is needed, sharing the common vision, empowering and enhancing the change culture and finally committing to the change and anchoring the new way of working to the culture. These all can be put more simply into preparing, planning, execution and stabilization, which are the basic phases of all change projects.

The conceptual framework is partially based on Anneli Valpola's model of five critical factors determining the change process (figure 6). Valpola uses Maurice Sais' (1991) as an example for the framework. It includes five separate factors that effect on the success of a change process. These factors are 'Change pressure / need', 'Clear common vision', 'Change capacity', 'Planning and implementation / First actions', and 'Anchoring the changes into the organization's business culture'. Similar framework can be also found from Auvinen (2004) and de Woot (1996), which includes the same factors excluding the last one, 'anchoring the changes into the business culture'.

These five factors can be used as a tool when planning a change. The first factors are very important in regards of communication, as these indicate that a change process has been started. If one of the factors is missing, it will cause different reactions in the stakeholders or employees that will not support the success of the change. However the most important factor according to Valpola is accepting the change pressure, or need. When this is realized and common vision accepted, the stakeholders usually accept the whole change process easier. (Valpola 2004, 30-34)

Table 1. Five critical factors determine the success of a change, modified version. (Valpola 2004, 29)

Change Pressure / Need	Clear Common Vision	Change Capacity	First actions, Planning and Implementation	Anchoring the change into the culture	Successful Change
	Clear Common Vision	Change Capacity	First actions, Planning and Implementation	Anchoring the change into the culture	Meaningless / unnecessary change, Last in the list
Change Pressure / Need		Change Capacity	First actions, Planning and Implementation	Anchoring the change into the culture	Aimless / scattered attempt, Fades away
Change Pressure / Need	Clear Common Vision		First actions, Planning and Implementation	Anchoring the change into the culture	Anxiety, Frustration
Change Pressure / Need	Clear Common Vision	Change Capacity		Anchoring the change into the culture	Random attempts, Wrong starts
Change Pressure / Need	Clear Common Vision	Change Capacity	First actions, Planning and Implementation		Deep disappointment and cynicism

Change pressure means accepting the need for a change. This tells why the change is needed, how it effects on the business and what is wanted to be achieved with it. Clear common vision is needed so the wanted changes will happen as planned and with desired outcomes. It also gives the indicators of progress and motivation for all to work towards the common goal. The vision needs to be clear in order to be easy to repeat and understand throughout the organization. Change capacity is needed to make the change happen. The capacity, or strength depends on the nature of the organization, some need more support than others. Trusting oneself to be able to go through the change is crucial, no matter if the change is the first to come or the organization has gone through many already. Change capacity means to understand the organization's own abilities and capabilities to carry out the change, where support might be needed and how to deal with different attitudes towards it. (Valpola 2044, 30-32)

The first actions make the first conveyed messages of the change concrete. These actions can be e.g. naming the board of change (steering committee), regular communication of the change, weekly status update meetings, painting the office space, communicating of other locations' successful changes. Usually people think there is no use of telling of all of this kind of things publicly, as they are small things or concerns only certain people in the organization, but they are the indicators that the change is really happening. They also support the change capacity by letting people know that the process has not stopped and is ongoing. The start is usually measured to be few weeks or months, depending of the size of the organization. (Valpola 2004, 32-33)

Anchoring the change into the culture is a long process, it can take months, even years if the change is big. During this time people should leave the past behind and embrace the new situation, not think where everyone used to work, what is their background. The new organization needs usually to live through a 'one year planning phase'. Within this time the new organization can get to know itself better, gain common experiences and learn how to make difference, how to achieve the wanted results. (Valpola 2004, 33-35)

Valpola (2004, 56-60) stresses the importance of following and trusting the process. The management should be present at their organization, easily accessible for the employees, distributing the tasks evenly and sensibly, and also they should remember there are always risks.

In 1996 John Kotter has established his widely known eight step model of how organization can fail in change in his book *Leading Change*. These eight steps can be reversed to eight steps to successful change. As Kotter describes, there are always conflicting needs in organizations e.g. to downsize the costs and to increase the productivity at the same time. This creates a problem for the organizations to find the perfect balance in between, and in most cases also the negative side of change becomes visible also. To overcome the challenges, the management should follow the eight steps. If these steps are not followed, the most common consequences are that the new strategies are not implemented well, the common goal is not reached and the project fails. Kotter's eight steps shown in the figure 6 below. (Kotter 2012, 3-5; 17)

Figure 6. Kotter's 8 steps to successful change. (Modified from Kotter 2012, 23)

With these steps it is easy to plan the execution and future of the change. The first four steps are helping to defrost the status quo, it takes effort to establish the change process. Steps from five to seven cover introducing new practices, and the last step is putting the change to practice and establish it in the business culture. It is vital to realize the importance of each step and their purpose for the change process. If even one step is neglected, the outcome will not be successful. (Kotter 2012, 23-24)

Kotter introduces an example in his book *Leading change* (2012, 23-25) in which the executive jumps straight into step five which leads to change resistance. This is common in many change projects that the big picture is not considered. By skipping the first four steps, solid enough base for the change is not created, and the change will not be anchored and hence, the work has been in vain.

John Edmonds states similar steps as Kotter to achieve successful change in his article *Managing successful change*, 2011. He also mentions the importance of people involved in the change. The people are the key stakeholders, who are divided into those who can manage and those who can lead. The managers are described as people who will focus on systems and structure of the change, and the leaders are people who innovate, develop and challenge the common vision. These people should be chosen based on their ability to influence, not by their rank in the organization. This is because it is seen that if change is driven by the top managers of the organization, only a change of little significance can occur through this, as there maybe lack of real commitment and real efforts to implement the change. Figure 7 indicates the strengths of this common leadership of manager and leaders in change management situation. (Edmonds 2011, 349-351)

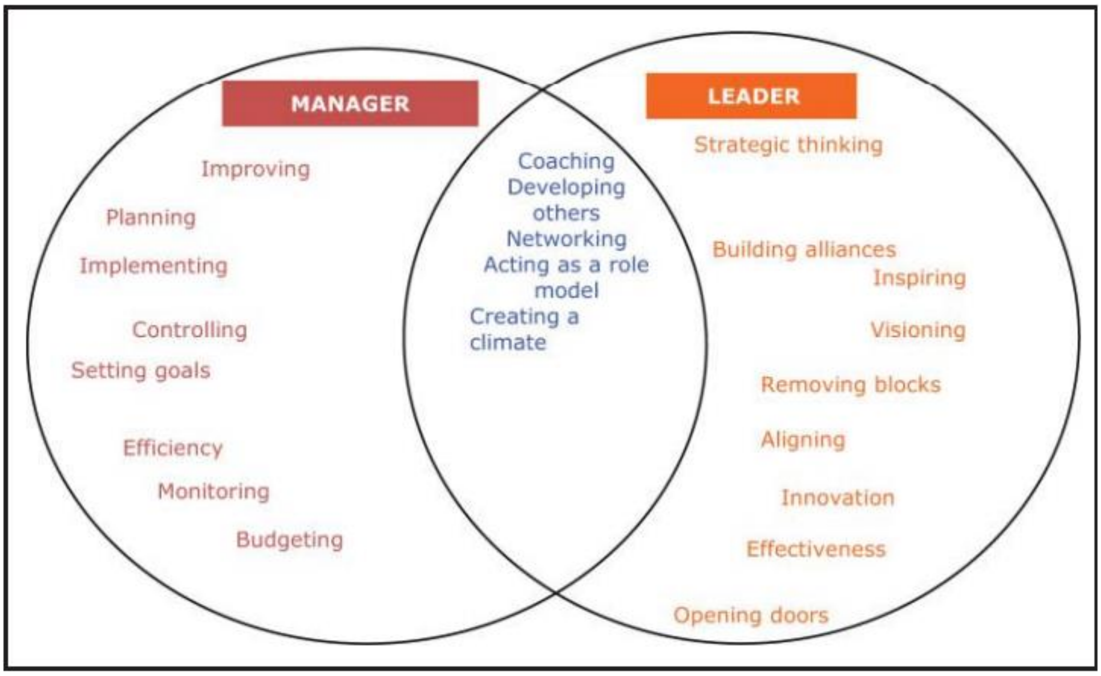


Figure 7. Responsibilities of managers and leaders in change management. (Edmonds 2011, 351)

Donald Kirkpatrick has established a 4-level evaluation framework to evaluate learning in organizations. It is a tool for organizations delivering training for their teams, with which the organizations can measure the training's effectiveness. The model will help to objectively analyze the effectiveness and impact of the training, so that organizations can learn from it and improve their practices in the future. (Mind tools 2015) This is also included in the conceptual framework, as the training of the coordinators was the implementation part in the project.

The model (see figure 8) shows the four levels of training which are reaction, learning, behavior and results. The first level measures the reaction to the training and engagement to it. The second level is learning and it measures what the trainees have learned. Mainly the third level looks into how the trainees apply the information gained from the trainings, if they change their behavior. The fourth and last level analyzes the final results of the training. (Mind tools 2015)

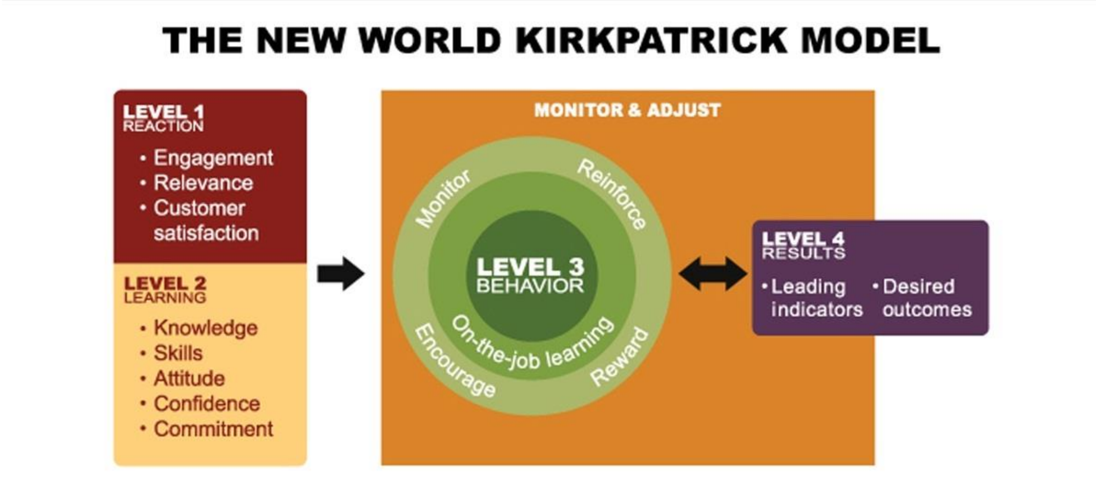


Figure 8. The Kirkpatrick model. (Concept to competence 2015)

To open the model a bit more, with the first level can measure how satisfied the learners are with the training given and the second one measures what have been learned. These two levels can be called theory phases, where the new is being taught and motivation planted. The other two levels 3 and 4 measure how the learners apply the taught in practice and what are the results, are the goals met. (Mind Tools 2015)

3.3.1 Successful leadership

Asta Rossi introduces the concept of culture strategy in her book *Kulttuuristrategia* (2012). She has studied the best employers in Finland ranked by the Great Place to Work Inc., and their way to lead. She convinces that the organizational culture is the best strategy companies can have to lead and succeed, and this is called the culture strategy. The best employers lead through organizational culture, build connections and strengthen the relations, acknowledge their strengths and are aware of the opportunities the organizational culture offers. (Rossi 2012, 14; 29-37

Rossi separates two cultures that can be seen on today's business environment: trade culture and giftwork culture. Example of the trade culture is a scene from a Finnish telecommunications company's customer service. A company ordered internet connection from the telecommunication company, and it was supposed to be simple "just plug the cable in". The company in the need of the internet connection did not have the internet connection working, called the service provider who then opened a "ticket", which could take weeks to be solved. In the end the telecommunications company informed the customer has ordered the connection wrong, they needed new IP-address instead. This all resulted to bad customer service experience and monetary compensation. In giftwork culture the customer expectations are exceeded and the customers are treated as individuals. This results to positive service experience and good feeling of the interaction, and of course to satisfied customer. Below figure 9 simplifies the differences between the two cultures. Giftwork culture happens when people invest more time, energy, attention and care for the other people, whether it is the customer or the employees. (Rossi 2012, 38-41)

Trade culture

- Minimizing
- Ordinary
- Impersonal
- Random

Giftwork culture

- Generous
- Unique
- Personal
- Holistic

Figure 9. Trade culture vs. Giftwork culture (Rossi 2012, 40)

Rossi also introduces nine focus areas of culture leadership, where also the giftwork culture can be build. These nine focus areas are choosing, inspiring, communicating, listening, thanking, developing, caring, celebrating and sharing. These have been determined through looking into the leadership procedures of the globally best employers. All these focus areas are themes of leadership and known in every organization. It depends on how the organization invests in these, what type of organizational culture they will have. (Rossi 2012, 42-43)

Table 2. The nine focus areas in culture leadership. (Rossi 2012)

Focus area	Company	Giftwork culture
Choosing	IKEA (furnitures)	Looks for people who share the same values and also want to grow and improve themselves with the organization.
Inspiring	Bonnier Publications (magazines)	Helps personnel to understand the value of their work in the company's mission and success. Encourage people to strengthen the organizations's culture and values.
Communicating	Futurice (IT services)	Holistic and constant distribution of info, so employees see how the can effect on the company's success. Open communication from management.
Listening	Pipelife (piping)	Mgmt is accesible in order to encourage personnel to ask, express concerns, and give feedback. Encouraging the creativity, include in development.
Thanking	Novia (telemarketing)	Culture of aknowledgement through rewarding for good work regularly. If no one cares what the employee does, why should he care himself?
Developing	Reaktor (IT services)	Continuous learning culture, where personnel can develop their abilities and interests. Offer the personnel channels to improve as an employee and as a person.
Caring	Fondia (attorney office)	Offering different programs to correspond the personnels special needs to balance work and private life, e.g. having a baby.
Celebrating	Management Events (event planning & arranging)	Celebrate organization's achievements with special ways to enhance the culture of success. E.g. a common email box for praises and positive feedback and instant rewards.
Sharing	Microsoft (software and devices)	Sharing the results of common endavours generously and fairly. E.g. system for salaries and raises, bonus and special rewards, benefits, company shares to personnel etc.

In general, the most important thing in all organizations is the business culture of the organization and that it is understood through the organization. Without this kind of culture basis any effort of the management to improve or develop the organization will be left vague, and they are not anchored to the common business culture. All development intentions and actions should always be based on the strengths of the business culture. (Rossi 2012, 34)

4 CHANGE EXPERIENCE

Critical for change management is the involvement of the people who the change will affect. The people, in this thesis referred to as stakeholders in the Parts E2E Program, are the ones who in the end did determine the success of the change implementation.

Change is a very natural phenomenon in people's lives, e.g. the nature changes all the time and people perceive and acknowledge the nature, and everything else, through its changes and different contrasts. Changes also determine person's lifecycle through different crisis, like a middle-life crisis. In general people are naturally adaptive and this ability is individually determined by irritability or reactivity. Reactivity describes how a person reacts to environment stimuli on a psycho-physiological level. (Aro 2002, 21-23)

It is very important to inform and educate the stakeholders about the coming change, what does it mean, what is required from them and how it will affect their daily work. Through this it is easier to spread the message of the common vision of the change and create initiatives for them to commit themselves to the change. (Erämetsä 2003, 38; 86) If the employees in the organization do not understand the change, the change is left only as a aimless attempt from the top management, as the stakeholders in the lower levels do not commit to the new setups, as mentioned in the conceptual framework, figure 3.

The stakeholders, employees, need to be lead not only through rational channels, but also through considering their emotions, attitudes, motivational level, values and personalities. It may create some dilemmas for the management, when they should be able to lead the team as a one entity but also on individual level. This comes to being able to understand the people, and it is the basis for leading people. It is important for the change leaders, or management to understand how they see the stakeholders, the people in subject of the change. What is the stakeholder's position in relation to them and the change? It is vital to see the stakeholders as people, not as resources or statistics on paper. (Erämetsä 2003, 87-89)

According to Aro (2002, 24-26) the strongest characteristics tend to strengthen when a person is in a crisis situation, not the other way around. In reality the inner creativity in people weakens when constantly pushed and stressed to new directions. It is important to let the person be able to connect their own objectives to the common objectives, as the better one is able to connect to the common objective the better they will survive the change. Hence the common objectives should be concrete and realistic in order to make the individuals feel they can have easily progress with the on-going project. This helps people to pass the transition stage smoothly.

4.1 Basic reactions to change

Every change begins with the processing of the change shock. The magnitude of the change shock is determined by the scale of the change, whether it is small, large, meaningless, meaningful or a combination of these aspects. In the shock stage people are not very responsive to new information but need support and security. The shock however passes at one point, it can take only few days or many weeks even. After this is the adaptation phase, which includes the mental processing of the emotions emerged from the change. Then comes the reaction phase, when some might even leave the organization by leave of absence or even finding a new job in another organization. Eventually people go to an accepting phase, where they first react passively to the change by listening etc., but then become actively involved by committing themselves to the new job or organization. (Aro 2002, 57-59)

Widely known concept of the Change Curve, originally developed by Elisabeth Kübler-Moss in the 1960s is to explain grieving process of people, and can be also applied to people going through different changes. Kübler-Ross introduces five emotions, or stages of grief a terminally ill person will go through, and later this has been used to describe the feelings of any people going through any kind of dramatic, changing situation. (Website of University of Exeter 2015)

The five basic emotions in the Change Curve are known as DABDA: denial, anger, bargaining, depression and acceptance. There are many different interpretations of the model, but simply these five emotions can be separated into three transitional stages, which are shock & denial, anger & depression, acceptance & integration. When passed all the difficulties in the beginning on the change process, people achieve the acceptance & integration stage. They start to accept the coming change and feeling even enthusiastic about the new. Realizing this usually requires people to understand the change is coming, no matter how hard they fight against it. Now people are hopeful and trustful about the change and may feel impatience to have the change completed. Usually knowing others are going through the same can often help people to go through these stages better. Below figure 10 shows one model of the Change Curve. (Website of University of Exeter 2015, Website of Entrepreneurial Insights 2015)

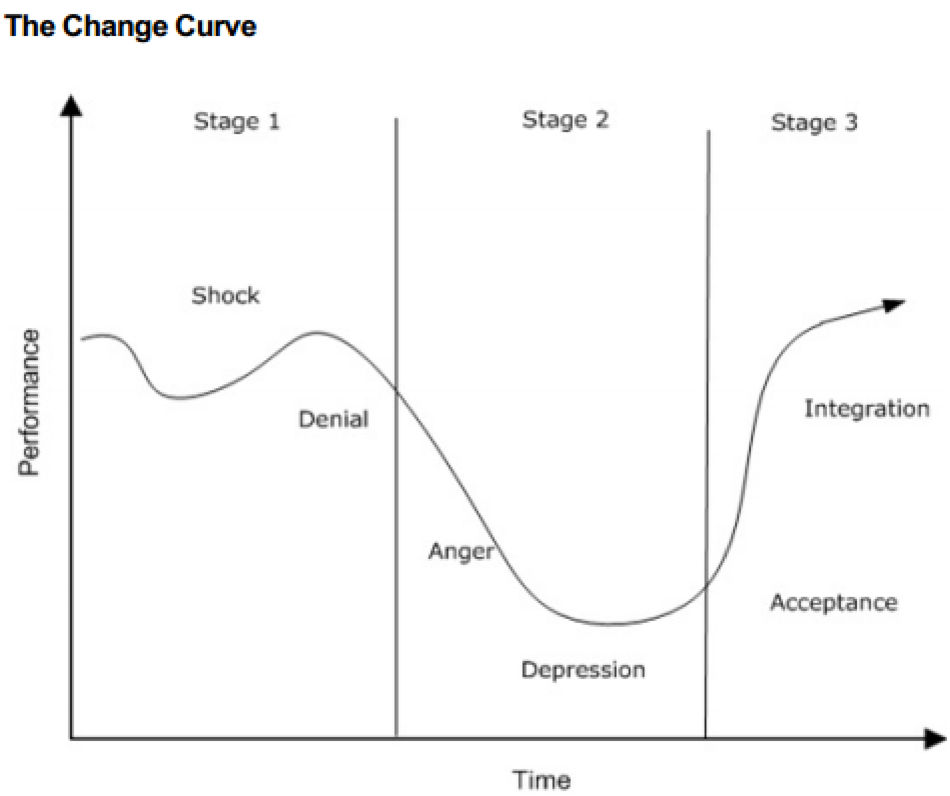


Figure 10. The Change Curve. (Website of University of Exeter 2015)

Ponteva (2010, 36-37) established four basic attitudes in change. These are obedience, excitement, cynicism and ignorance, and self-will and rebelling. Similar attitudes or roles are described also by Mattila (2008, 40-49). He has divided the different roles of the employees to five categories: activists (excited), followers (adaptive), skeptics (fear of the new), opposition (pessimistic, likes the work) and opportunists (interested in own goals only). Both clearly distinguish the employees identifying themselves with the organization and those who are estranged from it. The four basic attitudes by Ponteva are described in figure 11 below.

Obedience - Estranged from work - Indentifying with the organization	Excitement - Attached with work - Indentifying with the organization
Cynicism & Ignorance - Estranged from work - Estranged from the organization	Self-will & rebelling - Attached with work - Estranged from the organization

Figure 11. The four basic attitudes in change. (Modified from Ponteva 2010, 36-37)

4.2 Steps of change

In addition to the Change Curve in figure 10, the change for the individuals can be seen as four separate steps (see figure 12). The steps have to be taken one at a time and the steps needs to be carefully lead. This requires from the management understanding of the emotions describes in the Curve, as the starting point for a change is different for the management and the employees. The employees need to first understand and accept the information received from the manager, after which he or she needs to learn the needed skills to implement the change. Now the cheering and encouragement from the management comes vital as it will motivate the employee throughout the change process. To achieve the final step, the individual needs to process and face the possible fears. (Salminen 2006, 156-158)

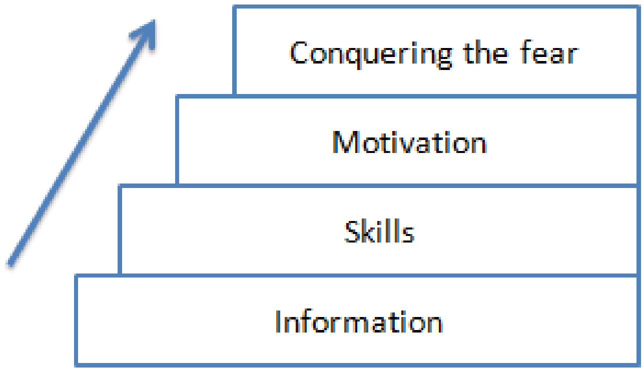


Figure 12. The steps of change (Salminen 2006, 156)

4.3 Finding the identity

In change situations the employees and other stakeholders tend to stick to the old familiar ways in the beginning. This is merely because of the new is not known or tested yet. This is the time when a person's identity in the organization can be a bit lost. The identity is formed in interaction with other employees. (Valpola 2004, 179-180) This is why the management should understand and respect the attachment to the old organizational setup, as the reactions to the changes are not determined only through visions brought to the employees by them. The employees base everything on their previous experience, and trust is the key indicator that will determine the direction of the attitude towards the change. (Mattila 2008, 38-40)

The most important for the stakeholders usually is to know what will happen to them in the change and how the change will affect their work. The employees are in a hurry to get a grasp of their identity and role in order to know what their possibilities in the new organization are. In this situation it is important that the management, the change process leaders, will face the stakeholders and discuss about the progress and every change openly. The four basic attitudes in figure 12 can help the management to relate to the stakeholders' thoughts and also to analyze their own ideas and attitudes. (Ponteva 2010, 60-61)

Building new identity for oneself in a new organization can be difficult, as it requires one to become again comfortable with who they are in the organization, i.e. being able to express positive and negative emotions. It requires also to learn to know the other people, who they are, can they be trusted and what is required from everyone. It is hard to get to know the other employees and co-workers when the change process is on, as there is no time to maybe stop and spend time with the people. (Valpola 2004, 180-183)

In the end, the organization offers the environment for finding one's identity. Through it the employees get to know each other and find common ways of working. Exposing the employees to different situations will help them to cope better in changing environments. The organization can also take efforts to connect the employees to the value chain of the company, which will usually enforce and provide identities that endure change better. Committing the employees to the customer relationships is more effective that committing them only to the company and management, as it is more fluctuating identity due to inability to relate with managers that come from totally different place than the employees. (Valpola 2004, 187-188)

4.4 Change resistance

A change leader never gets off easy with the change implementation, as there are always people who are against the change. People usually do not react objectively to a change but they rely to their own interpretation about the coming change and it might trigger different fears. Even if the change is crucial in the company's' point of view, it can be much more difficult experience for the employee. Continuous changes, even if positive, are often seen threatening and scary. For the change leader it is important to understand this and that the change resistance is not a negative phenomenon. The change leader needs to acknowledge the change resistance and accept changes effect on the basic sense of security. (Salminen 2006, 147-150)

There are several reasons to change resistance which can be divided into individual and organizational sources. The individual sources are based on basic human characteristics like perceptions and emotions. The organizational sources are based on the structural makeup of organizations. (Robbins & Judge 2009, 656) Figure 13 below shows the factors for both source types.

