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Increasing Purchase Order Coverage via Change and Stakeholder Management

Case Company X, Indirect Purchasing

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ABSTRACT

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A lack in purchase order coverage and maverick buying can be common in the indirect purchasing functions, as other departments can consider it insignificant in spend. This research aimed to utilise change management and stakeholder management methods to approach the matter.

Issues were identified which can arise in the indirect purchasing department when undergoing a change towards e-procurement and centralisation of indirect purchasing teams. The project in company X began 2 years ago and it experiences challenges. The focus of this paper was on internal stakeholders as opposed to external stakeholders. Improvement suggestions along with recommendations provide the case company with practical means to improve their purchase order coverage via a situation analysis, including the current state, goals and how to attain them.

This research comprised a theoretical and empirical study which was based on the theoretical framework themes: indirect purchasing, change management and a combined theme of issues and stakeholder management dynamics. The methods involved qualitative and quantitative data collections via virtual, group and face-to-face interview types, core system data and a survey.

The results of the study offered a practical approach to the case company, which in turn could support other companies with similar issues in this area. Indirect purchasing's expenditure and savings are essential to communicate, ensuring other departments comprehend its importance. Also, training is required which provides a foundation for such information exchange. Issuing adequate time and budgeting for change processes to adhere, including risk mitigation and resistance, plus effectively, concisely and continuously communicating change were key features in success. In addition to obtaining insight and managing stakeholders effectively with regards to the change process.

Keywords	Indirect Purchasing, Change Management, Internal Customers, E-Procurement, Purchase Order Coverage, Centralised Purchasing, Maverick Buying, Procurement Compliance
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CONTENTS

ABSTRACT

1	INTRODUCTION.....	7
1.1	Objectives	8
1.2	Structure.....	9
2	THEORETICAL STUDY	10
2.1	Indirect Purchasing	11
2.1.1	Introduction to Indirect Purchasing	11
2.1.2	The Importance	13
2.1.3	The Characteristics	14
2.1.4	The Managing Aspects	15
2.1.5	E-Procurement	19
2.1.6	Development.....	20
2.2	Change Management	22
2.2.1	The Importance	23
2.2.2	The ADKAR Model	23
2.2.3	The Change Curve	25
2.2.4	The Resistance to Change.....	26
2.2.5	Key Features in Anchoring Change.....	28
2.3	Internal Stakeholders	29
2.3.1	Involvement and Importance	30
2.3.2	Identifying and Mapping	31
2.3.3	Effective Communication.....	33
2.3.4	Communication and Messaging Strategies.....	35
2.4	Theoretical Framework.....	36
3	EMPIRICAL STUDY	40
3.1	Research Methodology	40
3.2	Data Collection	42
3.3	Analysis of the Data	44
3.3.1	Implementation, Scope and the Sample.....	44
3.3.2	Theme One: Indirect Purchasing	47

3.3.3	Theme Two: Change Management.....	56
3.3.4	Theme Three: Behaviours, PO Coverage & Stakeholder Management	66
3.4	Validity and Reliability of the Data.....	76
4	CONCLUSION	77
4.1	Limitations.....	79
4.2	Recommendations	79
	REFERENCES	80
	APPENDICES	