Individual Sources

- Habit
  - Old habits die hard
- Sense of security
  - Feeling of own status being threatened
- Economic factors
- Fear of the unknown
- Selective information processing
  - Hears what they want to hear, ignore the information that challenges the world they've created

Organizational Sources

- Structural inertia
  - A counterbalance to sustainability
- Limited focus of change
  - Change affects in outside the core department tend to be nullified
- Group inertia
  - Group norms may act as a constraint
- Threat to expertise
- Threat to established power relationships
- Threat to established resource allocations

Figure 13. Sources of change resistance. (Modified from Robbins & Judge 2009, 657)

Kilpinen (2008, 206-207) writes that there are three points that needs to be fulfilled in order to complete a change management project with the least possible resistance. The stakeholders, or employees should feel enough dissatisfaction to the current situation, which would help them to aspire something better, and to see the change as an opportunity. Communication is the key on the road to success like learned from the 3C's, and the management's messages should be emotional, positive and clear, or they will be interpreted wrong. Lastly, the change needs to be seen as a process and the details need to be known. A change can be successful and economically profitable only when there is a clear schedule and distribution of tasks.

An organization can also benefit from change resistance. The employees against the change usually give criticism and express their concerns easier. Hence, the resistance also can increase the chance of succeeding and improve the quality of the outcome of the change. These opinions, questions and concerns should be handled publicly in the organization, as it increases respect between the resistance and the management and trust that the management cares about the employees' thoughts also. (Mattila 2008, 53-55)

In order for the management to understand the employees better in the change, it is important for them to be familiar with the Change Curve and the basic attitudes in change presented in chapter 4.1. When the management understands the employees, it is much easier for them to take actions to make the change process flow smoothly and to the right direction.

5 METHODOLOGY

Methodology, or the research methods is derived from the concept of research strategy. The choice of the research methods depends completely on the research problems. (Hirsjärvi 2008, 13). This chapter discussed the choice of the research strategy and methods, and also the design of the research.

5.1 Case study

A research always has some meaning or goal to be reached, and this is what directs the choice of the research methods. There are four general characteristics to research, a research can be mapping, explanatory, descriptive or predictive. However one research can have more than one characteristic and the nature can even change during the research. (Hirsjärvi et al. 2009, 136-138)

This study is an empirical case study. In a case study the objective is usually seen as a sequence of events or a phenomenon, meaning studying a small group of events, mainly just one case. It is important to understand the difference between the case and the objective of the research, in this study the case is successful change management project in the case company, when the objective is the stakeholder's reaction to the project teams change implementation. One of the most important questions in a case study is to find out what can be learned from the case. A case study is good for questions like 'how' and 'why', and the aim is to increase knowledge and understanding of the object of the study. In a case study, a vast data set is gathered and the research is based on naturally occurring cases. (Laine et al. 2007, 9-12)

This research is a case study as the aim is to explain and describe the reactions to the change management project, and how the project is implemented in the case company.

Through this it was also possible to map possible development ideas for future change management projects. To draw this kind of conclusions also mapping the challenges became important.

5.2 Qualitative and quantitative research

Qualitative research and quantitative research are usually seen as each other's opponents, even though those are not excluding each other and can actually be seen as complementing each other. Both methods can be utilized in analyzing the same results, maybe those should be seen as each other's continuum, rather than opponents. (Alasuutari 2011, 26-27) Nowadays many studies have aspects from both methods. Generally qualitative and quantitative research can be differentiated from each other by the nature of the study and the aim of it. In quantitative the process is deductive, going from general to detailed information by looking for causal relations, through a statistical analysis of the results. Qualitative research then is based on inductive process, going from detailed to general, and the cases are seen as unique and the results are interpreted based on that. It is aiming to create patterns in order to achieve the understanding. (Hirsjärvi 2008, 21-22, 24-25)

Like mentioned, sometimes a combined method is also used. This comes from the idea that the choice of the methods should be based on the theory, and because one study can have different problems, also different methods can be used to research it. E.g. the quantitative results can be often used to explain the qualitative results, or then the quantitative results can be used as examples among the qualitative result. (Hirsjärvi 2008, 27-28)

This study is using both methods, and the main goal is to understand the reactions to the change management project and also to understand how the change is planned and why. Through this it was possible to make conclusions of the success of the change management project and give recommendations for future similar projects.

5.3 Half-structured interview and structured thematical survey

This research is implemented via two main channels; an internet survey open for all key stakeholders of the project in each location, and an interview for the project managers. For the stakeholder surveys, the case company had own base for surveys in their intranet where these surveys were created in. An interview is the most used method to collect data but also surveys are used a lot. Both are relatively easy ways to gather information.

Different interview types can be determined through the level of structure the interview has. Three main types can be derived, these are structured interview, non-structured interview and half-structured interview. This study was done as a half-structured interview, a theme interview. In a theme interview the questions are same for all interviewees but the responses are not tied to choices, the respondents can give free responses. The questions are formed based on certain themes derived from the theory. (Hirsjärvi 2008, 43-44, 47-48)

Both Centers, AMER and MEA had their own project manager and each was interviewed individually with the same set of questions. This was done only once, 5-6 months after the go-live. Conducting a theme interview here was more efficient and useful as the conversation could remain open as long as the structure was followed. This way it was easier to gain information of the planning and management of the change.

Surveys in general are popular and common strategies for business and management research. Surveys allow the collection of large amount of data from a large amount of people in a very economical way. The data in surveys is often standardized and the questions should be relatively easy to explain and understand. Surveys, or questionnaires can be used for explanatory of descriptive research, and these also can be divided into three: self-administered, interviewer administered and telephone questionnaires. (Saunders et al. 2011, 139, 356-357).

In this study the survey is carried out through a self-administrative questionnaire, and in this case it means a structured questionnaire where the respondent records their answers by choosing from given alternatives, and where the interviewer is not present. In total there are three different surveys during the project, before, during and after. First two are similar and based on the case company's previous survey done for a pilot project. Last, third round of the surveys was held 5-6 months after the change had taken place and the new organization had been operating for a while. Themes to the third one are derived from the conceptual framework in chapter 2.3. This was to get valuable feedback and insight for the project team of the performance through the project.

5.4 Sample

Already in the beginning of a research the researcher needs to think who to study and how many people all together. Usually the quantity of the subjects depends on the nature of the research, the research problem may require either survey type approach, a case study or then both. (Hirsjärvi 2008, 58)

The aim of the research is to understand events or a phenomenon in a deeper level and to result into theoretically good viewpoint to the subject. Due to this it is preferred that the sample would know a lot about the subject and understand it well prior the interview, in order to get sufficient information from the research. (Hirsjärvi 2008, 59-60)

The respondents for the theme interviews were chosen to be the project managers. They were the ones to coordinate the project roll-in and had very wide knowledge of the project reasons and status throughout. In total they were two persons, both the researcher's contact persons to the thesis work.

Defining the sample for the surveys was done first based on the pilot project and its sample, hence it was rather easy to narrow down who to include. The project managers were also involved in choosing the sample and took care of contacting the stakeholders for the surveys. For the first two rounds the sample was divided into three different main groups based on their functions in the organization, these groups were Area Specific Functions (local), Shared Business Operations (global) and Support Functions. The sample for the last round included the same stakeholder groups that still were seen as valid informants. As the coordinator groups were merged before the last round it was decided to keep focus on the Area Specific Functions and from Shared Business Operations to include only the GLS Management that is still governing the complete spare parts function of the case company. The researcher also left out some stakeholder groups whose input regarding the results of the research was irrelevant or had only little effect. For MEA the sample quantity was around one hundred people for each survey round and for AMER around seventy.

5.5 Theme interview implementation

The interviews were held as individual interviews for both of the interviewees. This is the most common way to conduct interviews and usually feel the most convenient way to do it. Also group interviews are used a lot, e.g. in marketing studies. (Hirsjärvi 2008, 61) However some say that it is better to have individual interviews rather than group as it is assumed a single person tends to be more open when interviewed alone. Also it can be a bit more challenging to interview many people at the same time. The interviews were recorded as it was seen as the most useful way to document the situations. Recording is beneficial as the situation can be gone through as many times as possible, and the material is more diverse than with making notes. (Grönfors 2011, 63, 81-82)

The interviews were arranged on 31.03.2016, and on 06.04.2016. Both were individual interviews between the writer and the project manager. The transcribing of the recordings were done within a week from the interview to keep the information fresh in the writer’s mind.

5.6 Survey implementation

The surveys were established in the case company's intranet where the case company had a platform for creating surveys. This was the best choice as the respondents all were computer-literate and able to get into contact with via email easily. Also the number of respondents was quite high and an intranet survey was the best way to reach this many people. The average response rate for this kind of surveys is varying, but around thirty per cent is acceptable for intranet-based surveys. It is suggested to keep these surveys open 2-6 weeks, depending on the number of follow-ups. This is also very economical way to collect information and does not require an interviewer. (Saunders et al. 2011, 385)

As mentioned, the research is implemented as three-round survey during the progress in each area. The first two rounds were implemented in the beginning and during the change implementation process. The last one is done 5-6 months after the go live. The survey itself was a multi-level survey. First there was a set of general questions that are for every stakeholder. After this the stakeholders were asked to choose their stakeholder group, e.g. GLS Coordinators or Network Coordinators. Function-specific questions follow, and for the first two rounds after this there was still a small set of questions for the project steering committee (SteCo) only.

The surveys were kept open for the stakeholders to respond for two weeks in average, only for MEA second round the survey was open eight weeks, when the survey link was shared to different groups at different times. On average two reminders were sent during those two-week surveys. Questions were closed and the answering scale was determined to be four level: completely agree, somewhat agree, somewhat disagree and completely disagree. A four-level answering scale was seen as the most useful one in order to avoid 'neither agree or disagree' replies, as those would have not added much value to the research.

In figures 14 and 15 below is described the design of the three rounds. The first two round's questionnaires were based on previous pilot project done in South America, and the last one was done based on the theory of this thesis. For the last round, after the Part E2E center was established and the coordinators combined, the design is modified a bit, many stakeholder groups removed, as no longer needed for the thesis purposes.

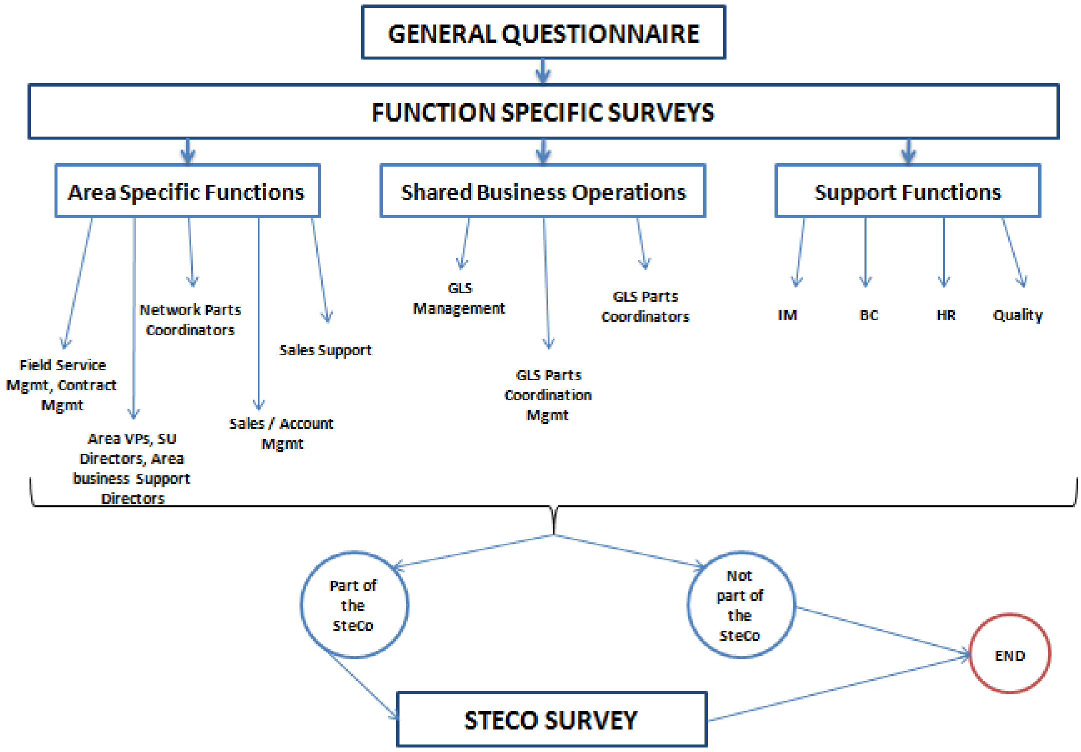


Figure 14. Survey structure and stakeholder groups for rounds 1-2.

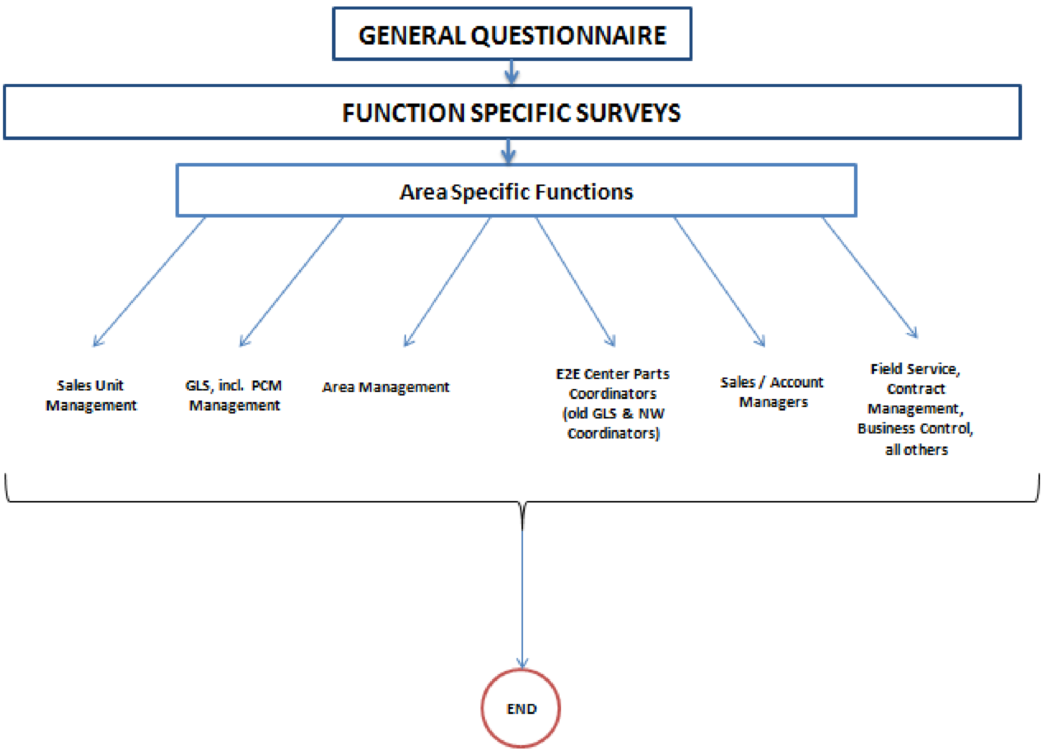


Figure 15. Survey design and stakeholder groups for round 3.

5.7 Validity and reliability of the research

Concepts of reliability and validity are based on the idea that the researcher can get the hold of the objective reality and truth. Reliability means that the results would be the same while e.g. studying the same person twice with same research, studying different persons with same survey at the same time, or doing parallel studies at the same time. Validity can be divided into two, research frame validity and measurement validity, e.g. predictability. The latter means that future results could be predicted by the results of the previous research. The research frame validity means was the research about what it was supposed to be about. (Hirsjärvi 2008, 185-187)

Hirsjärvi (2009, 13) describes few aspects of a successful research. These are active approach and contact to the field of research, combination of one or more interests of research together, feeling that the research if important and valid, achieving to theoretical understanding, and usefulness, usually practical problems lead to useful ideas.

Research should be always evaluated and the quality of it examined. The quality can be aspired by making a good survey or an interview frame. It is good to focus on the themes and how those can be deepened. Also it is good to make sure the equipment used are in good conditions. Transcribing of the interviews should be done as soon as possible after the interview in order to store the data as fast as possible. The reliability of the research depends on the quality of the research (Hirsjärvi 2008, 184-185)

This research can be proven to be reliable as parallel surveys and interviews were held and in both cases the parallel responses were quite similar and same issues stood out in the results. The research can be said to be valid also as the research studied what it was supposed to study and the research questions were answered well based on the research results. The plans for both of the methods were carefully considered and designed so that all necessary information could be received from the research.

6 RESEARCH FINDINGS

This chapter analyses the research results. The aim of the research was to map the change management project and its implementation and derive pros and cons out of it based on the theory based success criteria described in the conceptual framework. Another research problem was to find out how the stakeholders perceived the project implementation by the project team.

The data was gathered through project manager interviews and stakeholder surveys, the results are analyzed separately first and in the next chapter the conclusions are derived based on the analysis. The interviews are directly quoted in the analysis in order to clarify what the interviewees have told during the interview, and it also gives the reader an opportunity to draw own conclusions of the data. The interviewees are referred to as I1 and I2. The survey results are shown as graphs or pie charts and analyzed in a quantitative way.

6.1 Project manager interviews

Every project in the case company follows a certain project model including four distinctive phases: initiate, plan, execute and close. Between each phase is a gate, where the steering committee approves the project to proceed further. The analysis of the interview results are themed based on this model mainly. The project model is shown in below figure 15.

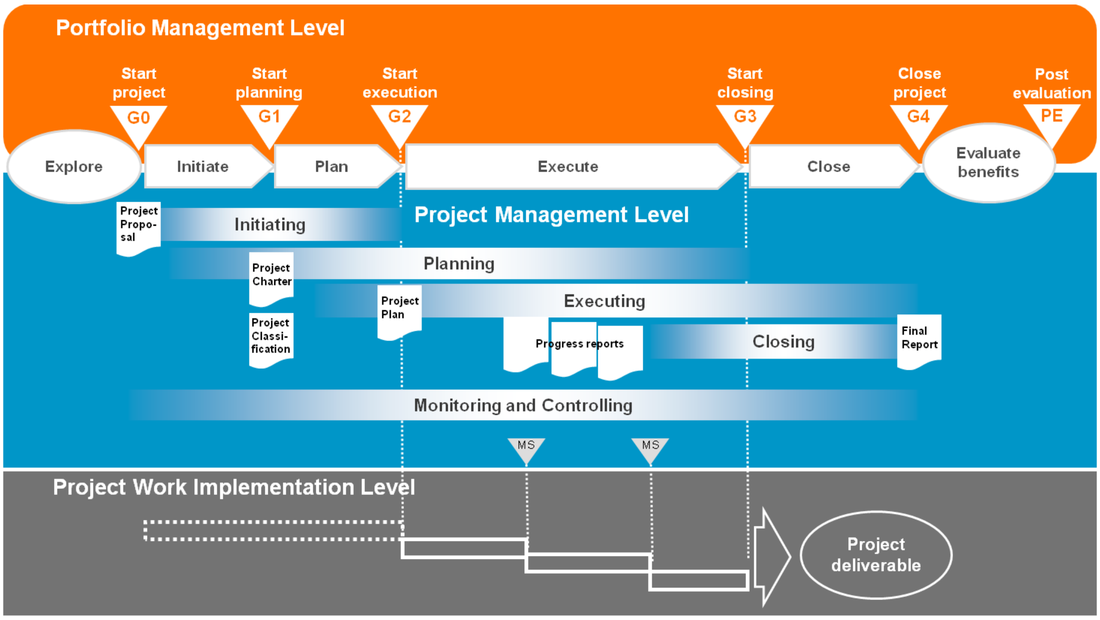


Figure 16. Project management model. (Courtesy of the case company, 2016)

6.1.1 Initiate

There must always be a need to implement a change, and the need and the vision needs to be clear and preferably also easy to understand by the stakeholders. In the case company's project model's initiate phase this is refined and it includes appointing the steering committee, analyzing the project and preparing the business case.

The service organization has developed through the years towards this setup. Originally the case company was a Finnish engine maker that expanded by buying other, mostly European engine manufacturers. Through it became a need to consolidate all these different engine makers into one organization in order to have all of the spare part business under the same roof. The next step was to establish the Global Logistics Service (GLS) with a centralized back office or the spare part logistics, and then outside GLS there was the de-centralized, local front office with all of the individual networks' parts coordination teams.

The whole Parts E2E Program in the case company's service function was initially established to combine those two different parts functions together under GLS in order to provide more efficient customer service and improve cost-efficiency. It was not seen as beneficial to have both, the front and the back office to work on the same process, often in different time zones.

"*And of course the question of the merger came, the question of the E2E Program came. So it's a long term development which is based on the establishment of GLS as a central spare parts function on the back office side and now the extension of the GLS to cover both back and front office.*" I2

The change pressure emerged from both sides, the front office, or the Area, was looking for cost savings, and the back office, or the Parts Coordination Management (PCM), was looking for efficiency, so it was a clear joint effort from both sides. There was also a pilot project established in Colombia a couple of years ago, and when it was found successful, the management decided to go forward with the other locations also.

The Services management team, which is the top management, was the one to make the decision of the project implementation. In the case company many different parties became then involved with their ideas and suggestions of what should happen. There were a lot of different discussion topics during the change, e.g. the ownership of the project, the level of centralization of a center, the location of the center, and so on. The project managers were somewhat involved in local decisions making by e.g. making SWOT analysis of the level of centralization. The program manager then was involved in higher level discussions with the Services management team of the change.

The steering committee (SteCo) was the group that decided and approved the gate proposals made by the project team. The committee has people from different organizations involved in the change. It was important to involve variety of people from all necessary organizations, as they will all have to live with the new setup and decisions taken, so it is needed to have a representative from all involved.

The common vision was to increase cost-efficiency and improve customer service. Both of these aspects were seen to be tied to each other.

"*When it comes to the customer then you need to have a setup where the customer is happy because that's what your sales depend on.*" I2

The change reasons and the common vision was sold to the stakeholders through various different channels depending on their function. The projects had a communication plan based on which different stakeholder groups were informed. The steering committee included the most important people who were informed about the project status on monthly basis. The Area management needs to have a high level of understanding of the project and they were involved in an area kick-off where they were informed about the project and what is going to happen. The Sales Unit management had to be convinced of the change, and I2 said he usually schedules a presentation and short workshop with them so they have chance to understand and ask questions of the change.

The team leaders and the coordinators were informed through as-is workshops where the change and its reasons are introduced to them. It is important to convince them the current setup is not working that well, and that the new setup will be an improvement.

"*To the coordinators we did as-is workshop, where we presented the project, before starting to ask questions from them. We presented the project so they knew what was going to happen and what the purpose of this whole thing was. Then when we have done the mapping, we explained in details what the new setup would be. That is also like buying, getting them buy-in the project.*" I1

Based on this thorough information sharing regarding the change both project managers were convinced the vision and reason were sold well, especially for the immediate stakeholders involved in the project. It was seen as a challenge to sell the project to people not directly involved in the change, as these people might have not been that interested to really find out what is happening as it was not directly affecting them.

"*The account managers are not usually really very helpful and many of them don't really understand this whole initiative and some might not like certain aspects of it. They give certain feedback which is either very good or very bad but it's not typically really valuable. --- And every person has different interest, which might lead to certain attitudes towards this project, which is independent of facts.*" I2

6.1.2 Plan

The planning phase in the case company starts when the gate 1 is approved by the SteCo. In the planning phase the project plan is set and objectives decided.

"*First you initiate, prepare the scope and the schedule and so on. And then you get the approval from the SteCo to start the planning, so the planning phase is where you do your mapping and start planning how the future setup will look like.*" I1

After the project plan, a schedule and a budget is set, a project assessment is made. At this point the project had the as-is workshops in both locations. In addition to introducing the project to the stakeholders, there it was mapped what was the current process and what the project team would like to see the new process to be. Also all possible special needs were mapped. After this workshop the results were analyzed and the to-be process was defined. Then the project teams hosted a to-be workshop presenting the new setup to the stakeholders.

"*In the as-is workshop we do the mapping that how the people are working currently -- step-by-step go through everything and they are telling us how they're working. -- Then in the to-be workshop we do the same again, go through the spare parts delivery process step-by-step, but then we tell how are we going to do it differently in the future.*" I1

The general project objectives, like achieving cost-efficiency, were strategically set by the services function management first, but practically on site the project team had the key role of setting the project specific objectives. The project team defined the objectives by analyzing what was needed to be done in their point of view.

"W*e collected the requirements, then we saw what changes need to be done. -- It was by us and then we had to get approval from the project steering committee for the changes. So we had to present what is in scope and what is out of scope, what the key changes are.*" I1

The objectives were set after the as-is workshop. Both project managers said that some of the objectives were measurable, some not. Cost savings can be measured through a defined business case, and the response time, workload, or hit rate can be measured to some extent with KPIs (key performance indicators). However there were problems with measuring e.g. the response time, as in the traditional setup the network company coordinators were never measured by the response time, it was done only in GLS side. Quality was not seen as an aspect that can be measured.

6.1.3 Resources

The change capacity is one crucial aspect of change management. It means to understand the organization's own abilities and capabilities to carry out the change, where support might be needed and how to deal with different attitudes towards it.

The project managers saw a huge benefit in having skilled people involved in the change and being in the center of it. E.g. both coordinator groups, the network and GLS had their own experience and were good at their regular work, and when these functions were combined the project had variety of knowledge and skills available and the coordinators were able to assist each other also. Everyone from the traditional, or old setup were not in the end included in the new setup anymore. The other project manager saw also this as a benefit, as they were able to choose the best people only. However, having different competencies can also result to the organization not being totally ready for the change.

"*I think there was a clear difference between (the coordinators). PCM, they were really excited and knew what was coming – understood better what was coming. People on the network side were more change resistant as they didn't have such a good understanding what the work was actually going to be. Their strength was knowing the customers and businesses. But I think for them it was more of a struggle, the change.*" I1

Both project managers hoped there would have been more support and resources used on some level. It was more of the allocation of resources that should have been invested in. One of the managers said she did not receive enough support from the new center manager due to his lack of understanding towards the business and the customers. Other one said the different time zone caused problems, as he was located in Singapore, when the other, supportive operations were in Europe or in Americas. Also he saw that the project was quite complex including several locations in Asia and felt he would have needed more support with it.

The coordinators were mainly supported by the project team. The management and HR department also supported the coordinators by giving advice, looking for opportunities and offering trainings. Also special support was arranged for the go-lives, which included two specific persons to give operational and conceptual support. After the go-live the team leaders and managers took bigger responsibility when the project team handed over the new setup. Both project managers were satisfied with the support they arranged for the coordinators, although not everyone saw the immediate benefit of it.

"*We actually got some criticism that why so many people, but I think those people didn't understand how important it was to have this available. I don't think we over-did it.*" I1

6.1.4 Training & implementation

At the implementation phase all tasks and activities described on the project plan are executed. These were monitored and compared against the project plan. In this phase the latest everyone was informed about the change and everyone knew what was going to happen. In this study the training and implementation go hand in hand, as the aim is to analyze the project implementation and the project plan is the base for the training which is to result into desired outcomes.

The project managers felt they invested a lot in training and made it quite sophisticated and improved comparing to the pilot project. In the training plan the project in MEA area had four categories: big picture topics e.g. general understanding of what GLS does, process topics e.g. classical parts coordination process, product understanding topic, and the fourth topic was the customers. The AMER project focused more on the process training, when the project manager hoped to have more other type of trainings also and involvement of the area side to the training also, e.g. more specific customer presentations and introduction to the business. However both were satisfied with the quality of the training, even though content was a bit different.

Both projects had training for about three weeks in total, a week longer for the new comers than for the old employees. The trainings were half-day trainings to avoid backlog in the pending work, as the operations could not be stopped for the training period. The trainers were both internal and external. Both projects had an external trainer for customer communication, which was highly appreciated. The internal trainers were from the process development organization, but also from the sales side and other experts. Some topics, e.g. VAT, that were seen unnecessary for the go-live were left out from the project scope, and the responsibility of those was left for the operational management. The main training goal was to get the coordinators to learn the new process and be as competent as possible for the go-live. Important steps to achieve this were said to be the hands-on trainings and also social activities among the new team. The training results were not measured.

Tolerating surprises or uncertainties in change projects is important. There are always individual differences in the ability to tolerate these, as different people face the change in different ways. The project managers felt it was all about communication, how well the information was shared. Overall both thought the organization as a whole tolerated these well. The surprises were not seen as proper surprises anymore as similar projects were carried out previously, and usually same issues occur, so to some extent it was possible to be prepared for these. One surprise both mentioned was the complexity or the recruitment process, which in the end resulted into a lack of employees for the go-live in both locations.

MEA location in Singapore also suffered from employees leaving the organization. One team leader left before the go-live as the project uncertainty was too much, one coordinator had to leave for family reasons, and one team leader left after two months of the go-live as he could not live up to the expectations. This created some challenges for the project team and affected the go-live and implementation.

6.1.5 Closing & the effects of the change

In the case company each project ends with closing. This means the project team handing over the project to the operational management and leaving the new setup to operate and develop on its own.

After the go-live the project teams handed the new setup over to the area management team. The project team has not been involved so intensively in the operations anymore after the hand-over but they were following up the progress. Both had a meeting scheduled with the steering committee to evaluate and see what has happened after the go-live. There also the project team had to justify if the project did not reach the set targets, e.g. in AMER the aim to reduce full time employees was not fulfilled due to disagreements in the decreasing process.

"*So there is a plan after something like, I think, six months to follow up the success of the project. Then the steering committee gets back together and reviews the change. -- And of course after six month you have more-or-less very stable operations already and those childhood diseases are more-or-less covered, and then you can review, get a really good view what can actually the center perform, where are still structural issues. Those you want to tackle then.*" I2

There was also an analysis of comparing the results of previous years' quarter ones to see how the performance has developed, the number of the full time employees, the costs and so on. This is to show has the project brought the needed improvements with the change.

The responsibility of anchoring the change into the culture is mainly left for the operational management to handle. The project team does not have a lot to do with this anymore after the hand-over. Either project managers does not see a possibility to fall back to old ways of working, as the old setup no longer exists. The case company had also this sustainable training concept, where everything new is always shared and taught to the employees immediately when implemented, this is the responsibility of the area operational management to implement.

"*So the project team has a clear vision what we want to see with these centers but the project team is not the organization that is actually running the centers in the future. So we hand over the project and then it's up to the local management to also put this in place. So we have a clear vision but to what extent this is implemented really depends on the local management.*" I2

To keep up with the good work the case company has process descriptions, work instructions, and different tools and guidelines for constant follow up. The operational team needs to make sure these are used. The project team would like to have a performance culture in the new setup, meaning that the goal would be that the performance would always be better than in the old, traditional setup, e.g. by establishing better communication lines with the customer by improving the process by using PDF-files instead of faxes. This is communicated to the operational team and through training tried to enforce by the project team, but the final responsibility is the operational management's.

The outcomes of the change could be measured to some extent, like discussed in the planning chapter. However both project managers agree that in the end the results were quite hard to measure, less the KPI measurements. Also customer satisfactions surveys were not yet conducted in either locations. It was also seen as a bit unreliable to measure the KPI of response time right after go-live, as it would not show realistic results as both of the new E2E centers had to start with less people than planned. This resulted in high workload and slight backlog in operations.

"*Like for instance when we started in Singapore we had too few people because the hiring was not completed on time. And then the workload for individual coordinators was on inacceptable level for many, many weeks because of too few people. Now more people have joined more recently so the situation is getting much better now. -- But I mean overall it was very successful implementation and we also see long-term this will bring clear benefits for the business setup.* " I2

6.2 Stakeholder experience

This sub-chapter is divided into two main parts, first going through the rounds 1 and 2 the case company has implemented during the project life cycle. The second includes the 3rd round results presenting the outcome of the change project implementation. The response rates to each survey are shown in below table 3. There are some quantity differences in the samples due to both projects having some stakeholder changes, e.g. in AMER Canada location dropped out from the project after the to-be workshop and hence were not included in the second or third survey anymore.

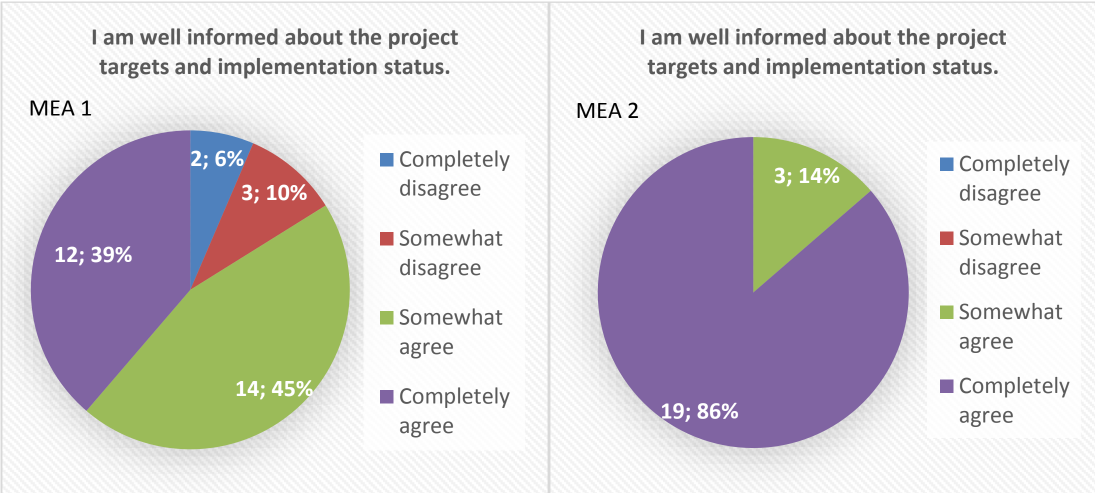
Table 3. Response rates to all surveys.

Survey	Sample	Responses	Response rate
AMER 1	67	20	30 %
MEA 1	119	32	27 %
AMER 2	56	20	20 %
MEA 2	107	22	21 %
AMER 3	64	18	28 %
MEA 3	107	41	38 %

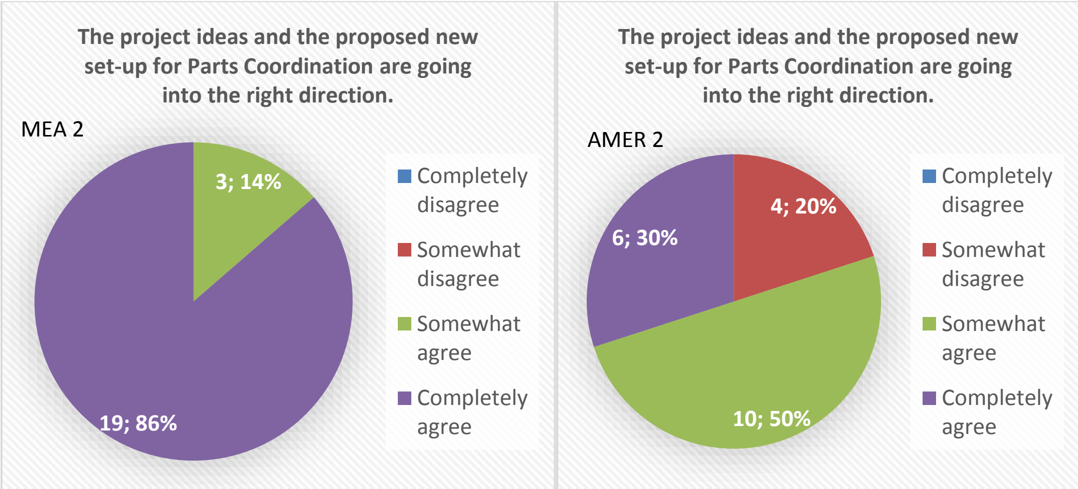
6.2.1 Rounds 1 & 2

For both of the first two founds the exact same set of questions were presented to the stakeholders. Rounds were done separately in both locations, AMER and MEA. The first eleven questions were asked from each respondent and stakeholder group. These included themes from communication, trust, the common vision, time frame, work load, the project team and also an open question for feedback to the project team. Then there were separate questions per stakeholder group. The survey frame is shown in appendix 2.

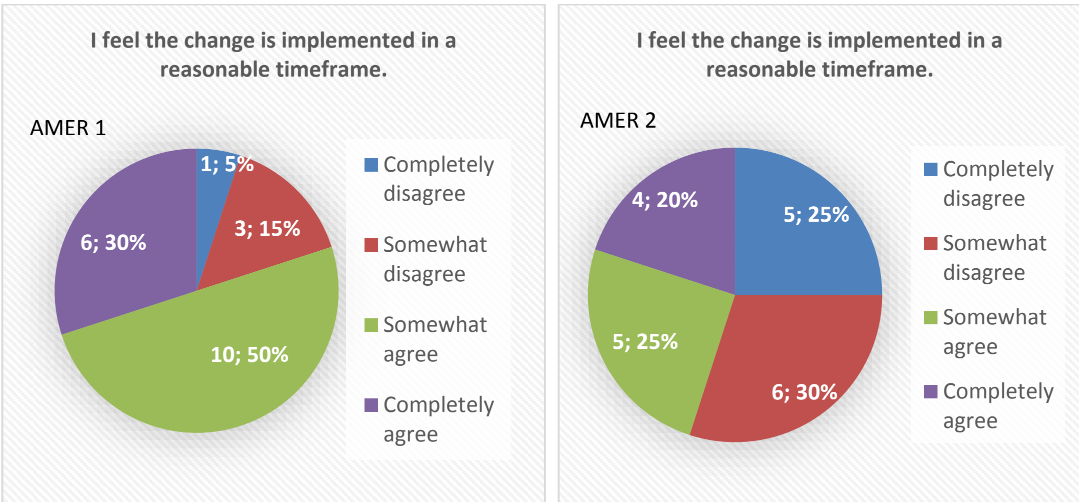
During the first round most (70 %) of the respondents were satisfied with the communication of the project, but all together 16 people did not agree that they felt they were well informed about the project status and topics related to their own work. After the to-be workshop and second round there was a clear difference especially in MEA's responses. Now all agreed they were well informed and aware of topics related to their work. In AMER the responses varied, but most were satisfied and agreed to be well informed.



After the as-is workshops the idea that the common vision and reason for the project (improving customer service and efficiency in parts supply) were taking the organization to the right direction, was pretty clear to all respondents with in total only six partially disagreeing. After the to-be workshops in MEA the respondents seemed to be more aware of the common vision and reason and trusted the new setup is going to improve customer service. In AMER the respondents were a bit more insecure and responses varied between somewhat disagree and completely agree. Most of the respondents also felt their ideas and suggestions regarding the project were taken into account through both rounds. Only during the second round in AMER the responses varied more, there 60 per cent agreed they are listened to, but the rest experienced they could not have an effect in the project implementation.



Otherwise the project team was trusted to be on top of tasks and issues, and everyone was pretty confident the project will be a success in the end. Also the time frame was seen to be good after the as-is analysis still, only couple of people did not agree with this. After the to-be workshop the respondents in the AMER location were 55 per cent disagreeing the time frame was well planned, when in MEA everyone at least partially agreed the scheduling was ok. The workload was seen to be on an ok level through both rounds, only couple of people disagreeing with this.



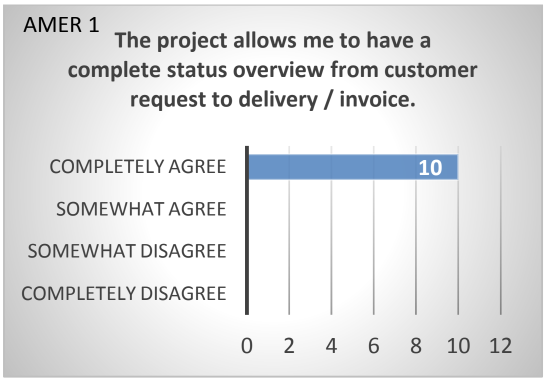
Feedback for the open question during the first rounds was quite neutral, giving advice on how to proceed. Many also agreed it was too early to give proper feedback. There was also different opinions of the time frame, one thought it was too long, one hoped for a careful proceeding. One respondent also expressed their concern regarding the effects of the change, that it will be only short-term solution from the cost-saving aspect. Most comments were that the project team was doing a good job. Both locations hoped to have the earlier pilot locations and their achievements presented to the teams in order to create more motivation.

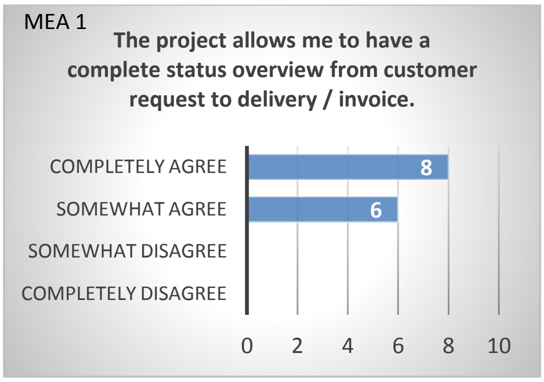
After the to-be-workshop the feedback from MEA team was a quite small sample. There people wished more customer focus in the training and also hands-on trainings. In AMER the second survey was held immediately after the trainings were held. The stakeholders in general seemed to be less satisfied with the project than earlier. People hoped the training would have been better. They would have wanted to have longer period of training that would have included more customer focus and product understanding. Two respondents also mentioned there should have been more communication and listening towards the coordinators, and feedback should be taken into account more seriously. One respondent from contract management commented that the coordinators had not had enough training in customer understanding and failed to act proactively towards them.

The Area vice presidents, Service Unit directors and Area Business Support directors were overall satisfied with the implementation. Their functions specific questions included questions for the capacity, cooperation, the common vision and an open question in the end. From these people responses were received in the first round only and they trusted the project team took local requirements in account and that the project will improve the customer service. The Sales / Account management questions focused on the customer relations and the service. They were quite skeptical through the first round about the effects and benefits to customer. They emphasized the focus on customer knowledge and understanding. After the as-is workshop the Field Service and Contract management members were not fully convinced of the positive effects of the change but were still willing to see the benefit of it. In the second survey the responses did not change much. In AMER also they emphasized the customer focus and understanding of the coordinators. The GLS management and Parts Coordination Management questions covered topics from project understanding to the common vision and the results. They saw the project will bring a lot of benefits to the case company and seemed to support the project throughout.

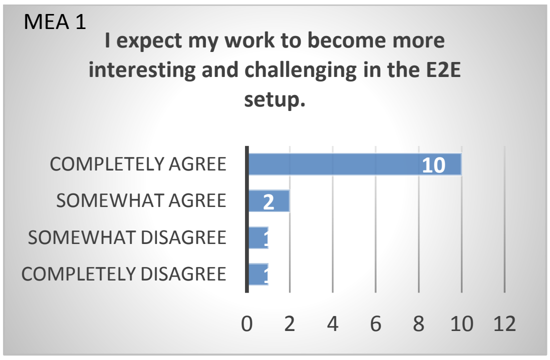
The key stakeholder groups for these first two rounds in regards of this thesis were the GLS and Network Parts Coordinators. Their functions specific questions were the same throughout and covered topics of communication, the reason and common vision, results and attitude towards the project.

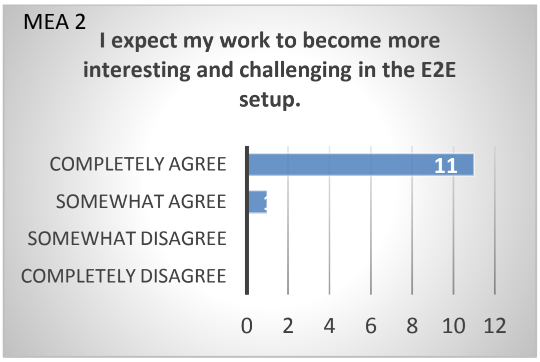
After the first workshop the coordinators mostly agreed they were aware of the coming changes and how those will affect their work. Only four people disagreed. The coordinators were also quite unanimous that the project will improve their skills and knowledge.



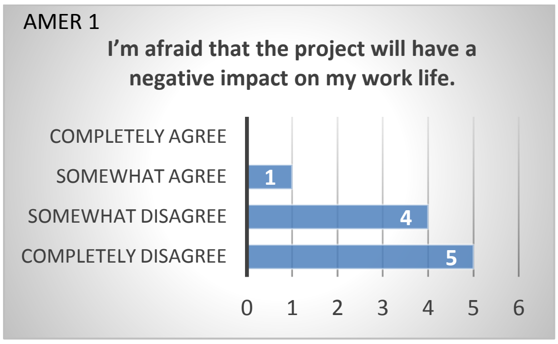


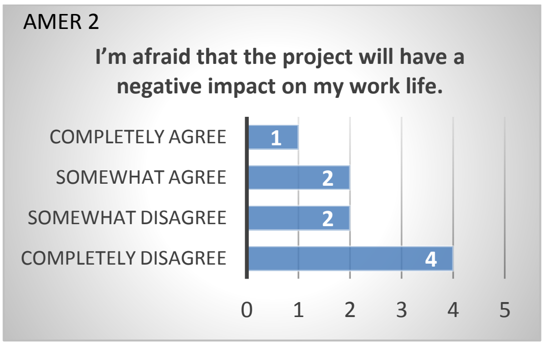
Through the first rounds the coordinators were relying the project will result into better customer service and that is was going to the right directions. In MEA the responses were more positive and trust towards the project's positive effects were much higher in the second round than in the first one, when in AMER some people ended up partially disagreeing with these topics. In MEA also the coordinators' motivation towards the project grew quite much in between the first and second survey, when in AMER the motivation seemed to stay in a very good, stable level through the project. Expectations towards the new role very throughout very positive, and again in MEA the positivity only grew when the project proceeded.

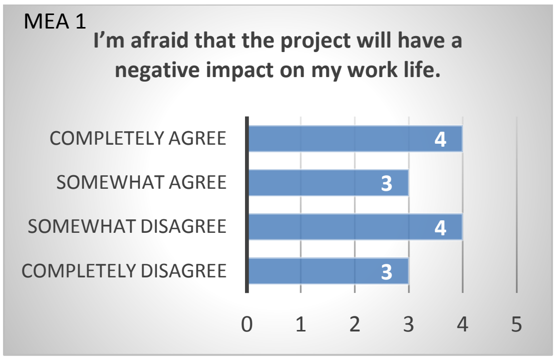


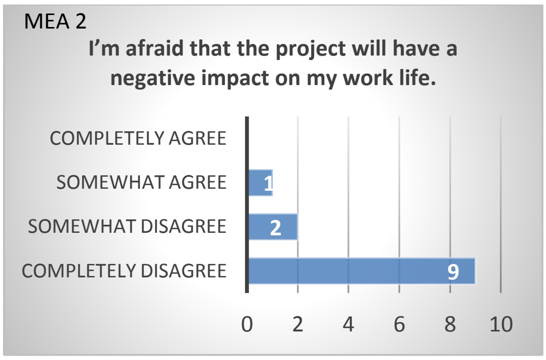


Even though motivation remained rather high thoughout, the coordinators felt to some extent that the change will have a negative impact in their working life. In AMER there was even some negative evolving in the answers regarding this. In MEA first scattered results evolved to more unified when in the end majority did not fear for losing their job.









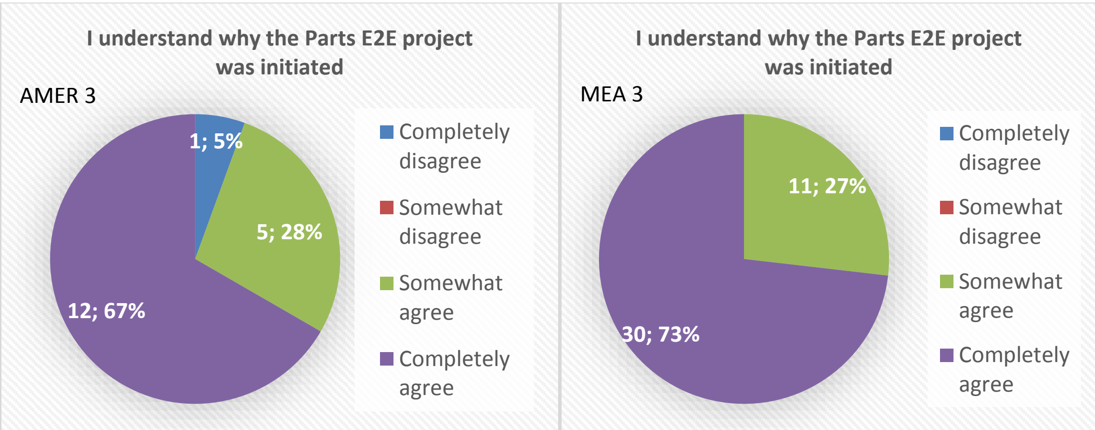
After the first round the free text comments were given only few by the coordinators, those emphasized training and customer knowledge. After the second round all of the coordinators still experessed the need for customer understanding and knowledge. In MEA different training aspects were asked for, e.g. product and cultural trainings. In AMER workload distribution was mentioned twice, that it should be fair.

6.2.2 Round 3

Round three survey was implemented in one and a half weeks and it was open in the case company's intranet. The stakeholders were reminded once during this time. We had great response rate in MEA team, in AMER the rate stayed quite standard compared to previous rounds. The largest respondent groups for MEA were the E2E Parts

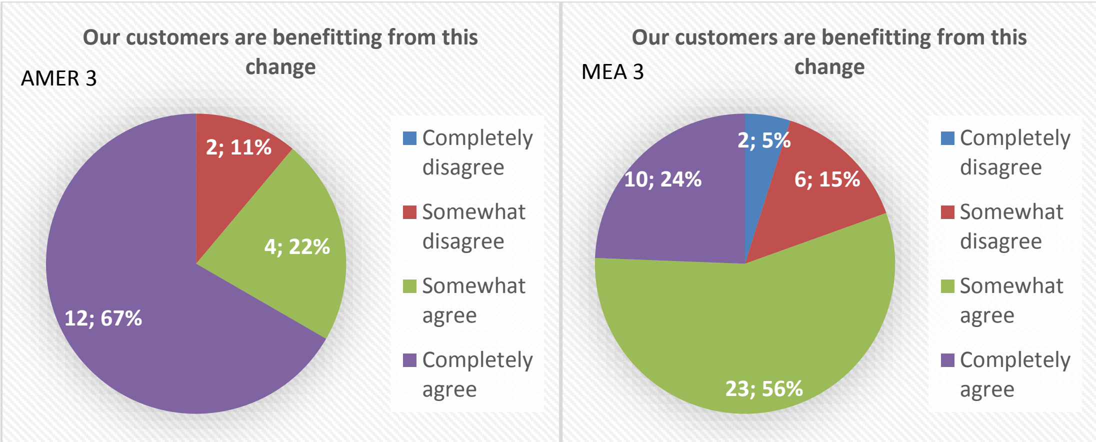
Coordinators (10) and the Sales / Account Management (24). For AMER the largest groups were E2E Parts Coordinators (7) and GLS, including Part Coordination, Management (5). The rest groups for both areas had respondents from zero to four. First is presented the results of the general survey and then the function specific surveys. The results for the 3rd round can be seen in appendices 4 and 5.