LIST OF FIGURES AND TABLES

Figure 1. The Thesis Structure.....	9
Figure 2. Purchasing Process. (adapted from van Weele 2010, 8–9)	14
Figure 3. Different Forms of Maverick Buying and their Underlying Reasons. (Karjalainen, Kemppainen et van Raaij 2018, 257).....	21
Figure 4. The Prosci (2019) ADKAR Model.....	24
Figure 5. The Kubler-Ross Change Curve. (Connelly 2018)	26
Figure 6. Resistance to Change. (Holloway 2016)	27
Figure 7. Triggering Change. (adapted from Holloway 2016)	27
Figure 8. Managing Stakeholders. (Francke 2014).....	31
Figure 9. Stakeholder Map. (Francke 2014)	32
Figure 10. Theoretical Framework: Theme One.....	36
Figure 11. Theoretical Framework: Theme Two.....	37
Figure 12. Theoretical Framework: Theme Three.....	38
Figure 13. Rollout and Scope Timeline.	44
Figure 14. Indirect vs Direct Spend in the Scope.	47
Figure 15. Supplier Utilisation per Country.	48
Figure 16. PO Coverage Averages March–August ‘19: MB Occurrences.	50
Figure 17. Trends in Rollout-time vs Savings % (average).....	51
Figure 18. Centralisation time vs Savings % (average).....	52
Figure 19. Potential E-Procurement Percentage per Country.....	55
Figure 20. Stakeholders Positions in Countries & Business Units.	70
Figure 21. Reasons into Types of MB in the Scope.	74
Table 1. The Theoretical Parts.	10
Table 2. Purchasing Roles. (Apostolova et al 2015, 3).....	12
Table 3. Different purchasing behaviours and contexts. (Karjalainen 2009, 13) .	17
Table 4. Represented Sample into Perspective: Business Units & Countries.....	46
Table 5. Supplier Related Queries per Country & Business Unit.....	48
Table 6. Business Units' Relative Perspective on IP Spend Control.	49
Table 7. Low Performing PO Coverage Categories per Country.	54

Table 8. Change Management: Scope Results.....	65
Table 9. Positive, Neutral and Negative Towards the e-Procurement Tool.....	67
Table 10. Communication Method Preferences per Internal Stakeholder Group.	75

LIST OF ABBREVIATIONS

IP	Indirect Purchasing
PR	Purchase Requisition
PO	Purchase Order
GR	Goods Receipt
MB	Maverick Buying
R2P	Requisition-to-Pay
ETA	Estimated Time of Arrival

LIST OF APPENDICIES

- Appendix 1.** Quantitative Survey Questions (for internal customers)
- Appendix 2.** Quantitative Questions – Email Cover for the Survey.
- Appendix 3.** Qualitative Interview Questions (for IP team members)
- Appendix 4.** Stakeholder Messaging Strategy (Holloway 2016)
- Appendix 5.** E-procurement PO Coverage per Country.
- Appendix 6a.** PO Coverage per Country and Category.
- Appendix 6b.** Averages per Category: PO vs. E-procurement.
- Appendix 7a.** Employees per Country within the Scope.
- Appendix 7b.** The Sample’s Stratum.
- Appendix 8a.** Countries’ & Business Units’ Responses on IP Spend Control.
- Appendix 8b.** R2P Directives Awareness.
- Appendix 9.** Theoretical Framework Theme Three: in the scope’s perspective.

1 INTRODUCTION

The Indirect Purchasing (IP) function was established around three years ago in Company X and with this newly established business function came the e-procurement tool. Such change brought new methods and means to purchasing indirect goods/services for the company's stakeholders. The e-procurement tool adoption brought along the development of IP processes as well as prompting a centralisation of the Operative IP business support function in Company X.

Such a centralisation has progressively transpired across the firm's borders into other entities. However, it became evident that there were issues in the company's Purchase Order (PO) coverage. Since PO coverage is important to management, compliance and processes, this study aims to analyse data in accordance with answering the main research question; *How could the Indirect Purchasing function at company X increase their PO coverage via change and stakeholder management?*

A lack in PO coverage arises when the Requisition-to-pay (R2P) process is not followed. Such actions affect the IP department since their PO coverage percentages decrease, the accounts payable team since they have more manual work when booking supplier invoices without POs, the end-users and managers since manual approvals of invoices are required and higher management due to results being affected. Ultimately causing additional costs in control due to corporate compliance not being followed, thus, putting risk on the company overall.

Thus, the PO coverage issue is a cause for concern and attempts to improve this have been made in terms of centralising the purchasing team, sharing knowledge and ways-of-working in the scope. New directives have been published on internal pages and some trainings held to inform key users, however, the information may not have reached all end-users yet. Therefore, this report aims to provide the company with concrete practical measures in relation to approaching the change with internal stakeholders as the key focal point. Addressing this issue would not only benefit company X but could also aid other companies in improving their PO coverage, which can save costs and upheave compliance; these factors are vital in today's businesses. This study can also aid further research on the matter.