After some months had passed from the change go-live, the change and the reasons to it were clear to most of the stakeholders, and it was trusted to bring good results eventually. 66% of all participants stated that a few months after the start of the Center operations they can already see that the new center setup was performing better than the old setup separating the NC and GLS coordinators. 80 per cent in MEA stated that the customers were benefitting from the change, in AMER 89 per cent. As a continuum, most of the participants felt the change was going into the right direction to show long-term benefits while the center was not seen to be yet working up to its full potential.



The cooperation with the project team was seen to be rather easy and support received from them was experienced to be sufficient. Their ability to coordinate and control the project was also appreciated. The stakeholders were satisfied with the communication also. Time frame for the change was seen to be at least partially good.

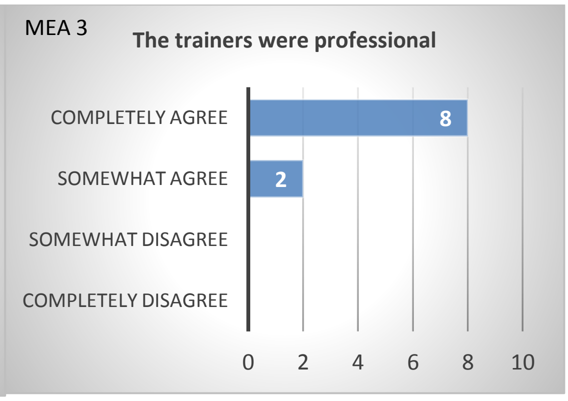
The contacts between the coordinators and the external and internal stakeholders were seen mainly to be well established, but for example in MEA 20-30 per cent on the stakeholders disagreed with this. In AMER the stakeholders were more confident the new setup benefits the customers, when in MEA the responses were a bit more reserved.



Overall the project was seen as a success and 90 per cent in MEA and 89 per cent in AMER were confident that the new setup would improve the Services function results in the long run.

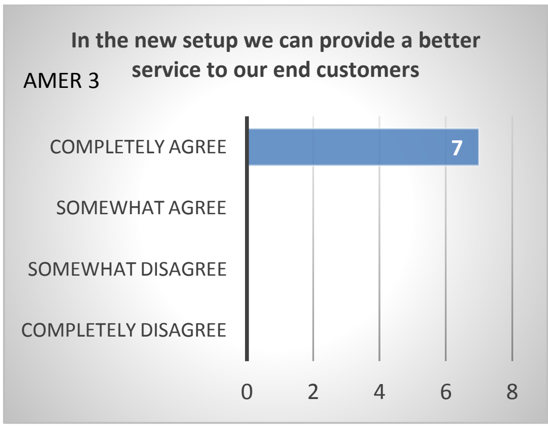
The E2E coordinators' survey revealed that in both locations the change capacity was seen to be good, both teams were pretty well prepared to start the change. Both teams agreed the support from their management was sufficient, although some wished more of it. No big problems were seen to have happened during the merger of the functions. In AMER the coordinators felt the workload was in an ok level through the change, but in MEA not all agreed.

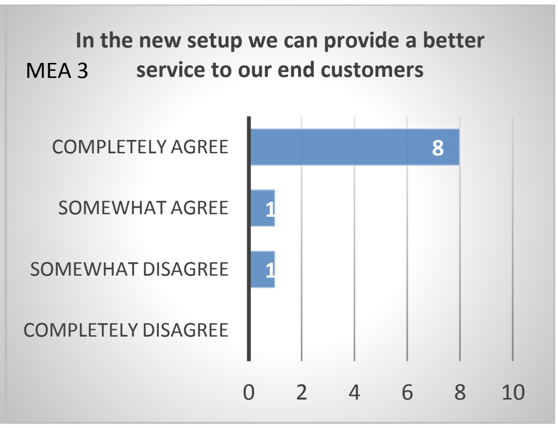
The trainings for the coordinators were seen to be effective and very useful, and mainly well organized. Both teams were very satisfied with the trainers, and in open feedback the trainers were praised and in MEA team also the key users' efforts were appreciated.



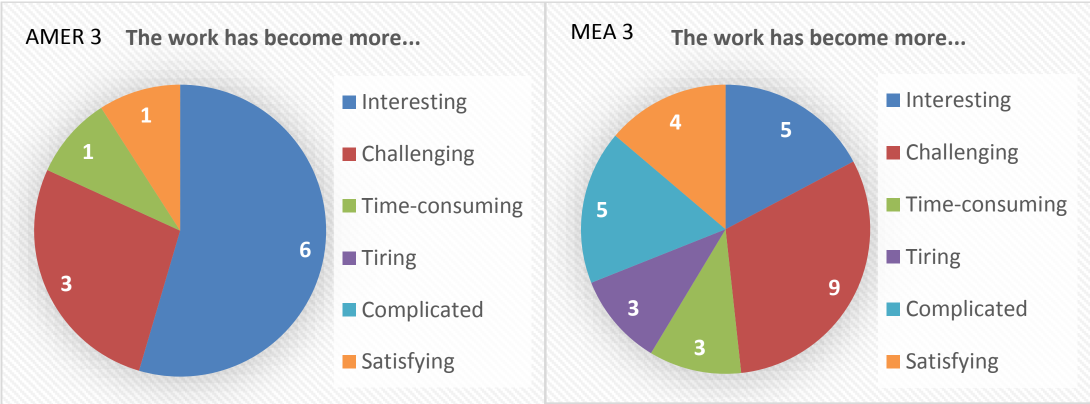
The AMER team members experienced strong unity and support among the team, when in MEA the results varied a bit more, majority still agreeing there is support within the team. Both teams felt it was easy to adapt to the new setup. The new setup was generally seen as an improvement and the new role more challenging. Majority of the respondents also saw they have more development possibilities in the new setup. All coordinators replied they receive positive feedback of their work at least to some extent, and everyone's expectations towards the new setup were fulfilled.

In AMER team the whole team was 100 per cent confident they are able to serve the customer better now than before. In MEA the result was not as positive but almost as good. Also the cooperation with the other internal stakeholders were seen to working generally well. Both teams also agreed that they understand the spare parts business better now and that the supply chains is much clearer to them now.



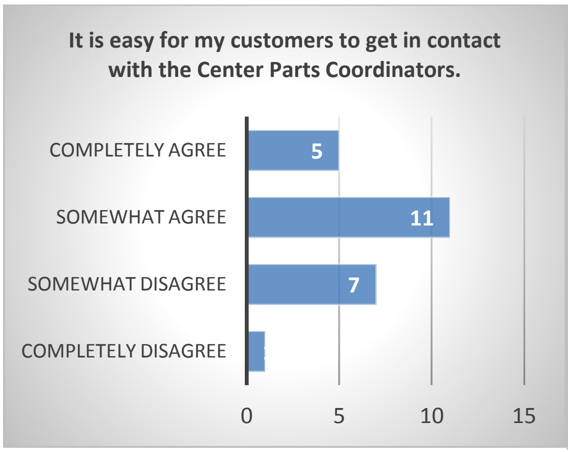


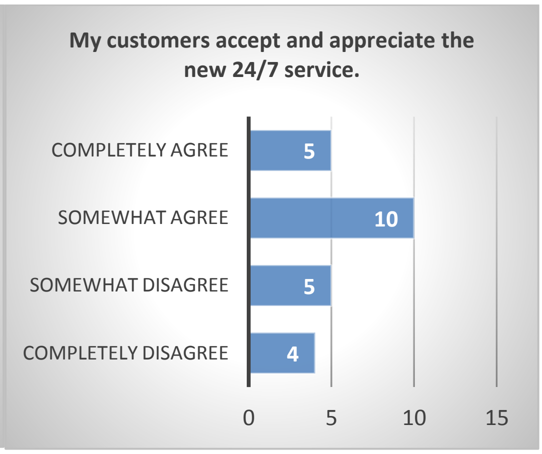
In AMER team the coordinators thought their workload after the change was in good level, when in MEA a couple of people felt differently. In open comments the MEA coordinators expressed the wish to check and evaluate the individual workload to know if re-allocation of some tasks would be necessary. Also the 24/7 service phone line was said to work well in AMER, when in MEA some people thought it would need some improvement. This was also mentioned in the open comments, where the stakeholders could give feedback of the project in a whole. In general, the coordinators felt the work had become more challenging, but also more interesting.



One major thing that came up in the open feedback was that the communication of the change to the end customers was handled somewhat poorly. In AMER the stakeholders said that customers were not informed correctly of this initiative and the new process. There also the customer communication and relationship between the coordinators and the end customers was not seen to work properly, and that the customers did not trust all new coordinators were competent to handle their business with the case company and preferred to contact their old contacts, especially for more difficult cases. In MEA area also the language issues were brought up, as there are a lot of different cultures and languages in the service area the coordinators in Singapore handle. This also was shown as a slight change resistance towards the level of centralization in MEA, some stakeholders would have preferred to keep some functions in other location, e.g. in Indonesia.

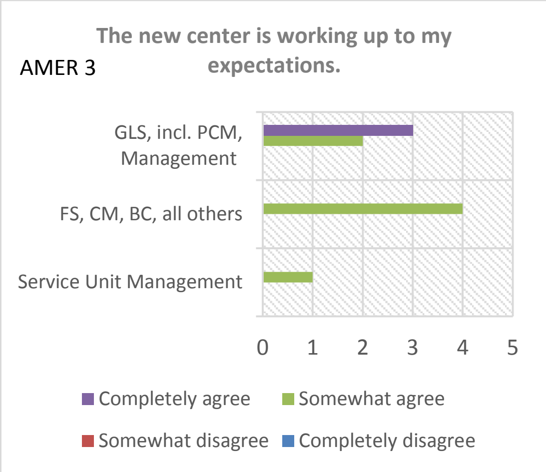
The Sales / Account Management, the group responsible for customer relations and related issues, 21 out of 25 saw the customers were benefitting from the change and that the customer mainly understood why the new center has been established. From MEA we had total 24 people replying from this stakeholder group, for AMER only one, thus as reference only the MEA results are shown here. 21 out of 25 agreed the cooperation with the coordinators worked well, and 20 were convinced about the skills of the coordinators although in free text comments seemed that the process is still not working up to its full potential. Especially the 24/7 service phone number was not seen to work properly which is very important aspect of the job as customers need to be able to receive service at all times of the day they need.

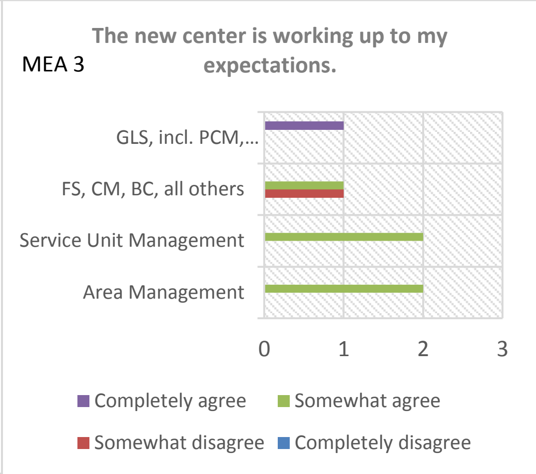




The Sales / Account Management also left open comments stating there were communication problems between the customers and the coordinators, due to language or time difference etc. Also a note of taking customer needs into account was made. One stakeholder in this group did not feel the management has taken local requirements on customer side into account when planning this change.

The management teams and other related stakeholder groups were presented with the same set of questions regarding the project implementation and the new setup. Most were rather satisfied with the cooperation with the project team and were also satisfied with the implementation. In AMER they were quite satisfied with how the new setup is working, when in MEA some were disagreeing. In both locations the benefits to customers were acknowledged.





7 CONCLUSIONS

It can be said that to some extent the projects in the two different location, AMER and MEA are conducted based on the same instructions, along the common guidelines, but the execution in both locations was different. The project model of the case company was a quite standard model and includes pretty similar phases like most of the change management models, as in the end each project results into some kind of a change. The project model gave a really good frame for the project teams to conduct the change, but a change management project always requires also leadership skills, like mentioned in Edmonds's article *Managing successful change*, 2011.

The need for the whole change program, the E2E Program was very clearly defined and understood from the beginning until the last survey. According to Valpola's 5 factors in change management (2004), this is the first step towards a successful change, which also in the case company's project model is the first step, to explore and propose the need for a change. Here important is the communication, as it is the best tool to support the stakeholders and make everything as clear as possible. The project managers took care the immediate stakeholders were listened to when their processes were gone through carefully before the change plan was made, in the as-is analysis. Most stakeholders also agreed they felt their ideas were taken into account.

In the beginning of a project the most important thing is to make sure the common vision is sold to all stakeholders. This is the second step towards a successful change. This is important because if the change project does not get buy-in from the stakeholders, the change would have become a meaningless change and the stakeholders would have not been committed to the change. Most of the people agreed they understood why the change was initiated in the end and saw the common goal to have become reached. Here, like said by the project manager, the communication was the key. When you have open communication channels of the change with the stakeholders, it is much easier to get their buy-in, collaboration and the psychological contract from the stakeholders. This is related to the leadership aspect of the change management. All of this is built to a good relationship between the stakeholders and the project team. In all, the emphasis of communication in the project team was quite vast and also the stakeholder survey results showed the communication worked well and improved reactions towards the change.

In MEA, especially, when the project manager was located at the same office with the coordinators, it was easy for him to build the relationship and keep communication lines as open as possible. The results of the surveys show that after the first survey all stakeholder groups seemed to be equally confused about what is going to happen, but after the to-be workshop and the second survey the MEA stakeholders were much more confident about the success of the change, and seemed the motivation was much higher. In AMER team the confidence and motivation stayed throughout in a quite stable level. There the project manager was not present at all times, but located in Finland and made business trips to the US location in Fort Lauderdale for the workshops and go-live. From this can be concluded that by having the project manager present, it becomes much easier for the stakeholders to get used to the idea the change is happening and questions can be asked at all times, when the communication channels are more open and easily usable. Communication is the best form of support the management and the project team can offer for the people in the change. Contacting the project manager, or the team via email and phone is of course also possible, but it takes more effort from the stakeholders to approach and is not always the best choice of communication.

The third step towards a successful change is the change capacity. From the results can be concluded majority of the respondents were quite sure their organization was ready to go through the change, about ten per cent disagreed. The project managers describes various different ways of support towards the coordinators, and it can be said it was organized rather well based on the survey responses. The operational and conceptual support during the go-live was also very useful to offer as through it some tweaks and problems in handling could be still tackled after the trainings were over. The coordinators generally did not see the workload during the change to be a problem which indicates it was a good decision from the project team to have only half day trainings to control the pending work. Both locations also had external trainers to cover the customer communication topic, which was found successful and appreciated. In a large change like this it is good to rely on external assistance in order to gain as much as possible knowledge and advantage to successfully achieve the common goal.

The next step is the first actions, planning and implementation. In this project the first actions to start the process was preparing the gate 1 proposal for the SteCo. From there the to-be analysis and the plan was in the end made and all stakeholders informed about what was to come. All stakeholders were well informed and efforts were really taken to inform all stakeholder groups in the most suitable way for them, as different people need different approach. The surveys showed the majority was pleased with the quality and quantity of the information sharing throughout the project. Having a proper SteCo with representatives from different organizations showed the case company's project team wanted to involve the stakeholder groups the change affects in the decision making. This way the information sharing of the change may become easier within the different departments, and increase the feeling of belonging to the new organization as much as to the old one.

The implementation in the project was the training period. The training was planned by mapping the as-is process and the improvement needs in the process. By doing the planning this way, by involving the stakeholders from the beginning is beneficial and increases the sense of togetherness and that the project is really a joint effort among the project team and the stakeholders. Also this refers to the three C's, communication, collaboration and contract. By involving the stakeholders through open communication as early as possible, it is easier to get their buy-in and make the collaboration work, which in the end will result to a psychological contract between the employee and the organization. The trust towards the project team and the feeling of being involved in the change showed from the survey results also, with minor resistance.

The choice of the trainers was successful, and generally the trainings were appreciated. Based on this the coordinators were very motivated and committed to the change and the implementation, and saw the benefits of it. The implementation of the trainings included both theoretical and practical aspects which is good as these both support each other. It also enhances the level of learning and adapting the learned to the behavior. By having the concept of sustainable trainings the case company can effectively monitor the level of learning and enhance it.

The last step towards a successful change is to anchor the change into the business culture. As this was a project lead by a project team the anchoring was left to the operational management to handle. Based on the result the coordinators were motivated to work in the new setup with new colleagues which indicates they would be attached with the new organization and operations.

In the end it is the organization's responsibility to create the nice and supportive working environment and the results showed the coordinators enjoyed to work with the project team and in the new setup. In AMER the feeling of supportive working environment was strong after the change and they otherwise also saw a lot of benefits in the new setup, both for themselves but also for the customers. This tells the common vision was still clear in the end and a desired goal. The common belief in general that the new setup really is an improvement was strong in both locations, which also indicates the vision was sold well and the buy-in of the coordinators was successful. The project team in MEA efficiently combined the coordinators from different locations together and created the team spirit through team events, like dinners. This was important in regards of the change experience and the coordinators finding their identities in the new setup. It is good for the project team to be involved in the operational, personal level of the change also, not only managing and coordinating the next steps of the change.

The other stakeholder groups gave a lot of feedback of the project and some were somewhat unsatisfied with the level of expertise and abilities to serve the customers. This can result from change resistance, some responses showed not all sales or account managers were satisfied with the centralized setup and would have wanted to have still some parts coordination operations in their own country. Generally it could be seen from the responses the management groups were more confident about the success of the project, when the stakeholder groups that were in indirect involvement of the change had somewhat lot to say about the coordinators and their skills and knowledge. Also expectations towards the new setup were high from the beginning, and when everything did not go as planned, e.g. the lack of coordinators for the go-live, the disappointments are also higher.

In the end the common opinion of the project seemed to be that the implementation was rather successful, even the outcome, the new setup was not yet seen to be working up to its full potential but everyone believed that in the end the centers would achieve the desired level of customer service which was the main goal of the Parts E2E Program.

8 RECOMMENDATIONS

Being able to evaluate different projects in different locations offered an opportunity to learn from the projects, to find out if one project implementation can offer something than the other could not.

One major issue reported by the stakeholders was the lack of informing the customers about this initiative. In this type of changes where the main goal is to improve the customer service and to make it more efficient and faster, it would be crucial to let the customers be aware of the change and be able to give constructive feedback about it. The case company had not done any customer satisfaction surveys regarding the change yet, but a recommendation is to involve the end customers more in the change. Otherwise it is difficult to really know have the operations been improved, and if not then it is easy to find out what is not working and what needs to be done in order to improve the performance. This way the quality of the operations could be also evaluated to some extent, when customers could give feedback maybe before and after the change. This could be done via sales / account management to increase also their feel of being involved in the change and reduce the change resistance from their side.

In AMER team the stakeholders also hoped for more trainings regarding the products and the customers. In MEA both of these topics were covered in addition to process training and concept training. The contents of the trainings should be carefully thought and through the as-is analysis it was possible to do so. Having people with different skill-sets involved creates own challenges for the trainings but this type of big picture topics that are important in order to understand the organization, the change, the process and the work better would be good to include in all similar projects. Even though each project under Parts E2E Program is in different location and lead by different people, the framework for the trainings could be the same globally. This would ensure more unified way of working and everyone would have the same knowledge given. After all the goal and the common vision are the same for everyone.

It was also said some process topics were left out of the training scope to be dealt later by the local, operational team. It would be beneficial to have a plan for these post-change trainings also. This would ease the stakeholders, in direct and indirect contact with the change not to feel they are not competent enough, and that the learning continues still. This could also reduce the negative attitudes towards the implementation right after the go-lives. It must be understood that the pre-change trainings cannot include everything as it would take extremely long to learn and understand everything. That is why it would be good to have a plan for these post-change trainings also, even though the responsibility of the operational team. The project team could sit with the operational team and determine the concepts still to be taught and make a rough plan for e.g. a one year to go through each topic. This kind of one year planning phase was also mentioned by Valpola in chapter 3.3.1.

Even though most of the surprises were said to be somewhat known by the project managers they said the complexity of the recruitment process became out of the blue.

From this can be learned that the recruitment process in each location should be investigated well in advance in order to avoid the lack of coordinators in the go-live, so the response time and the level of customer service will not suffer. This would reduce also the change resistance and the feel of disappointment in the beginning.

As a final conclusion it can be said the change management project implementation in the case company was rather successful. All aspects of Valpola's five critical were covered well, and the first four were somehow the same as the case company’s project management model. The implementation of the training was received positively, although not all stakeholder groups were confirmed of the coordinators’ skills yet. The most important goal to improve the customer service was seen to have become true to some extend and that benefits to the Services function will follow in the end when the full potential of the centers can be utilized.

Below table 4 summarizes the success points of the projects and recommendations for future similar projects.

Table 4. Conclusions and recommendations for the change management project.

Factor	Change Pressure / Need	Clear Common Vision	Change Capacity	First actions, Planning and Implementation	Anchoring the change into the culture	Successful Change
Results	- Clear need - Long-term development	- Well communicated - The stakeholders saw the common benefit throughout the projects	- A lot of different support offered for the stakeholders - Allocation of resources could have been better - Recruitment process caused some problems after the go-live(s)	- The case company’s project model was a good base for the project - As-is and to-be analyses good platform to involve the stakeholders - Trainings were well planned and highly appreciated	- Left to the operational team - A lot of tools provided for follow up - Project team has conveyed their vision of the new setup to the operational teams	- Mainly the Parts E2E was successfully implemented - Time will determine how well the new centers will perform
Suggestions		- Benefit of having the project manager in the same location as the key stakeholders	- Check the recruitment process per country well in advance	- Global training concept plan to ensure global knowledge and way of working are same everywhere - Involve the end-customers	- A one year plan after the go-live - Plan to include e.g. all trainings to come	- Customer surveys regarding the new setup

9 FINAL WORDS

The idea and the first initiative to start this thesis emerged from the case company’s side when the author had asked for a thesis topic in the end of 2014. She was aware of the Parts E2E Program starting in the case company’s two first locations and approached the project managers for a topic. The project managers suggested the evaluation of the change management project right away, as the idea was to conduct the stakeholder surveys anyway.

The study of the theory inspired the author to study also the project managers implementation plan, as in the beginning the idea was to only study the stakeholders. The author saw the benefit of combining two research methods to explain the change management project in the case company, it gave a broader view of the project and opened new opportunities for the research also. The analysis of the results was interesting and challenging, like the coordinators impressions of the new work. The vast amount of the data brought its own challenges to the analysis through the need to compare different results to each other and find the link to the theory. In the end the author was satisfied with the results and the outcome of the research and believes the recommendations are very useful and practical for future similar projects in the case company.

The research objectives had to be modified during the writing process in order to make them clearer and easier to answer to with this thesis research. The two practical research problems were to find out how the case company implemented the change management project and what where the stakeholders reactions to the implementation. Now can be said the research reached both of these objectives. The implementation was done according to the case company’s project model but the project managers did not forget to lead the people also towards the new setup. The reactions to the implementation evolved during the project to a more positive way with giving concrete feedback and improvement suggestions to the new working practices in the setup.

In all, the author is very satisfied with the thesis work and happy that it is finally done. This project gave her a lot of new ideas and inspiration towards her own career aspirations in the future. The challenging, but rewarding nature of change project management was a very interesting topic to dig into.

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APPENDIX 1

INTERVIEW FRAME FOR THE PROJECT MANAGER INTERVIEWS

URGENCY /NEED:

1. Why was this program established?
2. Where did the change pressure emerge from? Was the reason to change clear?
3. Was there chance for discussion about the change with superiors/top management?

CLEAR COMMON VISION:

4. What is the main goal(s) of the program? How was it conveyed to the stakeholders, or was it?
5. Was the reason and vision sold well?
6. Who decided the change objectives and how?
7. Is the common vision measurable? Clear measurable objectives?

CHANGE CAPACITY:

8. What were the strengths of the old organization to establish the change?
9. Do you think the organization was ready to go through it?
10. Do you think enough resources were used to make this happen?
11. Was the organization able to tolerate uncertainties through the process?
12. Did you face any surprises, if yes, how did you cope with those?
13. Are you satisfied with the support you received from the management? Did you get enough information & support?
14. How were the coordinators given support through the project and by who?

1st ACTIONS / PLANNING & IMPLEMENTATION:

15. What were the first steps to start this project?
16. How was this change planned?
17. What was the role of the steering committee? How were the people in it chosen?
18. What were the program steps? Short- / long-term wins.

TRAINING:

19. How was the training planned? Were the activities/actions/training etc. sufficient?
20. What were the training goals? Were they reached?
21. What did the training and other action include?
22. How long was the training? Do you think it was sufficient?
23. What was the trainer(s) like?

24. What was learned during the training? Is the learned information applied now after the change?
25. Did the training correspond the content of the change?
26. Quality of training overall? What could have been changed/ improved?

ANCHORING THE CHANGE INTO THE CULTURE:

27. What is the plan to follow up the progress of learning and adapting new procedures?
28. What are the plans from now on regarding this project? Follow-up?
29. Is there a clear plan for the coming year(s) regarding anchoring this to the culture?
30. How can the center keep up motivation to develop towards new setup and not falling back to old?
31. How is the process in new setup followed? If spotted something isn't working, what will be done?
32. How does the center make sure the learned knowledge is applied in everyday work?
33. How is the new culture supported and strengthened?

EFFECTS OF THE CHANGE:

34. Do you feel there was pressure from the management regarding this program?
35. Do trainings continue after go live?
36. Are the outcome or effects measured somehow? (KPIs etc.)
37. Was the goal set reached? Which & to what degree? Which not and based on what?
38. What were your role and responsibilities during the program? What your role and responsibilities are after go live?
39. Has work performance improved / changed in a desired way?
40. Has there been changes in the staff (E2E center teams) after the go live? Increase/decrease?
41. Was the change project evaluated as a whole?

+ Is the training and its effects measured? Is there some data to show these effects & to what level the learned knowledge was applied?

APPENDIX 2

SURVEY DESIGN FOR THE ROUNDS 1 & 2

GENERAL SURVEY

1. I am well informed about the project targets and implementation status.
2. The project ideas and the proposed new set-up for Parts Coordination are going into the right direction.
3. I am well informed about all topics relevant to my work.
4. My concerns and improvement suggestions are taken into consideration.
5. I trust the project team is on top of the tasks and issues.
6. I enjoy working with the project team members.
7. I feel the change is implemented in a reasonable timeframe.
8. My additional workload due to this project is on an acceptable level.
9. The project will have a positive effect on our customer relationship and business.
10. I am confident that the project will be a success.
11. What would you do differently if you were part of the project team?

FUNCTION-SPECIFIC SURVEYS

AREA SPECIFIC FUNCTIONS

<u>Area VP's, SU Directors, Area Business Support Directors</u>

1. The project team is taking local requirements into consideration and tries to find suitable solutions for my organization.
2. The project team has a good understanding of the parts process and knows how to further improve it in my organization.
3. The cooperation with the project team is working well and it has added value to my work and to my organization.
4. The project will improve our local operations and business.
5. What are areas in which the project team still needs to improve?

Sales / Account Management

1. The project will improve my customer relationships and business.
2. My customers will benefit from the new Parts setup.
3. The project will help me with my spare part sales activities.
4. The project has improved my cooperation with Parts Coordinators.
5. Which aspects of customer relationship and sales need to be more in the project's focus?

Sales Area Management

1. The project is in line with the ideas on centralization of Parts Coordination activities which the Area Mgmt Team had in mind for the Quick Win initiatives.
2. The change of reporting lines for the current Area Parts Coordination activities to GLS is beneficial for the spare parts business.
3. The project team gives the impression to successfully develop the GLS organization from back-office operations towards a customer-focused organization.
4. From Area Mgmt point of view, on which aspects should the project team put more focus?

Field Service / Contract Management

1. The new E2E setup for Parts Coordination is well aligned with the setup and processes of my function.
2. The Parts E2E will harmonise and standardize the interface between Parts and my function.
3. What are your expectations regarding the cooperation between the PCM Centre and your function, and what kind of possibilities do you see to improve this interface?

Network Parts Coordinators

1. I know what the key changes are coming with the E2E setup and how they will affect my work.
2. I am motivated to work within the project and develop my working skills to achieve the project targets.

3. The project improves my understanding of the whole spare parts supply chain.
4. The project allows me to have a complete status overview from customer request to delivery / invoice.
5. The new set-up in Parts Coordination is going into the right direction. Common
6. I expect my work to become more interesting and challenging in the E2E setup.
7. In the E2E setup we can further improve our response time and quality of responses to our customers.
8. Our customers will benefit from the Parts E2E setup.
9. I'm afraid that the project will have a negative impact on my work life.
10. What are areas of improvement that the project should put more focus on?

<u>Sales Support</u>

1. The new E2E setup for Parts Coordination is well aligned with the setup and processes of my function.
2. The Parts E2E will harmonise and standardize the interface between Parts and my function.
3. What are your expectations regarding the cooperation between the PCM Centre and your function, and what kind of possibilities do you see to improve this interface?

SHARED BUSINESS OPERATIONS

<u>GLS Parts Coordinators</u>

1. I know what the key changes are coming with the E2E setup and how they will affect my work.
2. I am motivated to work within the project and develop my working skills to achieve the project targets.
3. The project improves my understanding of the whole spare parts supply chain.
4. The project allows me to have a complete status overview from customer request to delivery / invoice.

5. The new set-up in Parts Coordination is going into the right direction.
6. I expect my work to become more interesting and challenging in the E2E setup.
7. In the E2E setup we can further improve our response time and quality of responses to our customers.
8. Our customers will benefit from the Parts E2E setup.
9. I'm afraid that the project will have a negative impact on my work life.
10. What are areas of improvement that the project should put more focus on?

<u>GLS Management (including GM PCM)</u>

1. The project is improving the performance of our spare parts supply chain and our customer relationship.
2. The changes implemented in PCM make sense from my function's point of view.
3. The project has a strong impact on the way of working of my function.
4. The project will improve our customer relationship and business.
5. With PCM becoming a globally present organization, I see potential for my organization to develop into the same direction.
6. What are areas of improvement that the project should put more focus on?

<u>GLS PCM Management</u>

1. The employees in my team are concerned about the Parts E2E Program.
2. The project team has clearly communicated how the way of working in PCM will change in the E2E set-up.
3. Me and my team understand the project targets and how this will impact on their daily work.
4. The project will improve our customer relationship and business.
5. What are areas of improvement that the project should put more focus on?

SUPPORT FUNCTION SURVEY

<u>A. Human Resources</u>

<u>B. IM</u>

<u>C. Quality</u>

D. Business Control

Generic survey structure:

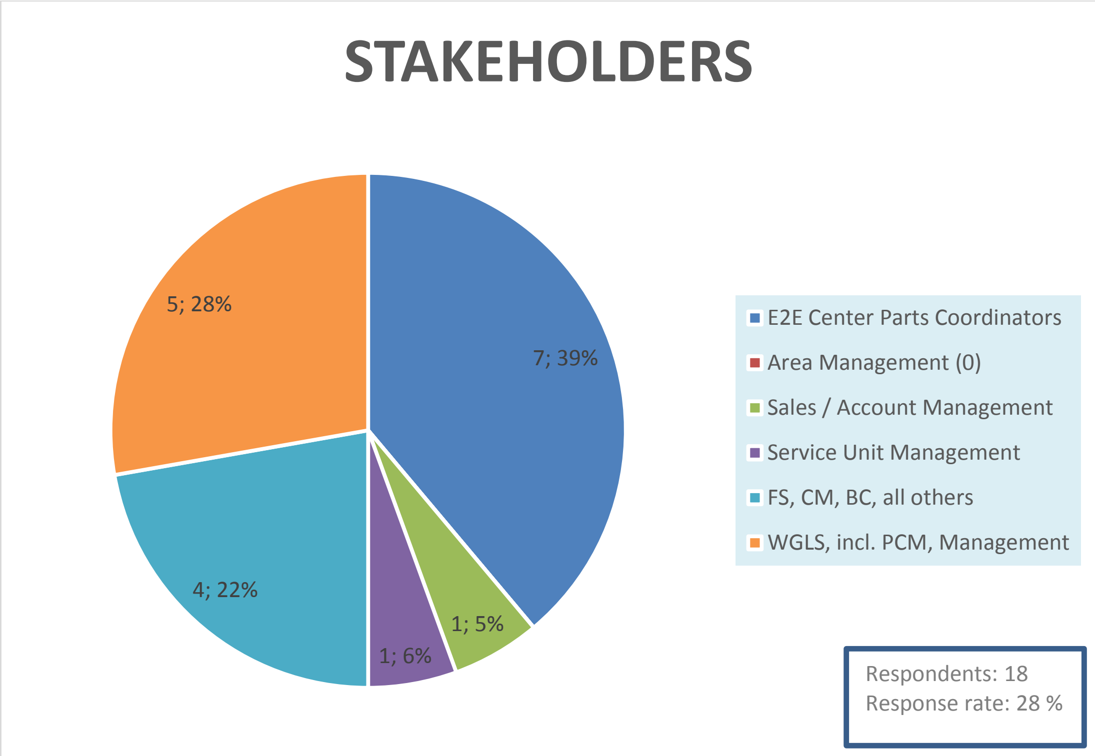
1. The project team is taking (A-D)-related topics serious and deals with them in a professional way.
2. The project team is involving me and my department in the (A-D)-related discussions and activities and is taking our advice, ideas, and concerns into consideration.
3. Which (A-D)-related topics should the project team put more focus on, and how should this be done from your point of view?

SteCo Survey

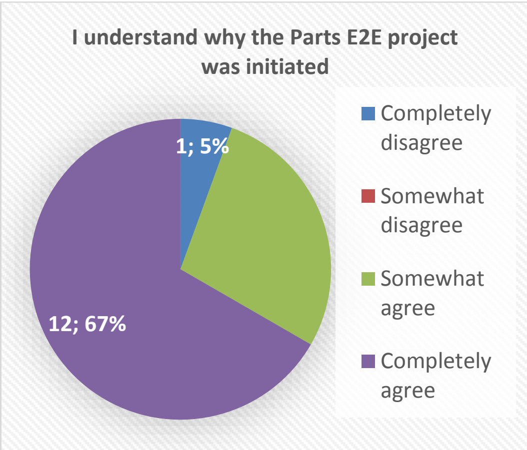
Project Steering Committee

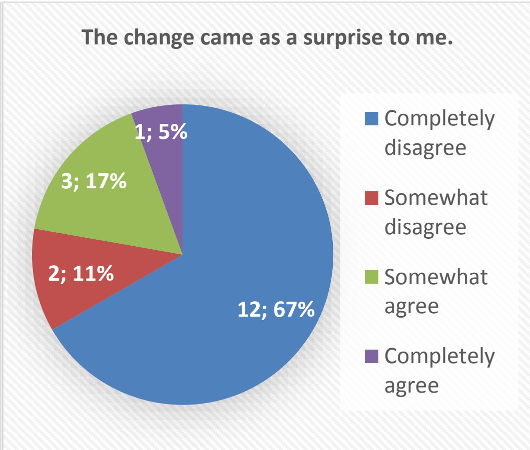
1. The project team is preparing steering committee meetings and decision making in a professional way.
2. The steering committee meetings are informative and provide a good understanding of the project status and challenges.
3. The right people are appointed to the steering committee for this project.
4. The steering committee is providing valuable support to the project.
5. The project is proceeding according to my expectations.
6. The gate documentation and business case were prepared well.
7. The monthly status reports are informative and help me to stay up-to-date with the project status.
8. How can the project team contribute to further improve the project steering?

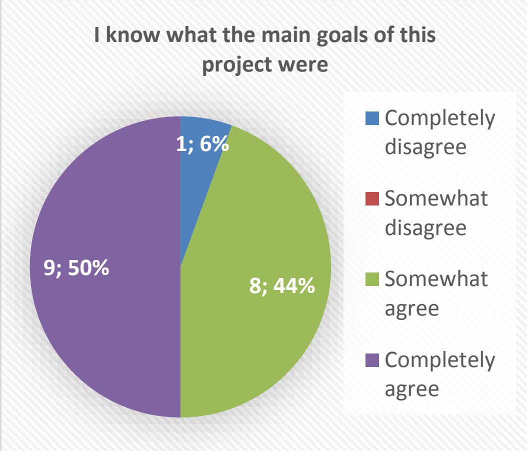
RESULTS FOR THE AMER ROUND 3 SURVEY

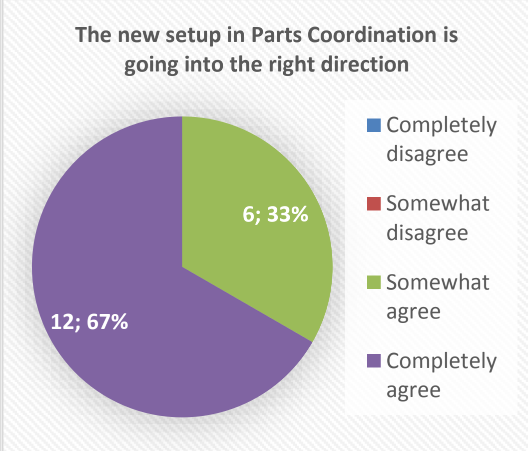


GENERAL QUESTIONS

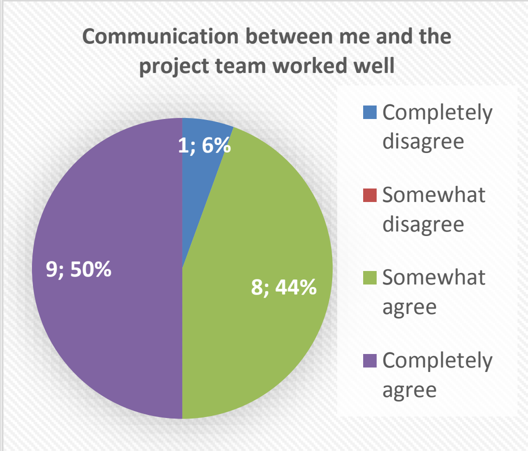


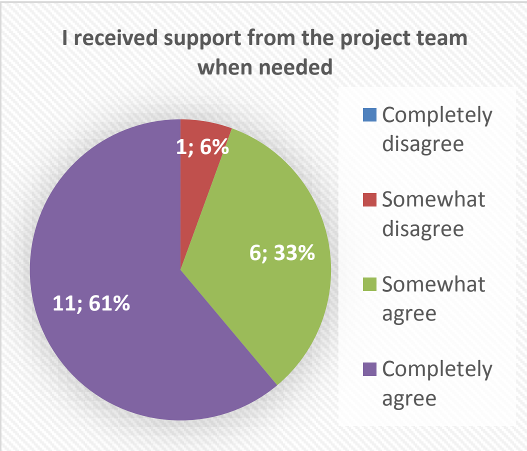


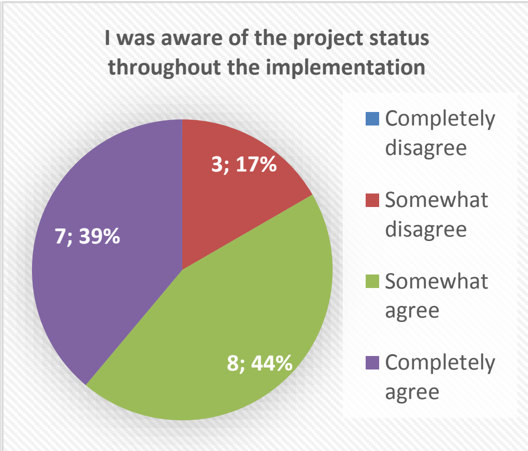

I know what the main goals of this project were
1; 6%
8; 44%
9; 50%
Completely disagree
Somewhat disagree
Somewhat agree
Completely agree

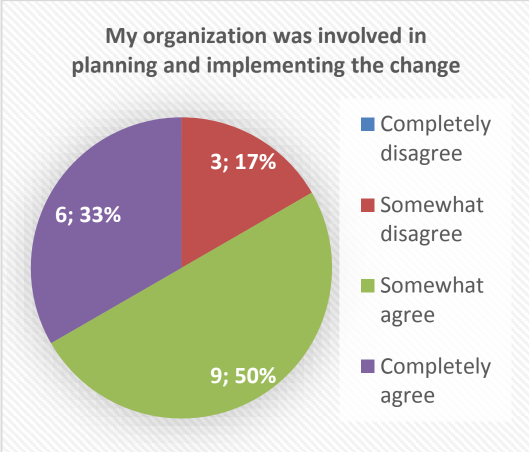

The new setup in Parts Coordination is going into the right direction
6; 33%
12; 67%
Completely disagree
Somewhat disagree
Somewhat agree
Completely agree

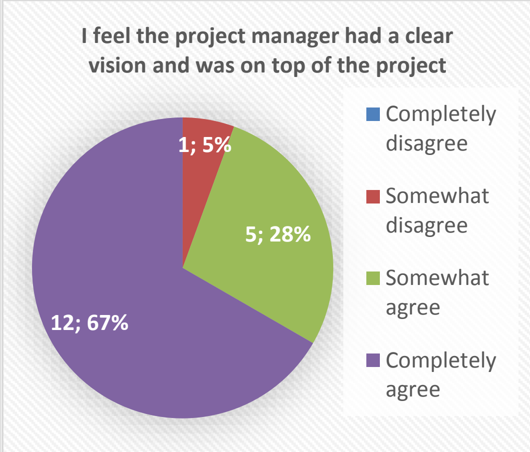

My organization was ready to go through the change
1; 6%
9; 50%
8; 44%
Completely disagree
Somewhat disagree
Somewhat agree
Completely agree

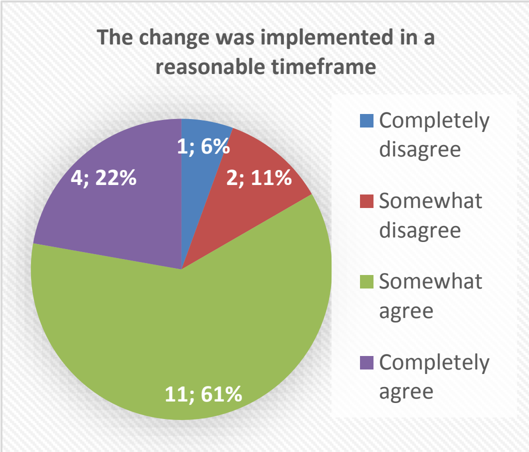

Communication between me and the project team worked well
1; 6%
8; 44%
9; 50%
Completely disagree
Somewhat disagree
Somewhat agree
Completely agree

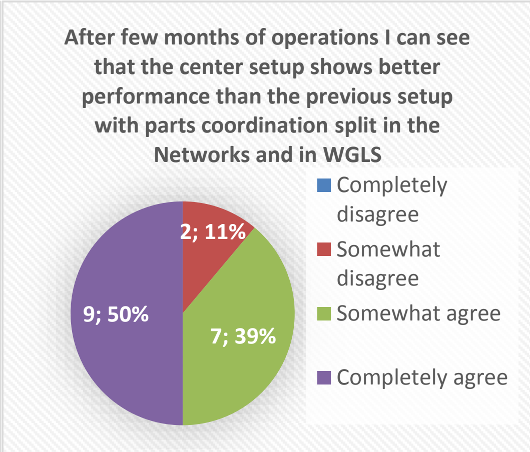

I received support from the project team when needed
1; 6%
6; 33%
11; 61%
Completely disagree
Somewhat disagree
Somewhat agree
Completely agree

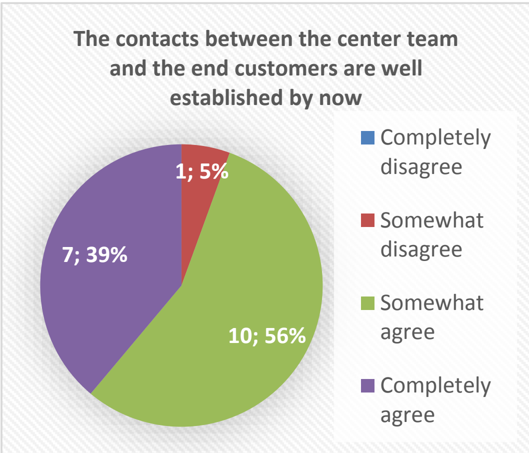

I was aware of the project status throughout the implementation
3; 17%
8; 44%
7; 39%
Completely disagree
Somewhat disagree
Somewhat agree
Completely agree

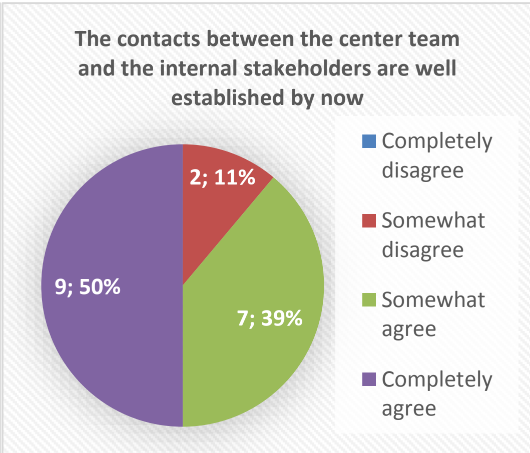

My organization was involved in planning and implementing the change
3; 17%
6; 33%
9; 50%
Completely disagree
Somewhat disagree
Somewhat agree
Completely agree

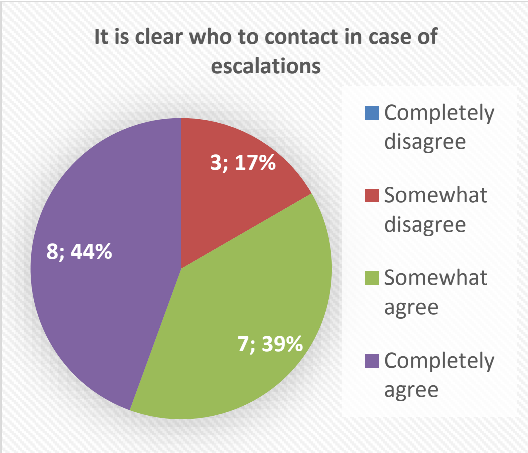

I feel the project manager had a clear vision and was on top of the project
1; 5%
5; 28%
12; 67%
Completely disagree
Somewhat disagree
Somewhat agree
Completely agree

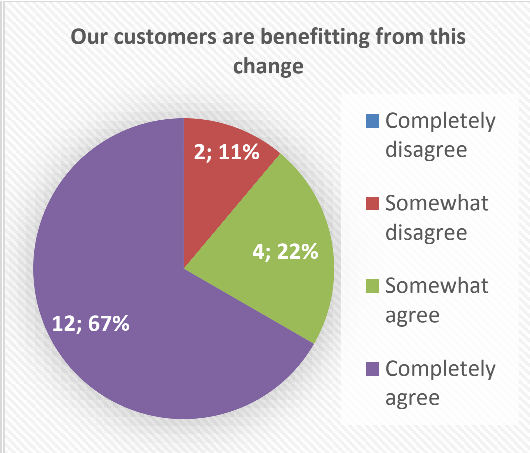

The change was implemented in a reasonable timeframe
1; 6%
2; 11%
4; 22%
11; 61%
Completely disagree
Somewhat disagree
Somewhat agree
Completely agree

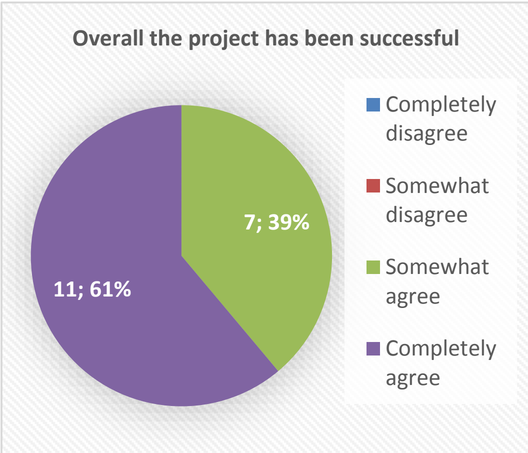

After few months of operations I can see that the center setup shows better performance than the previous setup with parts coordination split in the Networks and in WGLS
2; 11%
9; 50%
7; 39%
Completely disagree
Somewhat disagree
Somewhat agree
Completely agree

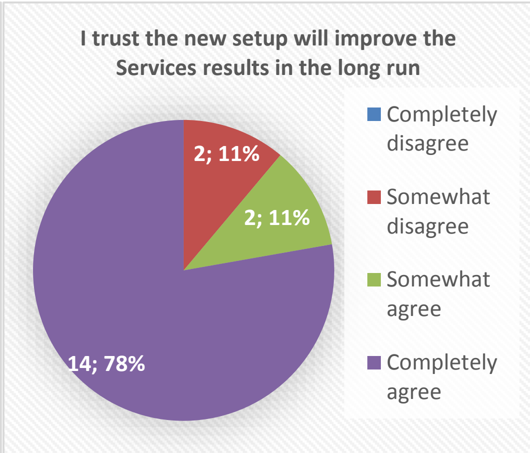

The contacts between the center team and the end customers are well established by now
1; 5%
7; 39%
10; 56%
Completely disagree
Somewhat disagree
Somewhat agree
Completely agree


The contacts between the center team and the internal stakeholders are well established by now
2; 11%
9; 50%
7; 39%
Completely disagree
Somewhat disagree
Somewhat agree
Completely agree









Feel free to share any additional feedback about the new setup with us.

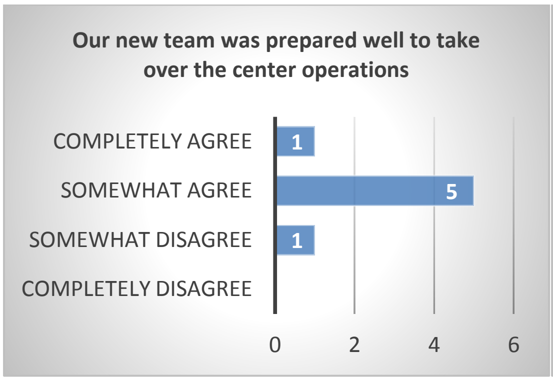
1. A lot of time and effort went into making this change. In the end, Canada was excluded, so no savings there from a true regional center perspective. I see there are gaps in the PCM accountabilities still and follow-up as it is very GLS centric and we have other parts orders to consider and prioritize. In the end, I do not see that all of the time and effort has really produced a significant amount of customer satisfaction improvements nor savings to really say that it was worth the change.