1.1 Objectives

The overall objective of this thesis is to determine how the Indirect Purchasing division at Company X can increase their PO coverage. As this report is tailored towards the case company, findings aim to offer a practical approach to the corporation and its IP business function.

Since Company X's IP business function has been established for around three years, it is posing new processes and changes on the organisation as a whole, especially since the local team has been expanding its scope and is becoming centralised. There is a total of 78 countries in company X's global IP scope, however, this study is focused upon the local Operative IP team in Finland as well as the other 13 countries within their scope. Due to the team's scope expanding over a short period of time, researching change management and its effects on internal stakeholders may play a vital role in this study.

Determining key research questions in a thesis, according to Enago Academy (2018), allows readers to follow and be equipped with the direction of the paper and its purpose from the start, therefore increasing the reader's concentration and engagement. Thus, the main research question aims to be answered via the following three sub-questions:

- 1) What is the current PO coverage situation in company X's Indirect Purchasing function, and where are internal stakeholders in the change process?
- 2) Where does the Indirect Purchasing function want the PO coverage to be, and do internal stakeholders feel the same about this?
- 3) How can the PO coverage goal be fulfilled, and how can internal stakeholders be onboard with this?

The above questions are situation based, considering the current situation, the aim/goal of where the situation is desired to be and the process or means of how to reach these aims/goals. These aim to answer the main research question: How could the Indirect Purchasing function at company X increase their PO coverage via change and stakeholder management?

1.2 Structure

As displayed in **Figure 1**. The Thesis Structure. below, this research is broken down into four parts Introduction, Theoretical study, Empirical study and Conclusion. The research is initiated by an introduction of the case company, the research objectives, and the structure of the paper, this combined will provide the basis required prior presenting the theoretical data. The technique in this research paper is a two-fold balance between the theoretical and empirical findings.

The theoretical study is presented as the first focal point to attain a comprehensive foundation including IP, change management and internal stakeholders and as a summary to these three parts, the theoretical framework will be presented prior progressing to the empirical study. The thesis framework aims to structure the empirical study and discover results in relation to the theoretical foundation. Potential developmental areas and limitations in relation to the topic, along with a summary of the findings, will be accessible in the conclusion section.



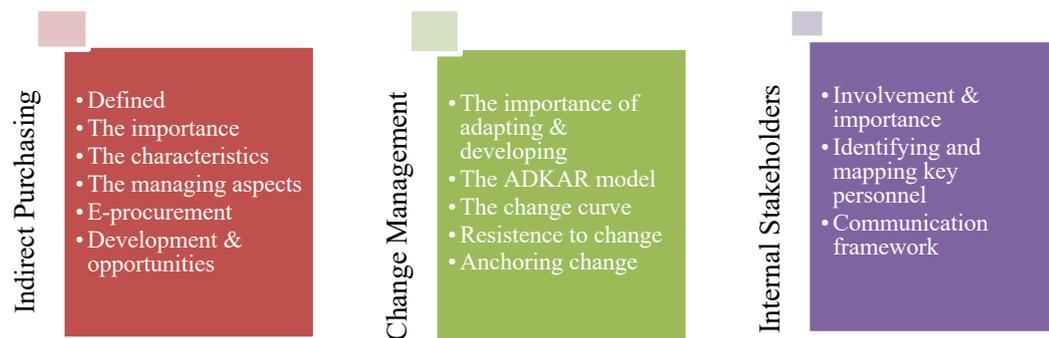
Figure 1. The Thesis Structure.

2 THEORETICAL STUDY

The theoretical findings are selected in relation to the research topic and objectives, including previous knowledge attained from educational and operational environments. An active approach to discovering publications is applied by means of searching online databanks such as O'Reilly Safari Learning Platform, Emerald, ProQuest, Research Gate, ScienceDirect and Theseus.

The theoretical study of this thesis will be split into three parts which focus on the main themes of this research. The parts consist of IP, change management and internal stakeholders due to each playing a significant role in answering the research questions. Each part has its own subheadings and a summary will be drawn up prior to the empirical study.

Table 1. The Theoretical Parts.



In order to answer the PO coverage query, the IP function requires understanding and determination of processes and development areas. Likewise, in order to answer the change process and management issue, it is important to build an understanding of the theories related to managing change effectively and turning a transition into an adaption. Further, since the common denominator in both the change and the IP business function is internal stakeholders, they should be focused upon too since they can impact and influence the function and the change.

2.1 Indirect Purchasing

This section of the research focuses on what the indirect purchasing function is, its overall role in the company and how it differs from direct purchasing. It also considers the importance of IP, its overall cost effects on the business, the lack of attention it has had and its changing ways, in addition to why larger companies are paying more attention to this function now. Further, the characteristics and processes related to IP, how internal stakeholders are involved and their attitudes to buying indirect goods/services will be reflected on as well as the management aspects of IP. This includes centralisation versus decentralisation, strategies and supplier collaboration. Furthermore, the use of e-procurement and development, where analysing categories to find potential opportunities will be reviewed.

2.1.1 Introduction to Indirect Purchasing

Purchasing is referred to as a *transactional function*, the purpose of such endeavours is to acquire required goods or services. This process begins by placing a requisition (Wallace et Xia 2015, 7). Purchasing is often split into two divisions, direct and indirect; however, IP can also be referred to as NPR (Non-product related) goods and services. The main differences between these purchasing distinctions are that direct purchases are related to the primary activities of the company i.e. the company's offerings on their market. However, IP is related to the support activities i.e. supporting the acquisitions of office supplies, human resources, computer software and hardware, investments, maintenance and buildings. Nevertheless, the category division is split according to the company's discretion. (Van Weele 2014, 7–8; Boer, Holmen et Pop-Sitar 2003)

Further, studies claim that direct purchases can have a limited number of suppliers and products available, orders tend to be of greater value although less frequent, the turnover is often large, the decision-making process for such purchases is specialised and the control of such purchases are usually of higher demand to companies. Contrariwise, indirect purchases tend to have a broader selection of suppliers and products, orders tend to be smaller in value and more frequent, the turnover is

customarily limited, the decision-making processes tends to be uneven, and the control is often limited unless forecast or project related. (Van Weele 2014; Boer et al 2003)

Since the research topic focuses on indirect purchases, this will be the primary concentration of this paper. In IP there are alternative roles/task divisions. According to Apostolova, Kroon, Richter et Zimmer (2015, 3) the division of roles within the business function are as follows Strategic, Tactical and Operational. Strategic purchasing is asserted to be concerned with planning, evaluating, controlling and discovering opportunities for the long-term by covering prognostics and policies as well as research. Tactical purchasing is, however, stated to be concerned with shorter-term orientation where purchasing methods, negotiations, budgets, contracts and terms to enable cost reduction are involved. Operational purchasing is said to emphasise expediting, the maintenance of already placed procedures, handling and processing of invoices and requisitions, obtaining quotations from suppliers and determining the price of purchases.

Table 2. Purchasing Roles. (Apostolova et al 2015, 3)

Strategic Level	Tactical/ Managerial Level	Operational Level
Purchasing research	Buying methods	Expediting
Long range planning	Negotiations	Records and systems maintenance
Predicting availability	Budgeting	Invoice clearance
Policy determination etc.	Contracting	Requisition handling
	Cost reduction techniques etc.	Inquiries/ quotations
		Price determinations etc.

Evidentially, the IP division can have multiple levels, however, for the purpose of this report, the operational level will be focused upon. The reason for this is that concerning all levels would require supplementary research and expertise, however, the operational level is disputably the level which handles purchase requisitions/orders on a daily basis, works in close collaboration with the end users, suppliers and accountants, as affirmed in the Purchasing Process. (adapted from van Weele 2010, 8–9). Therefore, operational purchasers are in an apt position to answer the research question regarding the PO coverage in their scope.