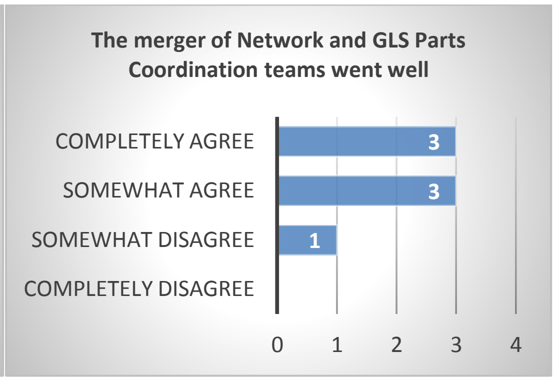
2. I began working at (the case company) in November 2015. Did training for a month. So I am not too familiar with how things were done before. But I see good things moving forward since I started here. Like with any project, there are some difficulties at the beginning. But with time, it all works out.

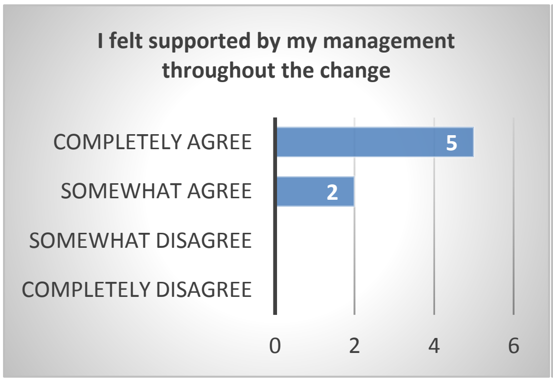
3. The concept and idea once all the kinks are worked out are going to be very beneficial for the customer. Feedback from customers so far has been that they were not well informed of the new process, and they have concerns about the competences of their new contacts. They still revert back to their original contact from time to time when an order is not delivered in a timely manner, and

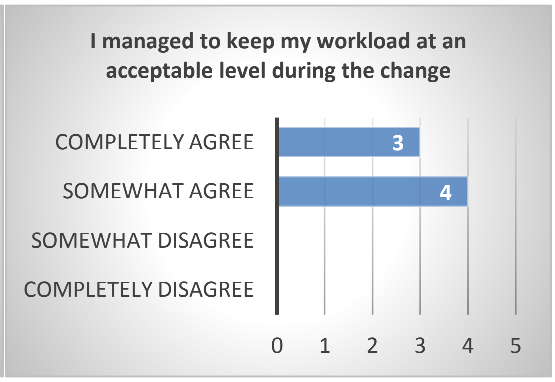
have also, at times, been given responses that the individual fulfilling their order does not understand their need/cannot identify parts. With proper training and practice, this can be an exceptional service from previous methods. Something also needs to be implemented to ensure local stocks are being used, both to help with freight costs, freight times, and risk of overstock (especially for internal instances when orders are placed through WGLS simply to reflect better on the margin of the order)

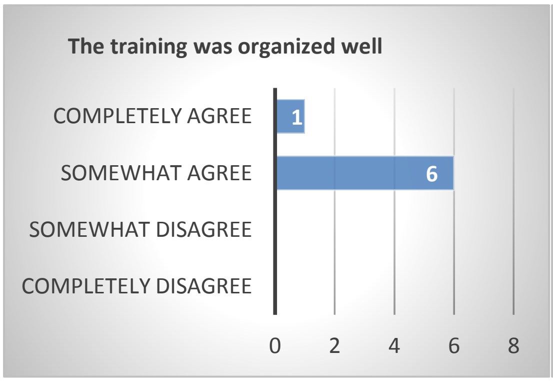
E2E Parts Coordinators (7)

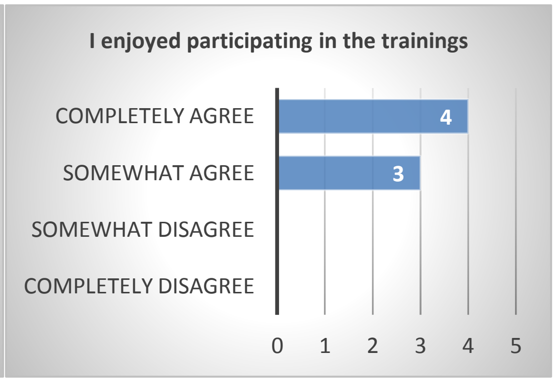


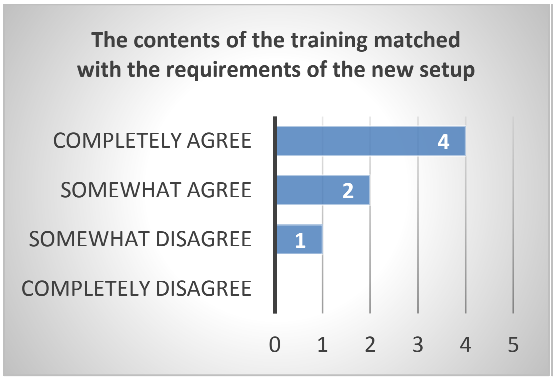


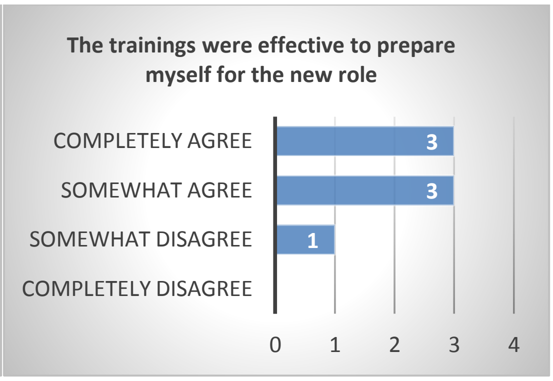




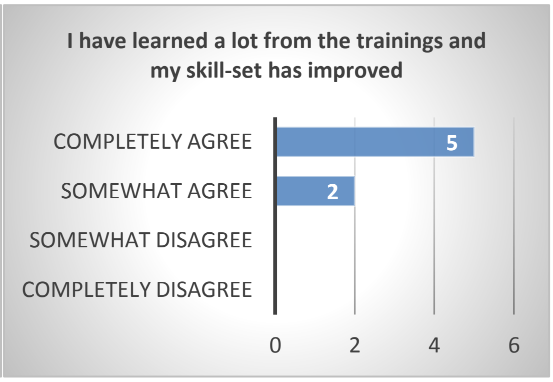


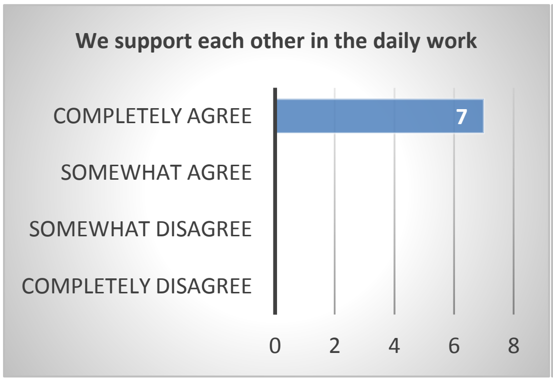


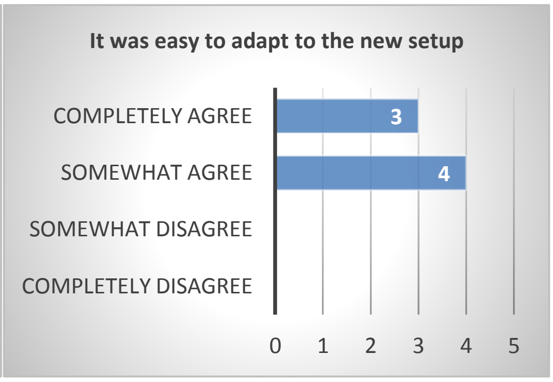

The contents of the training matched with the requirements of the new setup
COMPLETELY AGREE
SOMEWHAT AGREE
SOMEWHAT DISAGREE
COMPLETELY DISAGREE
4
2
1
0 1 2 3 4 5

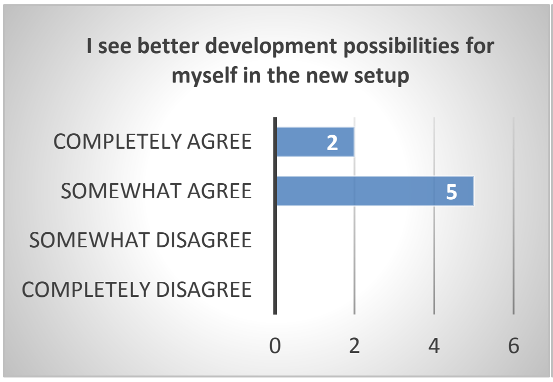

The trainings were effective to prepare myself for the new role
COMPLETELY AGREE
SOMEWHAT AGREE
SOMEWHAT DISAGREE
COMPLETELY DISAGREE
3
3
1
0 1 2 3 4

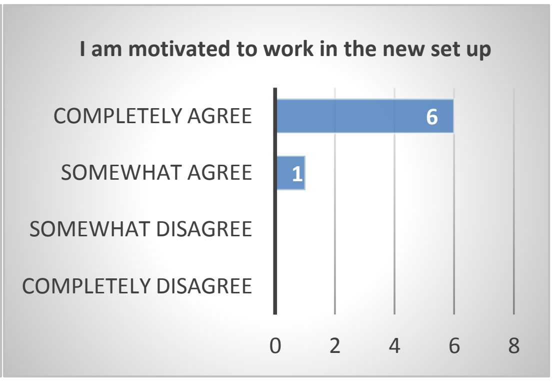

The trainers were professional
COMPLETELY AGREE
SOMEWHAT AGREE
SOMEWHAT DISAGREE
COMPLETELY DISAGREE
7
0 2 4 6 8

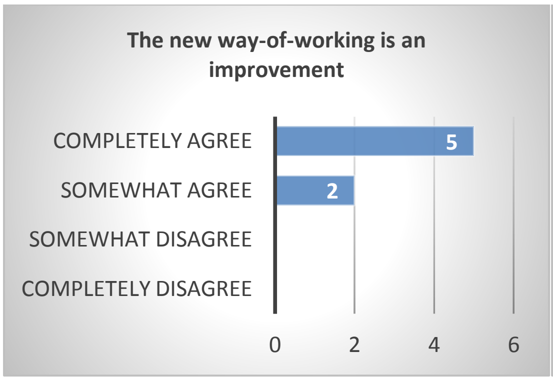

I have learned a lot from the trainings and my skill-set has improved
COMPLETELY AGREE
SOMEWHAT AGREE
SOMEWHAT DISAGREE
COMPLETELY DISAGREE
5
2
0 2 4 6

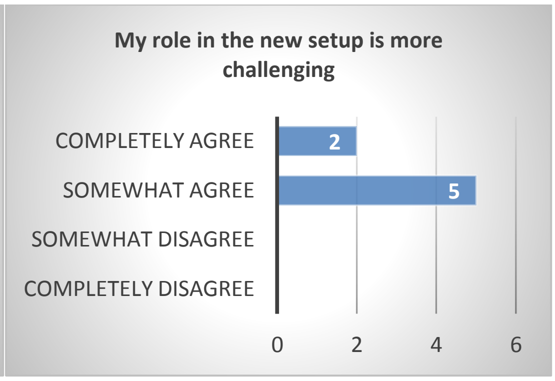

We support each other in the daily work
COMPLETELY AGREE
SOMEWHAT AGREE
SOMEWHAT DISAGREE
COMPLETELY DISAGREE
7
0 2 4 6 8

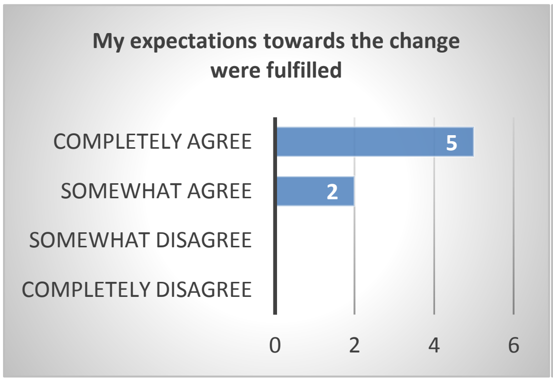

It was easy to adapt to the new setup
COMPLETELY AGREE
SOMEWHAT AGREE
SOMEWHAT DISAGREE
COMPLETELY DISAGREE
3
4
0 1 2 3 4 5

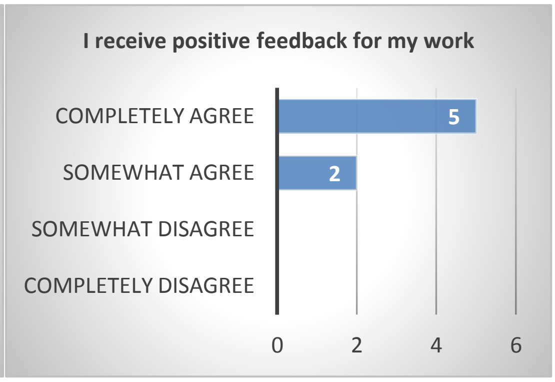

I see better development possibilities for myself in the new setup
COMPLETELY AGREE
SOMEWHAT AGREE
SOMEWHAT DISAGREE
COMPLETELY DISAGREE
2
5
0 2 4 6

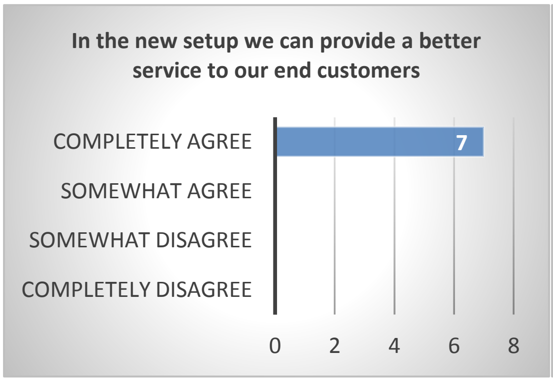

I am motivated to work in the new set up
COMPLETELY AGREE
SOMEWHAT AGREE
SOMEWHAT DISAGREE
COMPLETELY DISAGREE
6
1
0 2 4 6 8


The new way-of-working is an improvement
COMPLETELY AGREE
SOMEWHAT AGREE
SOMEWHAT DISAGREE
COMPLETELY DISAGREE
5
2
0
2
4
6

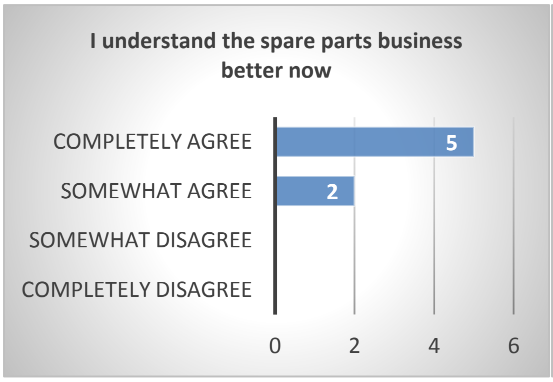

My role in the new setup is more challenging
COMPLETELY AGREE
SOMEWHAT AGREE
SOMEWHAT DISAGREE
COMPLETELY DISAGREE
2
5
0
2
4
6

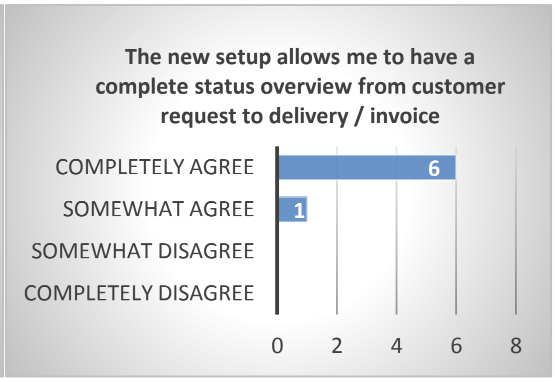

My expectations towards the change were fulfilled
COMPLETELY AGREE
SOMEWHAT AGREE
SOMEWHAT DISAGREE
COMPLETELY DISAGREE
5
2
0
2
4
6

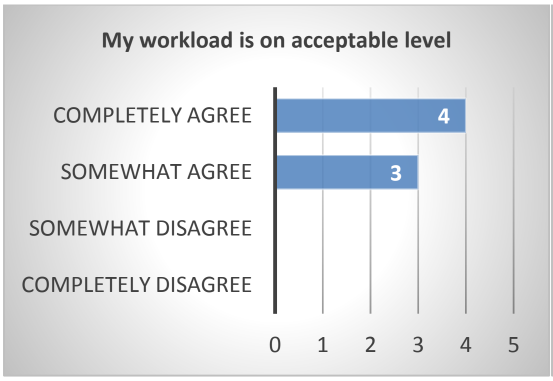

I receive positive feedback for my work
COMPLETELY AGREE
SOMEWHAT AGREE
SOMEWHAT DISAGREE
COMPLETELY DISAGREE
5
2
0
2
4
6

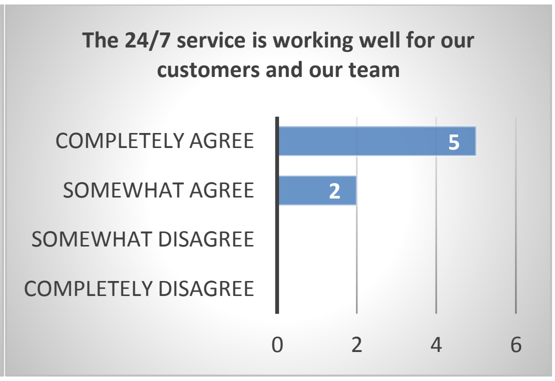

In the new setup we can provide a better service to our end customers
COMPLETELY AGREE
SOMEWHAT AGREE
SOMEWHAT DISAGREE
COMPLETELY DISAGREE
7
0
2
4
6
8

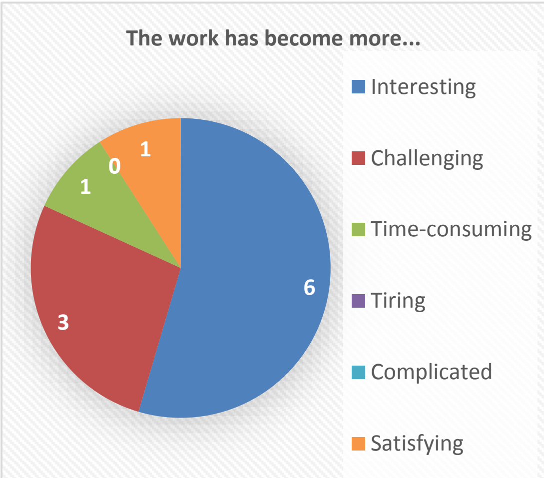

My cooperation with the internal stakeholders (account managers, field service, contract mgmt. etc.) is working well
COMPLETELY AGREE
SOMEWHAT AGREE
SOMEWHAT DISAGREE
COMPLETELY DISAGREE
6
1
0
2
4
6
8


I understand the spare parts business better now
COMPLETELY AGREE
SOMEWHAT AGREE
SOMEWHAT DISAGREE
COMPLETELY DISAGREE
5
2
0
2
4
6


The new setup allows me to have a complete status overview from customer request to delivery / invoice
COMPLETELY AGREE
SOMEWHAT AGREE
SOMEWHAT DISAGREE
COMPLETELY DISAGREE
6
1
0
2
4
6
8







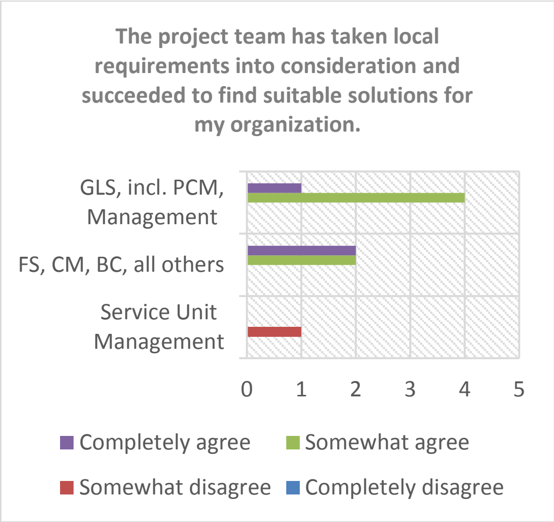
Please share any additional feedback about the trainings with us.

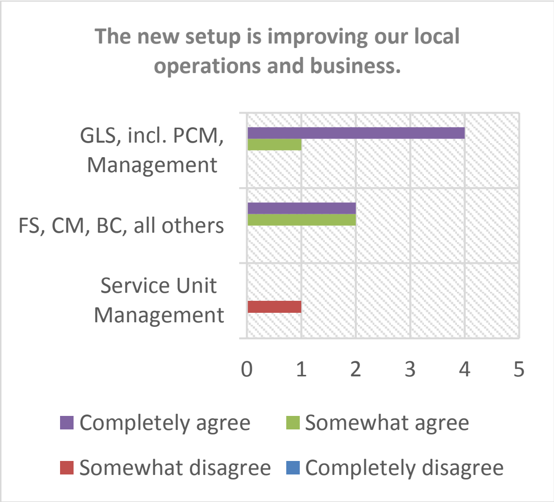
1. Training was thorough and detailed. Trainers were great and patient.

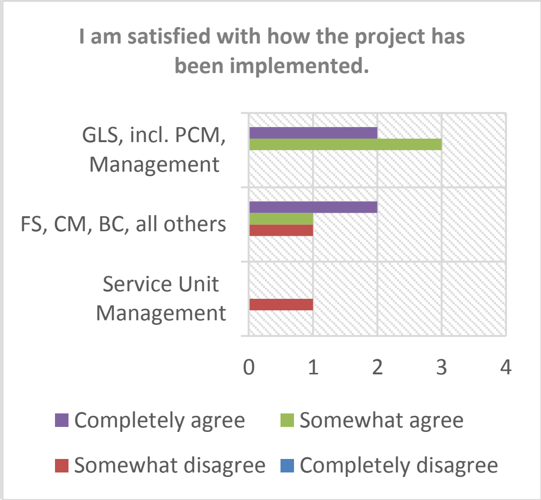
Sales / Account Management (1)

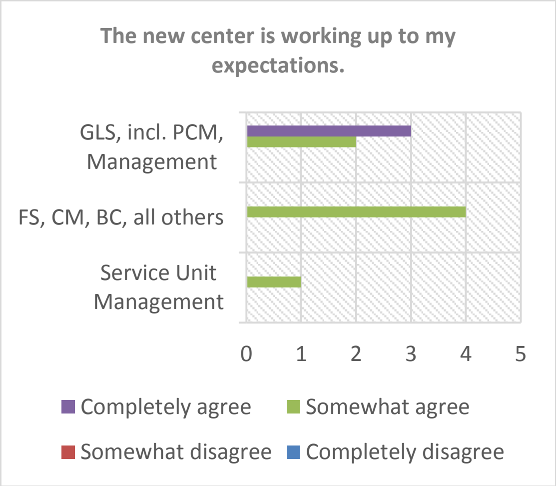
	Completely agree	Somewhat agree	Somewhat disagree	Completely disagree
My customers benefit from the new Parts setup.		X		
In the new setup I need to be less involved in the details of the parts process.			X	
My customers understand why the case company has established the new Center.		X		
It is easy for my customers to get in contact with the Center Parts Coordinators.		X		
My cooperation with the Center Parts Coordinators is working well.		X		
The Center Parts Coordinators have good skills and knowledge.		X		
In case the Parts Coordinator assigned to my account is out of office, a back-up person is quickly assigned to take over.	X			
My customers accept and appreciate the new 24/7 service.		X		

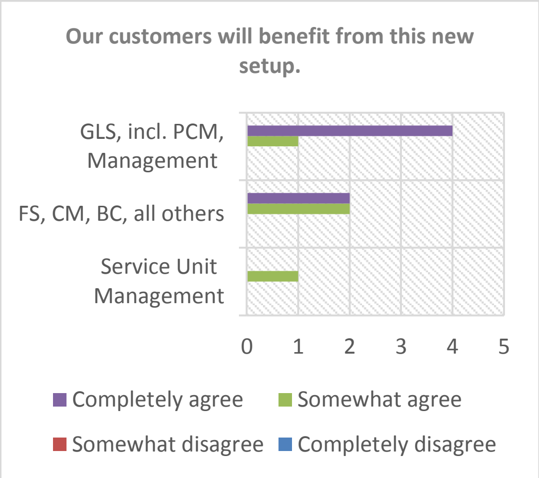
Management teams and others (10)







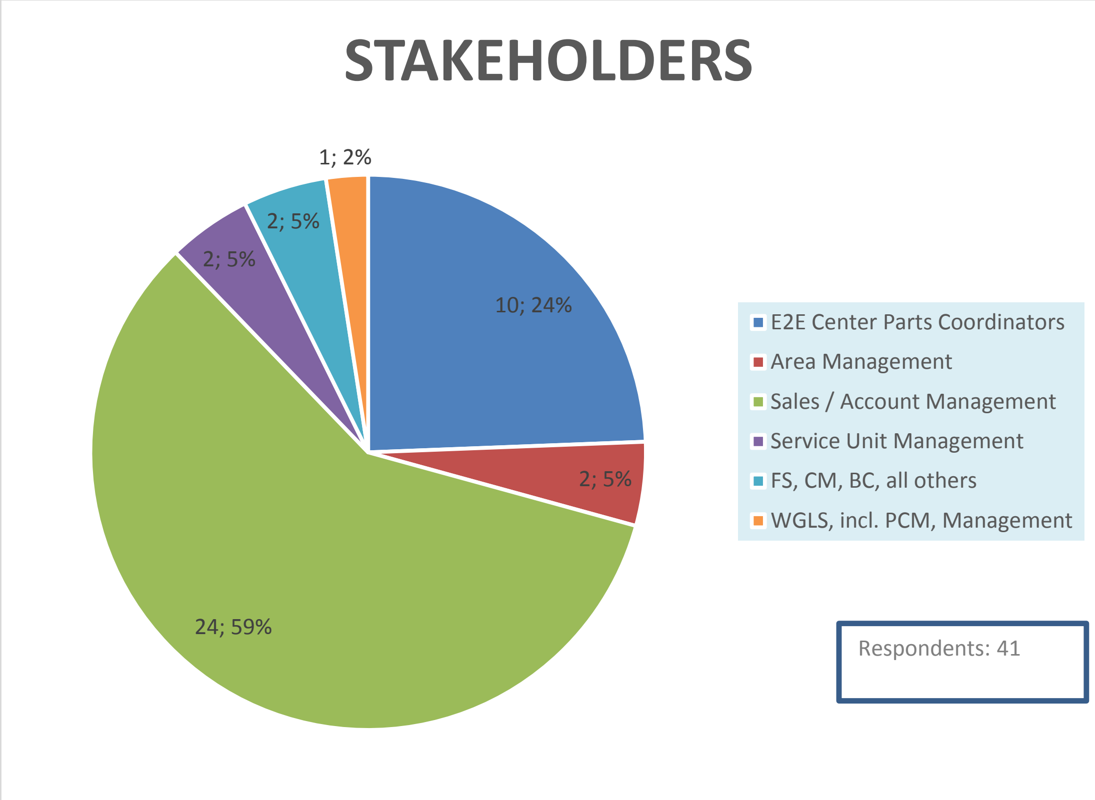




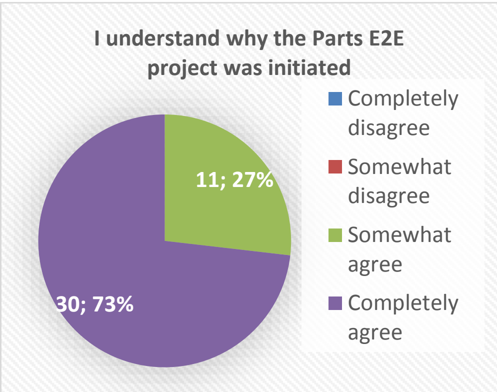
Please share your feedback regarding what should have been done differently and what needs to be considered in future projects.

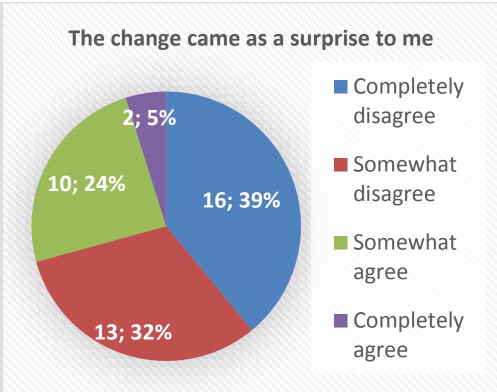
1. Internally, I believe overall everyone was aware and capable of providing feedback as needed. It seems however, some customers were not informed correctly of this initiative and new process.

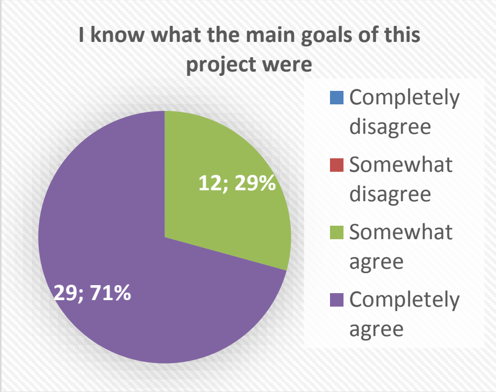
RESULTS FOR THE MEA ROUND 3 SURVEY

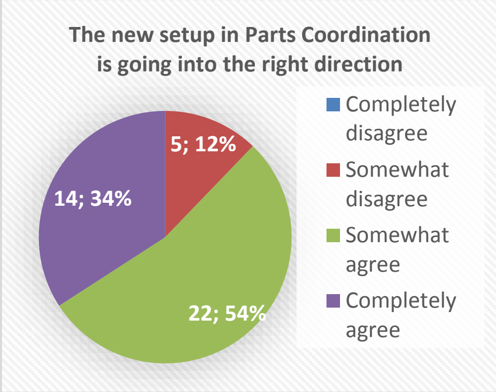


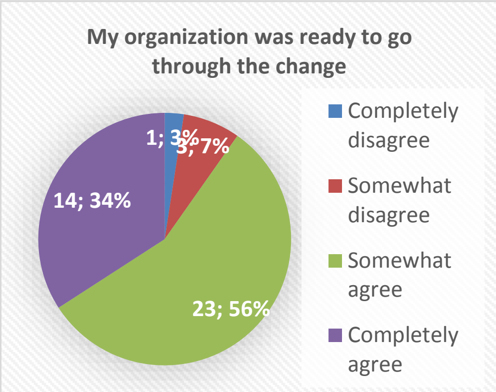
GENERAL QUESTIONS

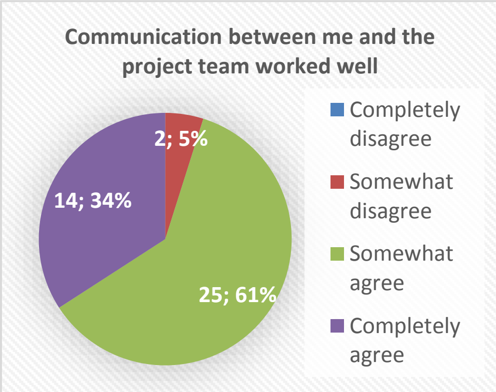


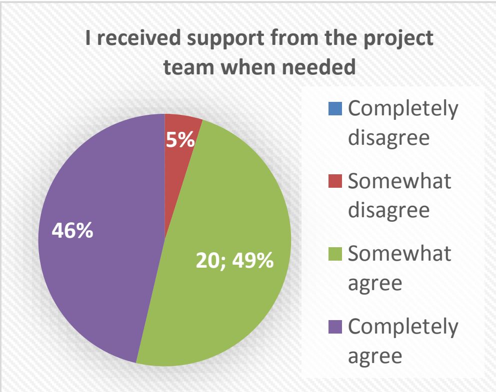


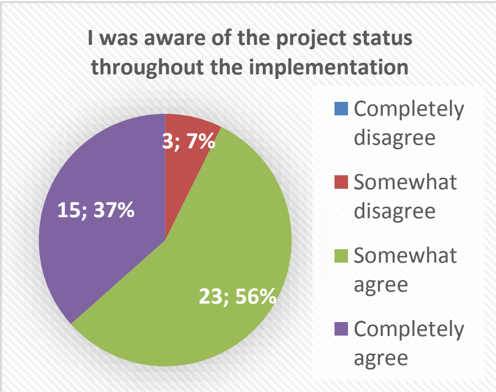

I know what the main goals of this project were
12; 29%
29; 71%
Completely disagree
Somewhat disagree
Somewhat agree
Completely agree

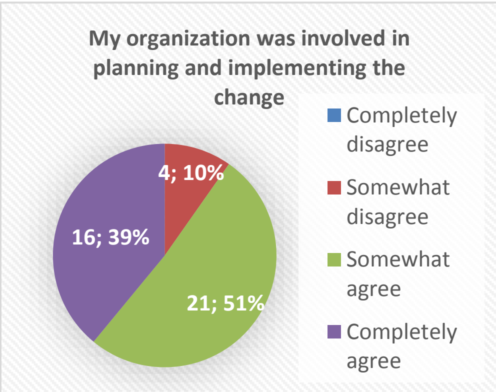

The new setup in Parts Coordination is going into the right direction
5; 12%
14; 34%
22; 54%
Completely disagree
Somewhat disagree
Somewhat agree
Completely agree

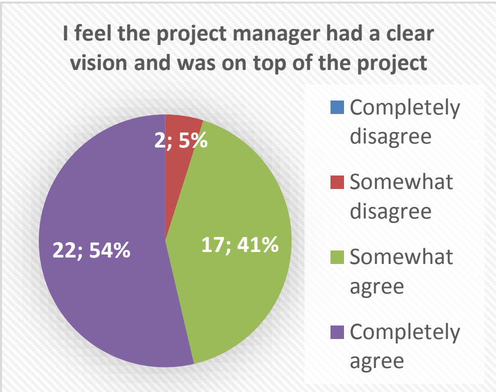

My organization was ready to go through the change
1; 3%
3; 7%
14; 34%
23; 56%
Completely disagree
Somewhat disagree
Somewhat agree
Completely agree

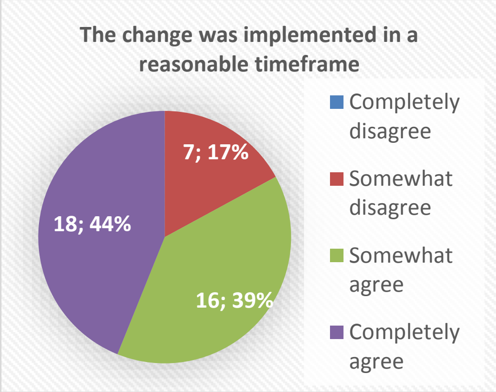

Communication between me and the project team worked well
2; 5%
14; 34%
25; 61%
Completely disagree
Somewhat disagree
Somewhat agree
Completely agree

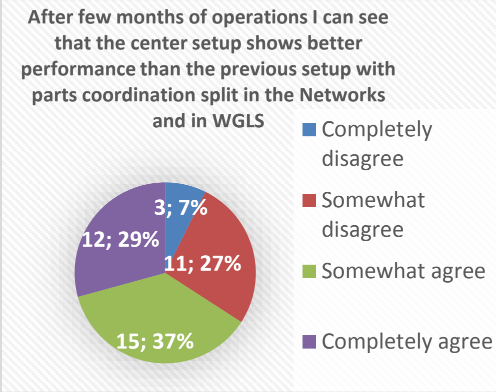

I received support from the project team when needed
5%
46%
20; 49%
Completely disagree
Somewhat disagree
Somewhat agree
Completely agree

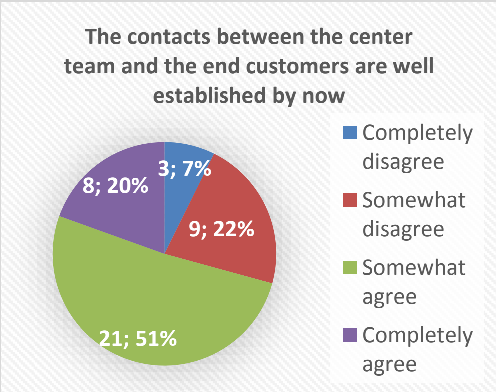

I was aware of the project status throughout the implementation
3; 7%
15; 37%
23; 56%
Completely disagree
Somewhat disagree
Somewhat agree
Completely agree

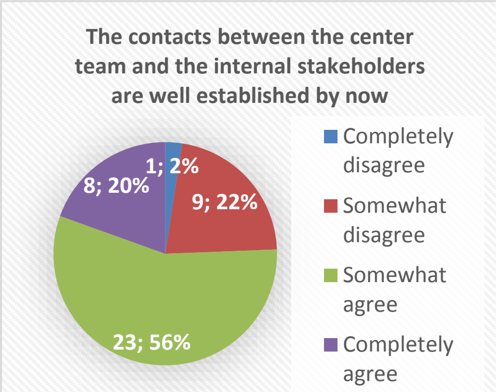

My organization was involved in planning and implementing the change
4; 10%
16; 39%
21; 51%
Completely disagree
Somewhat disagree
Somewhat agree
Completely agree

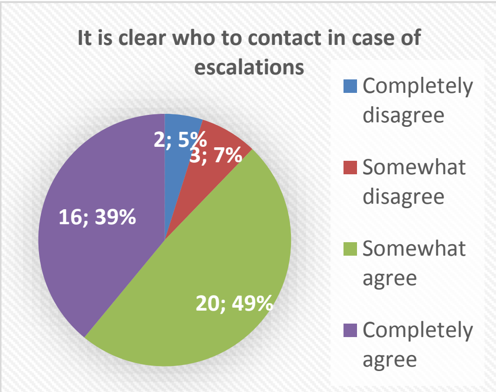

I feel the project manager had a clear vision and was on top of the project
2; 5%
22; 54%
17; 41%
Completely disagree
Somewhat disagree
Somewhat agree
Completely agree

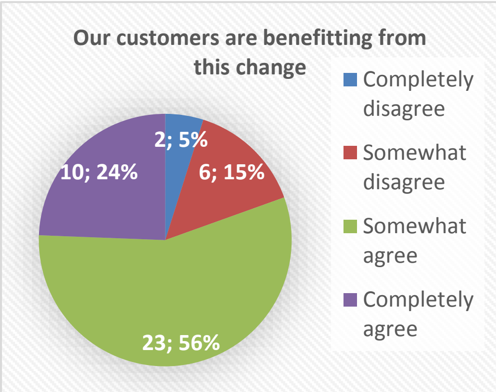

The change was implemented in a reasonable timeframe
7; 17%
16; 39%
18; 44%
Completely disagree
Somewhat disagree
Somewhat agree
Completely agree

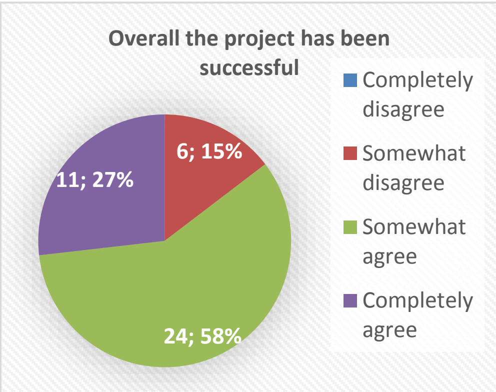

After few months of operations I can see that the center setup shows better performance than the previous setup with parts coordination split in the Networks and in WGLS
3; 7%
11; 27%
15; 37%
12; 29%
Completely disagree
Somewhat disagree
Somewhat agree
Completely agree

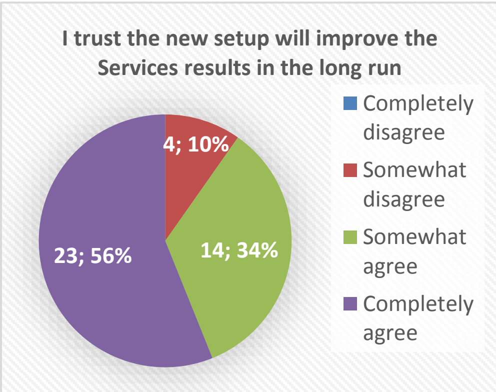

The contacts between the center team and the end customers are well established by now
3; 7%
9; 22%
21; 51%
8; 20%
Completely disagree
Somewhat disagree
Somewhat agree
Completely agree


The contacts between the center team and the internal stakeholders are well established by now
1; 2%
9; 22%
23; 56%
8; 20%
Completely disagree
Somewhat disagree
Somewhat agree
Completely agree


It is clear who to contact in case of escalations
2; 5%
3; 7%
20; 49%
16; 39%
Completely disagree
Somewhat disagree
Somewhat agree
Completely agree


Our customers are benefitting from this change
2; 5%
6; 15%
23; 56%
10; 24%
Completely disagree
Somewhat disagree
Somewhat agree
Completely agree


Overall the project has been successful
6; 15%
24; 58%
11; 27%
Completely disagree
Somewhat disagree
Somewhat agree
Completely agree


I trust the new setup will improve the Services results in the long run
4; 10%
14; 34%
23; 56%
Completely disagree
Somewhat disagree
Somewhat agree
Completely agree

Feel free to share any additional feedback about the new setup with us.

1. We are receiving incorrect parts to the *Philippines* still causing tremendous unhappiness in customer front. *Australia* is quite good since the parts coordinator is sitting in the office.

2. As the contact points shifted from AM (*account management*) to PCM center, the PCM personnel should be trained to be able to ask / clarify for the detail if enquiry is not clear to them before sending for *technical identification*. The PCM team should also be trained to understand the CR, not to obtain only the number or description, but understand as well, the engine / propulsion knowledge.

3. Still need to resolve the teething issues

4. I see the local set up is better than PCM with some reasons: 1. PCM doesn't have KPI to complete the inquiry. Sometimes more than 2 weeks without any feedback. 2. PCM can't directly discuss with customer for most of the case 3. Response time to some question is late for any case

5. Spare part coordinators should take initiative to quote directly to customer. When in doubt, please check with the responsible SS or AM. It is also their responsibility to follow up with the customer to ensure part order is placed / or exchange return.

6. Actually there is some improvements from PCM, but the work load for only 1 personnel to handle all inquiry (specifically PLN) and also order processes, claim is difficult to handle as expected. 2. There is no monitoring list for all pending request and issue (tech id, dispute, claim, etc) which we have to remind and also discuss several time. 3. Firmed flow of process and contact/ responsible person need to confirm and socialize. So, many people have to involve 4. Firm KPI for time to quote, response time, claim handling, order process have to be clear. If there is anything to do from our sales side to make this improvement are also welcome from your coordination meeting, because the impact from customer's opinion from spare parts order is directly impact to sales team.

7. As a PCM, many things had improved in terms of quicker response to customer like providing them ETA at time of sending the Order Acknowledgement, giving them the best lead time as per requirement date. Through direct communication with the purchasing team and to CEVA allows us to be more efficient on our role compared before as NC POC.

8. The completely disagree selection has to do with the moment in time. At this moment I do not believe that the customer has or can see the benefits as we still go through an implementation phase where "hurdles" need to be smoothen out. I am sure once all "hurdles" are gone, the customer does benefit in the long run as indicated in the last question. Further note is that the evaluation of the "as-is" situation has shown gaps which are leading to the "hurdles" we face now. I am sure that these have learning effects for implementations at other sites to prevent these.

9. Some processes are somehow not clarified as detailed as others during as-is analysis. This may have resulted in certain processes being relooked at after E2E launch or being re-determined after E2E setup. This does not mean its not a good thing, it just means the as is analysis may have glanced through certain topics thought to be minor but turns out to be quite challenging later on.

10. Seem s struggle implementation/transition process in Indonesia. Different way of working, which intense coordination shall take place.

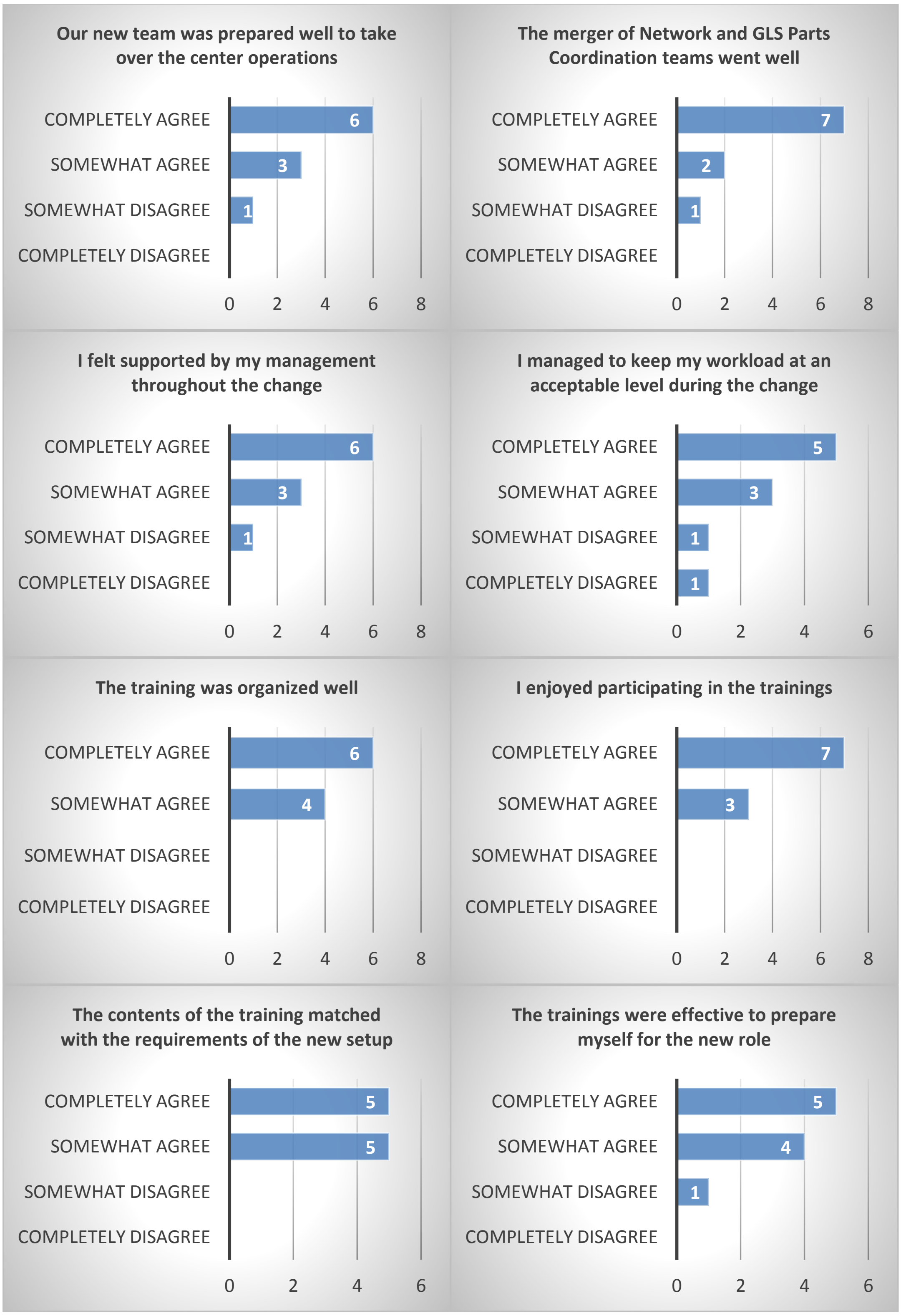
11. Need to have a clear and standard way of handling the quotations or orders in the Centre team. Example "indicating the fields of the required columns and text formats. Backup group systems are backing up the absent PCM only when team leader assign it to them. Team coordination needs to be improve.

12. Handling of parts within Wartsila has not really changed, maybe the contact people are different, but some of the other issues are still present. Main issue to address from our customer perspective is the interaction with GLS warehouse it was requested if this can be easier and also if these collections or deliveries can use their references as part of the collection paperwork.