2.1.2 The Importance

According to van Weele (2010, 12), companies are claimed to have acknowledged the importance of direct purchasing due to its significant impact in relation to companies' sales revenues. Although the importance of direct purchasing seems to be acknowledged by companies, it is indicated that indirect purchases, especially on the operational level, are often ignored by management and left for lower levels of the organisation to handle. For example, assistants versus purchasing professionals handling such orders. Consequently, due to the organisational structure of indirect spend often not being well established nor controlled, it can be challenging for companies to enforce solutions to this as end-users are often accustomed to placing orders themselves. (Boer et al 2003)

Further research suggests that some larger organisations are commencing acknowledgement of indirect spend due to the considerable opportunities the function can have on savings. As companies begin to acknowledge this gap in their handling of indirect purchases, they almost simultaneously start to recognise the benefits of e-procurement and enforce such tools with the main objective to solve such issues. (Van Weele 2010, 83)

Additionally, Van Weele (2010, 85) claims that today's increasing level of outsourcing can result in many companies indirect spend being superior to their direct spend, however, on average the ratio is 50:50, where organisations in the industry sector can have purchasing overheads of over 80% of total expenditure. Although, in contrast, Finnish industry organisations in 2006 seemingly have 62% of direct spend and 13% of indirect spend, thus 75% total expenditure (Iloranta et Pajunen-Muhonen 2012, 49–50). In comparison, in 2013 direct and indirect spend for large companies in the manufacturing industry in Finland, has about 52% of direct purchases and 15% of indirect purchases, thus 67% of total expenditure (Heikkilä, Vuori, Laine 2013, 10–11). Therefore, research suggests that indirect spend may be increasing in today's larger industry businesses in Finland, whilst direct spend seems to be decreasing along with companies overall spend.

2.1.3 The Characteristics

As shown in the R2P process below, the purchasing process begins with the internal customer (end-user) sending a purchase requisition (PR) to the purchasing department, they handle the requisition accordingly and send the purchase order (PO) to the supplier. The supplier confirms the order and delivers the goods/services, as well as sends an invoice which the purchasing department matches with the PO and confirms delivery, after which the invoice is further handled by the accountants.



Figure 2. Purchasing Process. (adapted from van Weele 2010, 8–9)

There can be challenges in the R2P process, which are defined as poor administrative processes. An example of this could be when an internal customer has submitted a requisition to the purchasing department after they had already placed an order with the supplier themselves, the purchasing department would proceed with handling this requisition and thus create a purchase order, this order would be sent to the supplier as the purchasers have not been made aware of the order already being placed. (van Weele 2010, 47–48)

The above scenario can cause issues on two accounts: Firstly, the supplier may think that the PO is ‘new’, proceed with the confirmation and delivery to the internal customer, resulting in a double delivery. Secondly, the supplier does not have the PO number as a reference for their invoice, since no requisition was submitted, which creates an issue for accountants to book the invoice. Invoices would therefore be paid without matching a PO and delivery document, which means that the purchasing process has not been followed, as well as risks double invoicing since one

invoice would match a PO and one would not. The non-PO invoice could cause issues when applying savings or controlling/reporting as the purchasing department was not involved. (Van Weele 2010, 47–48)

Van Weele (2010, 47–48) also describes that an end user placing an order with their preferred supplier, may cloud their judgement and thus lose the company savings due to faith in the long-term relationship and accepting the supplier's prices without negotiation. Further, the total cost tends not to be analysed and instead based on the price of the product. However, the total cost: warranty, payment terms, contracts and the lifecycle of the products are factors to consider too, therefore, the purchasing department plays an important role and one must not be short sighted in terms of thinking 'this is a one-time purchase, or a low value order, thus requiring no need to concern the purchasing department'.