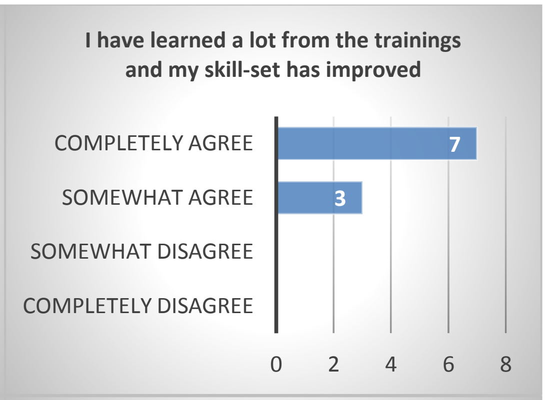
13. For Indonesian market need to set up local sales support who based in Indonesia, example such as parts coordinator team who create quotation. This will be more effective and faster to support all customer inquiry instead of placed the support in Singapore

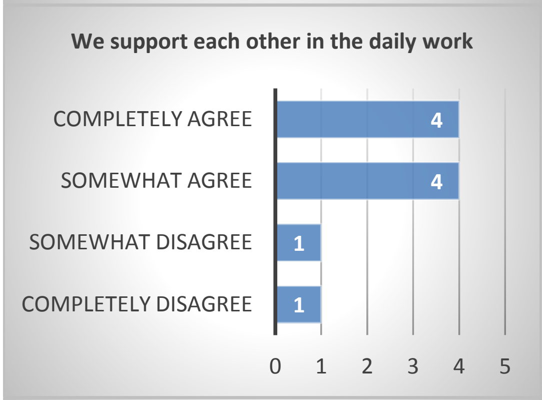
14. I think roll-out period is short. Information campaign to customers as well as the information of the customer contacts should be announced earlier (probably 6 months). After the implementation, customers feel that the response time is slow mainly because of the transition but on WPH case, there were some challenges mainly the updating of the customer Master data which causes delays and errors in the parts ordering

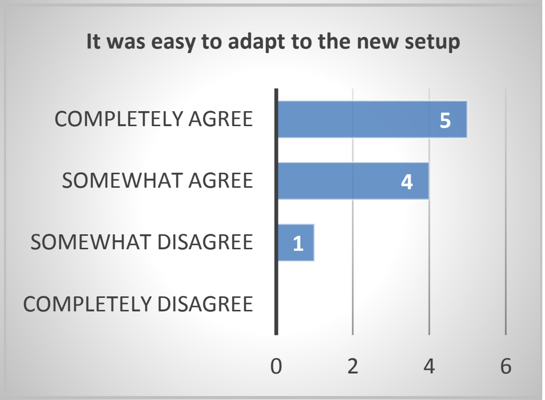
E2E PARTS COORDINATORS (10)

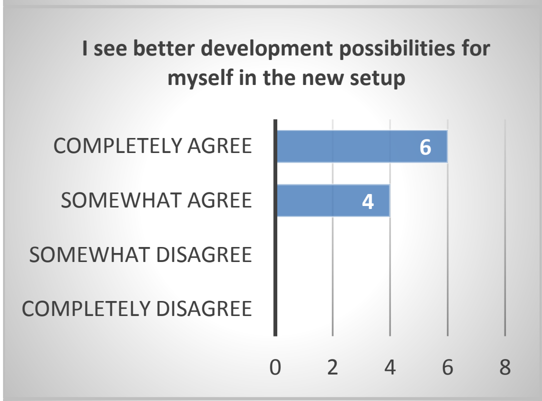


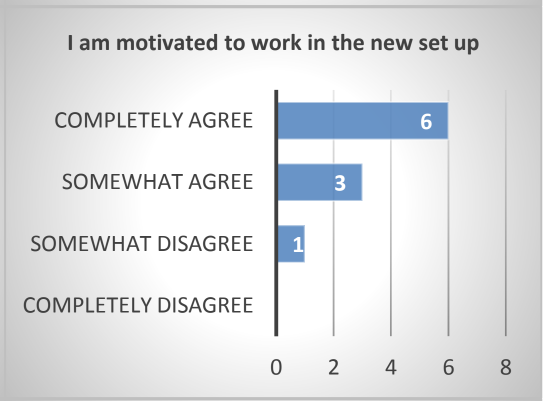

The trainers were professional
COMPLETELY AGREE
SOMEWHAT AGREE
SOMEWHAT DISAGREE
COMPLETELY DISAGREE
8
2
0 2 4 6 8 10

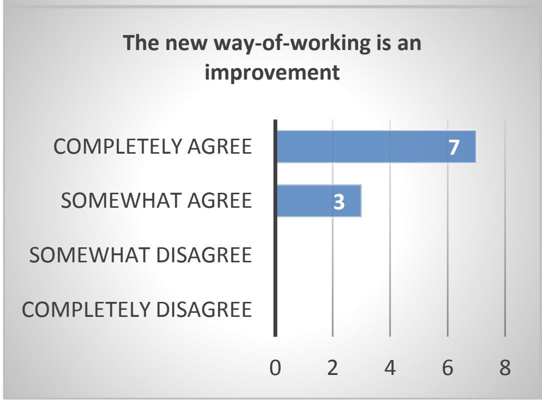

I have learned a lot from the trainings and my skill-set has improved
COMPLETELY AGREE
SOMEWHAT AGREE
SOMEWHAT DISAGREE
COMPLETELY DISAGREE
7
3
0 2 4 6 8


We support each other in the daily work
COMPLETELY AGREE
SOMEWHAT AGREE
SOMEWHAT DISAGREE
COMPLETELY DISAGREE
4
4
1
1
0 1 2 3 4 5

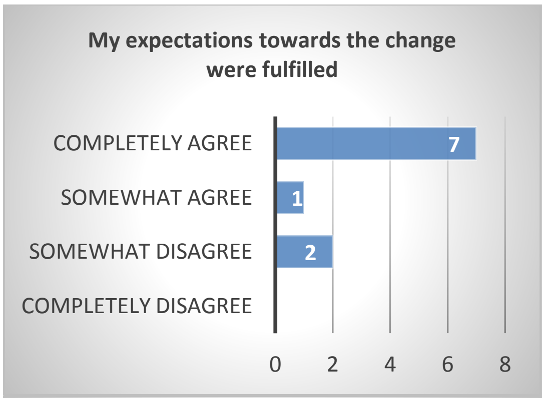

It was easy to adapt to the new setup
COMPLETELY AGREE
SOMEWHAT AGREE
SOMEWHAT DISAGREE
COMPLETELY DISAGREE
5
4
1
0 2 4 6

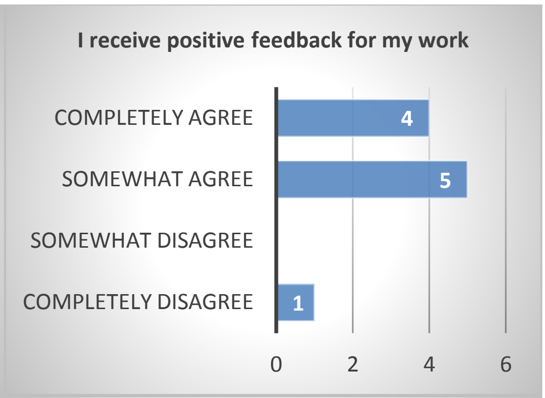

I see better development possibilities for myself in the new setup
COMPLETELY AGREE
SOMEWHAT AGREE
SOMEWHAT DISAGREE
COMPLETELY DISAGREE
6
4
0 2 4 6 8

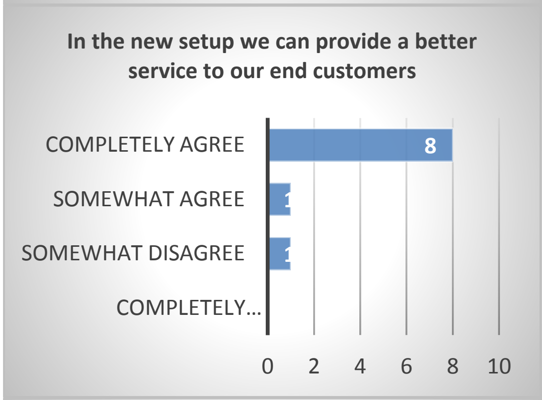

I am motivated to work in the new set up
COMPLETELY AGREE
SOMEWHAT AGREE
SOMEWHAT DISAGREE
COMPLETELY DISAGREE
6
3
1
0 2 4 6 8

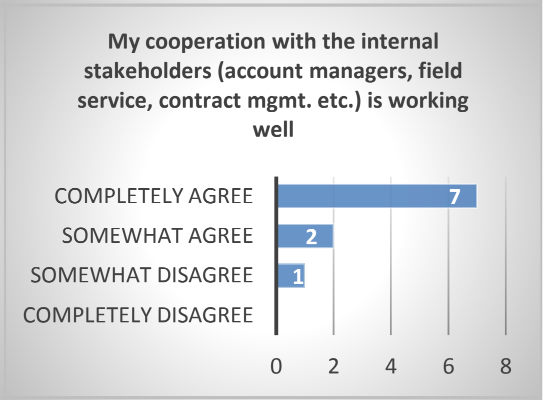

The new way-of-working is an improvement
COMPLETELY AGREE
SOMEWHAT AGREE
SOMEWHAT DISAGREE
COMPLETELY DISAGREE
7
3
0 2 4 6 8

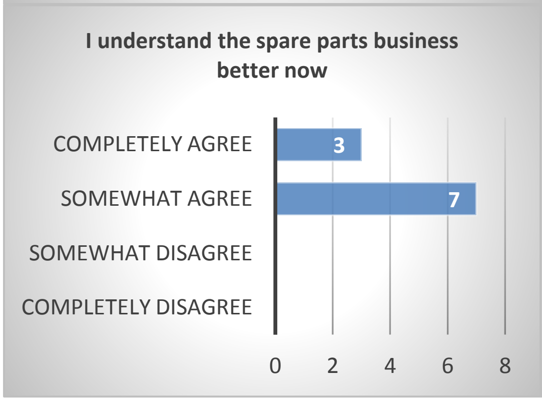

My role in the new setup is more challenging
COMPLETELY AGREE
SOMEWHAT AGREE
SOMEWHAT DISAGREE
COMPLETELY...
8
2
0 2 4 6 8 10

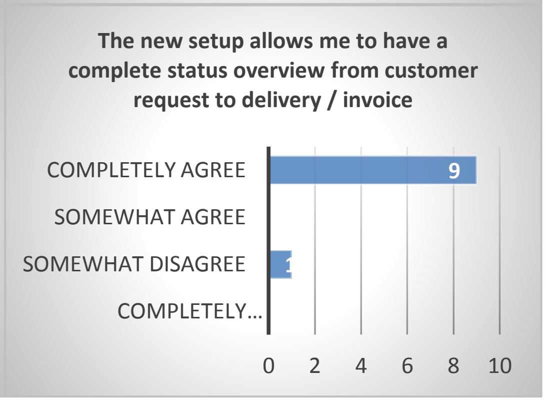

My expectations towards the change were fulfilled
COMPLETELY AGREE
SOMEWHAT AGREE
SOMEWHAT DISAGREE
COMPLETELY DISAGREE
7
1
2
0 2 4 6 8

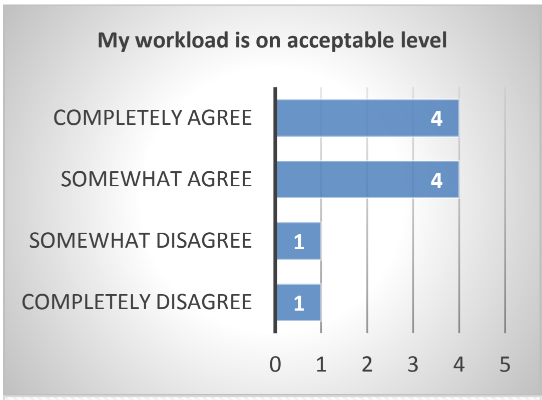

I receive positive feedback for my work
COMPLETELY AGREE
SOMEWHAT AGREE
SOMEWHAT DISAGREE
COMPLETELY DISAGREE
4
5
1
0 2 4 6

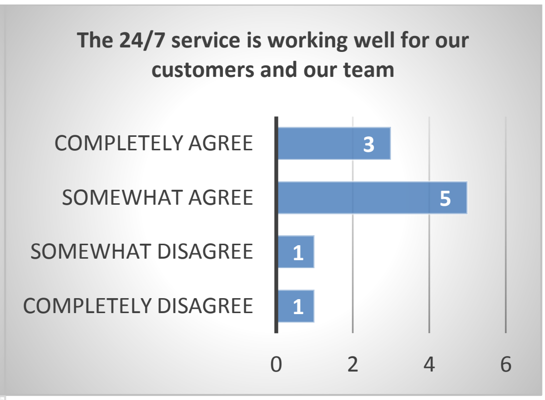

In the new setup we can provide a better service to our end customers
COMPLETELY AGREE
SOMEWHAT AGREE
SOMEWHAT DISAGREE
COMPLETELY...
8
0 2 4 6 8 10

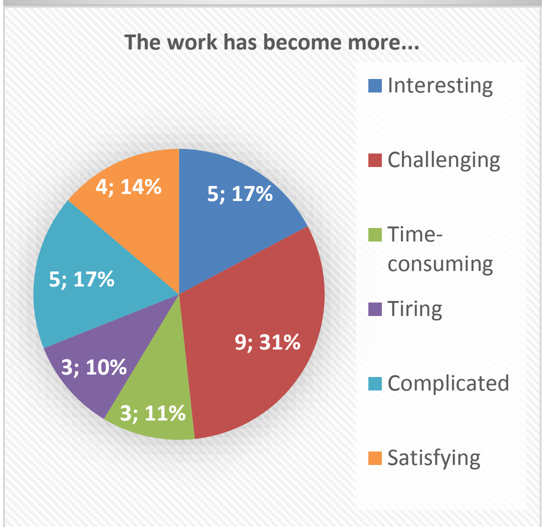

My cooperation with the internal stakeholders (account managers, field service, contract mgmt. etc.) is working well
COMPLETELY AGREE
SOMEWHAT AGREE
SOMEWHAT DISAGREE
COMPLETELY DISAGREE
7
2
1
0 2 4 6 8


I understand the spare parts business better now
COMPLETELY AGREE
SOMEWHAT AGREE
SOMEWHAT DISAGREE
COMPLETELY DISAGREE
3
7
0 2 4 6 8


The new setup allows me to have a complete status overview from customer request to delivery / invoice
COMPLETELY AGREE
SOMEWHAT AGREE
SOMEWHAT DISAGREE
COMPLETELY...
9
0 2 4 6 8 10







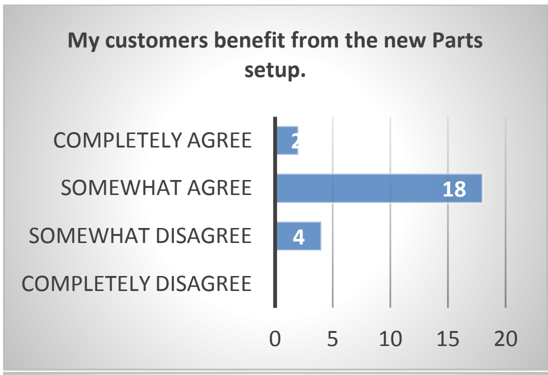
What would you still like to change in the new setup?

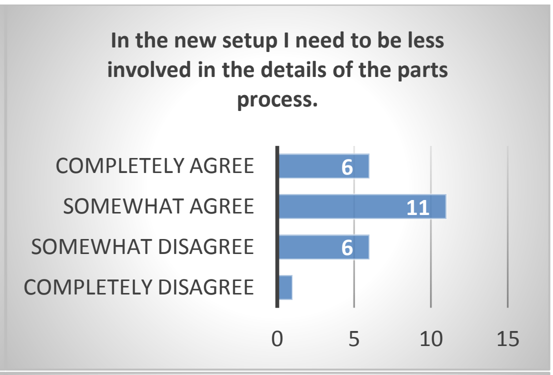
1. 1.Non GLS products handling is very challenging as different products has their own way of working, but in E2E, we need have Standard WOW to follow . 2. Delivery tracking record for non GLS products, local delivery is not in place. 3. Limited information /knowledge to handle non GLS products, limited access/information for non GLS plant 4. Better working environment.

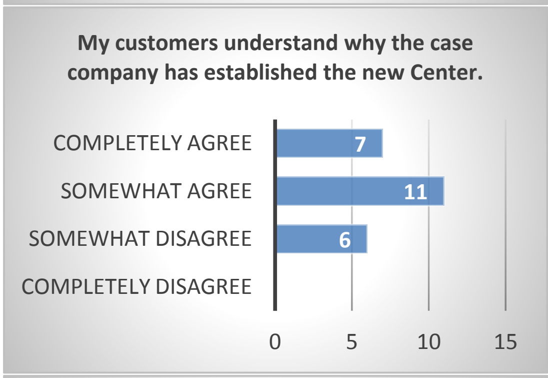
2. No change on the setup as PCM now we can offer more to our customer compared before NC Parts Order Coordination. Probably more improvement on our processes in which some of it is already in process.

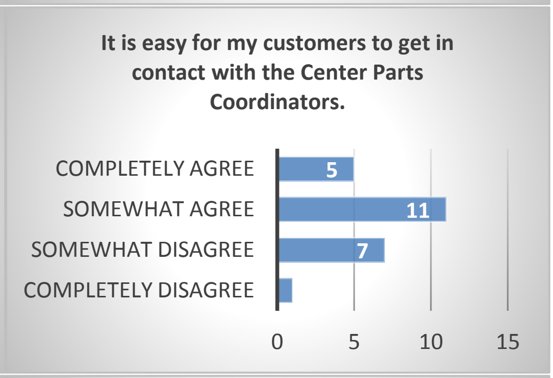
3. Workload to be measure for each PCM since Go-Live till date to see if re-allocation needs to re -adjust.

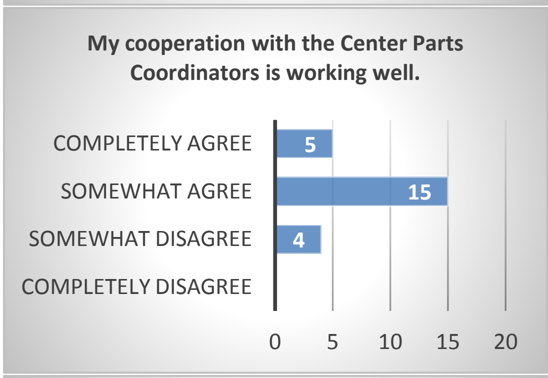
SALES / ACCOUNT MANAGEMENT (24)

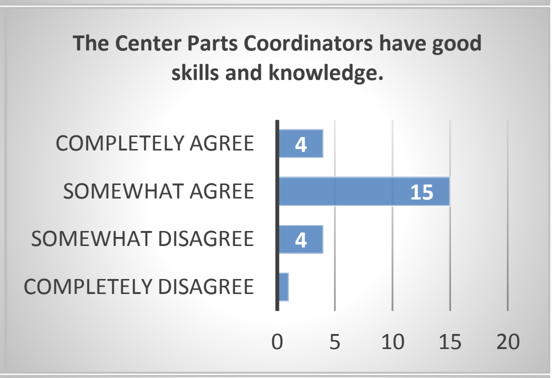


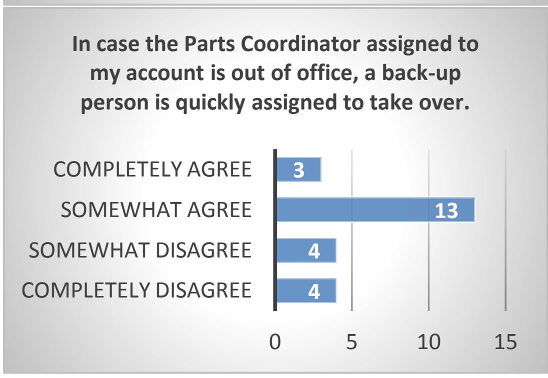


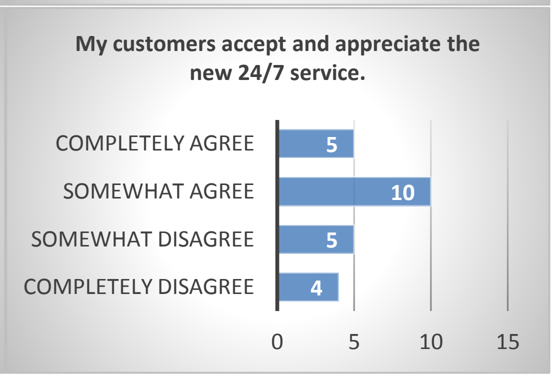












Please share your feedback regarding what should have been done differently and what needs to be considered in future projects.

1. still needs to resolve a lot of teething issues. Active and Quality Communication is one aspect that needs improvement. Both ways, between PCM and NWC.

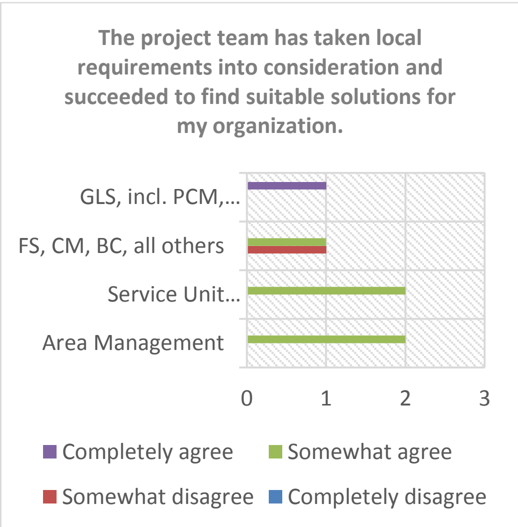
2. No 24/7 service at the moment for the new setup

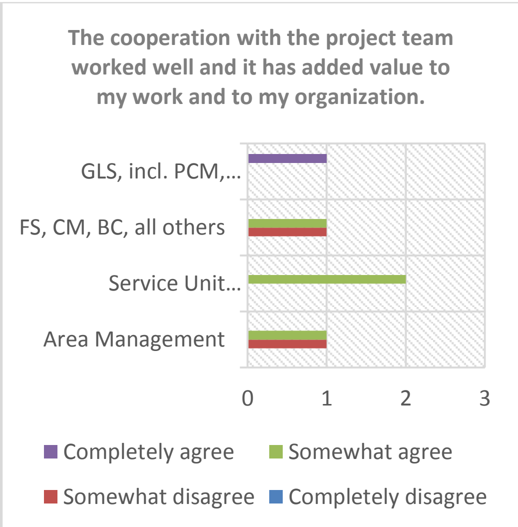
3. It seems that when a project is created there is very little consultation from the networks to determine what their customers really want to see. It always feels more like Wartsila HQ come up with well-intentioned ideas but they are not pushing through a finished product that has been designed to meet all our customer expectations.

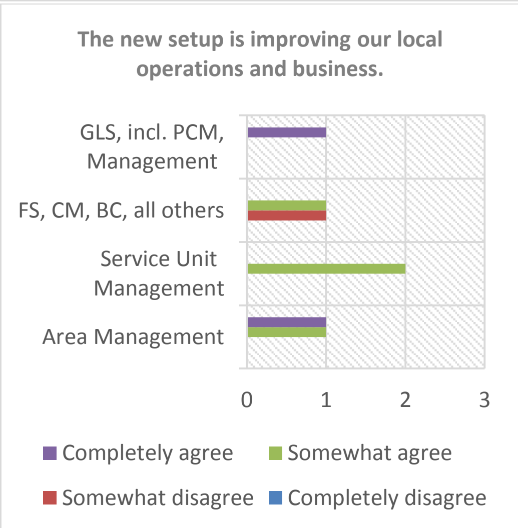
4. With new PCM set up in Singapore, most of Indonesian customer was complained due to communication be a problem now (language, time different, etc). Customer expected respond for the inquiry are fast respond and it will be more effective if the support in Indonesia

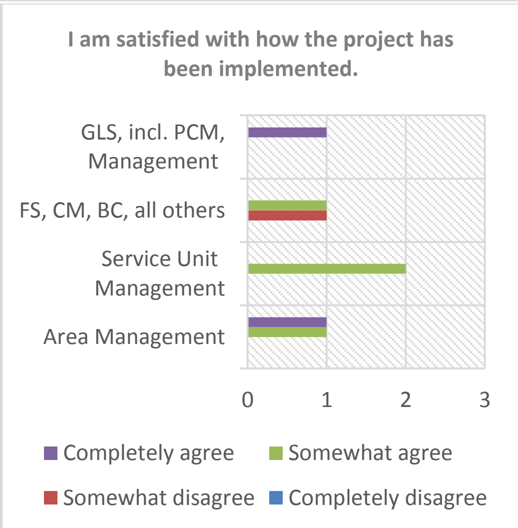
5. Need to see more examples of 24/7 service. My impression is that PCM team needs more people to accommodate all the task / requirements and reasonably respond to customers. I believe that the 1 to 2 days response time on average is reasonable and what is required by the customers.

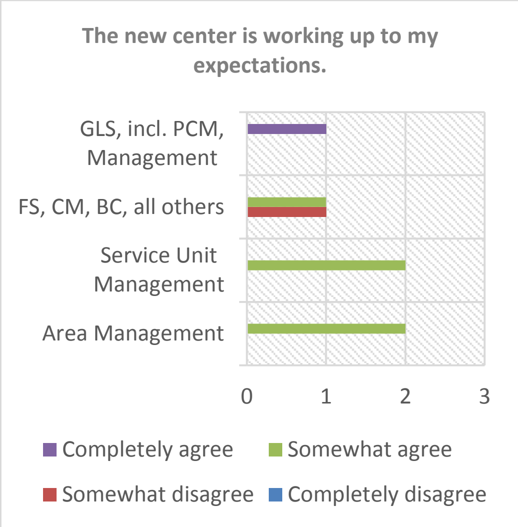
MANAGEMENT TEAMS AND OTHER (7)

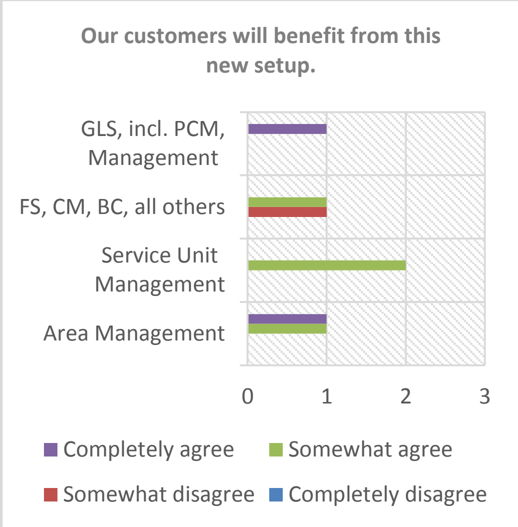












Please share your feedback regarding what should have been done differently and what needs to be considered in future projects.

1. Please send mail to inform all AM and SS of the responsible spare part coordinator for each customer.
2. E2E Parts is a good project in general as it removed the unnecessary steps in the process; or simply means, simplify the process. The result in some extend, does meet the expectation, except the area where the identification required. The team does not seem to be able to handle promptly locally, as such, remain as an area to improve. The reply to this survey with majority of answer as "somewhat agree" reason being no statistical data to support for comparison, but feeling.

3. Ideally there should be local personnel in centre team handling local country which have limitation to English language. Especially during transition process. This is for the benefit of customer, to give support to them.