Further, de Boer et al (2003) state that internal stakeholders may not recognise the purchasing department's use and can see the function as a burden on the company rather than a positive or supporting function. Thus, excuses in relation to indirect purchases (or NPR purchases) can be made as they are often seen as minor in cost and broad in diversity. It can therefore be seen as adequate to place such orders by oneself in other departments. However, this causes disputes between purchasing and other departments since the R2P process mentioned above is not followed in these cases.

2.1.4 The Managing Aspects

Since non-purchasing personnel often place purchases without authorisation, internal compliance can be difficult to manage. Therefore, it is important to identify and deter such purchase practices, in an attempt to eliminate them. Organisational structures can have a large effect on process compliance. It is said that decentralisation and divisions of supply can have grave impacts on compliance, however, even in centralised organisations evidence of this can be found. Thus, system and process developments/improvements and delivering results of these to internal customers should enact an increase in compliance. (Wallace et Xia 2015, 129–130)

In addition to organisational structures, the organisational cultures can also impact on the internal compliance. MB constraints are evident in information and process disciplined organisations, however, without such disciplines it is difficult for purchasers to persuade personnel to comply. In such cases of non-compliance, it is mandatory for purchasers to act in a timely manner to convince and display following procedures benefits the users. (Wallace et Xia 2015, 129–130)

There are benefits and disadvantages of a centralised and decentralised organisational structure in relation to purchasing. Firstly, centralisation is said to benefit larger organisations financially, as centralising the entities' common needs and buying in bulk can allow costs per units to decrease. In addition, when established contracts can be negotiated and purchasing power is raised, this can lead to favourable payment terms, conditions and agreements with suppliers. However, as a disadvantage, some managers of business units are certain that they can obtain better prices/terms themselves and thus act individually which undermines the corporate purchasing department. Thus, centralisation is arguably beneficial if multiple business entities purchase the same or similar products/services and these are of equal or similar importance to each party.

Secondly, in terms of decentralisation, the company's business entities in this case are split, most commonly geographically, and each manager would be liable for their own purchases and financial results. As purchases will often vastly vary, the supplier's prices should be stable for decentralisation to be an advantage, however, this is not always the case. The main disadvantage of decentralisation can be that negotiations will be required for the same products in different entities, which could lead to the entities becoming competitors with regards to supplier terms and conditions. Thus, in the case where entities do not share similar purchases, then decentralisation may be suitable for their needs. (Van Weele 2010, 284–285; Iloranta et Pajunen-Muhonen 2012, 159–162)

Table 3. Different purchasing behaviours and contexts. (Karjalainen 2009, 13)

Purchasing behavior	Contract compliance	Maverick buying	Fragmented buying	Casually cohesive buying
Number of suppliers actually used	<i>Few</i>	<i>Many</i>	<i>Many</i>	<i>Few</i>
Purchasing organizational structure	<i>Centralized</i>	<i>Centralized</i>	<i>Decentralized</i>	<i>Decentralized</i>
Economies of scale	Utilized	Not fully utilized	Not utilized	Not utilized
Internal control costs	Medium/Low	High	Low	Low
External coordination costs	Low	High	High	High
E-procurement	High usage	Adoption, low usage	Low adoption	Low adoption
Processes	Formalized	Being developed	Situational	Situational

Karjalainen (2009, 13) enlists the differences between contract compliance, maverick buying, fragmented buying and casually cohesive buying; this is a means to determine which purchasing behaviours the company exhibits. It can be established from **Table 3** above that e-procurement usage, formal practices in purchasing, organisational structure and the number of suppliers reflect on the purchasing behaviour, which evidently impact the economy of scale, the in-house control and the external coordination of costs.

The importance of corporate governance has been emphasised to be on the rise due to financial scandals and fraud in recent times. In addition to “*good corporate governance*” being essential to integrate into the company’s culture due to risk management, the European legislation has made efforts to tackle such issues from occurring by enforcing the weight of corporate governance (Mäntysaari 2010, 326). Obliging by such practices also allows for control in purchasing, financial and administrative practises combined (van Weele 2010, 318). Therefore, it is important for companies to aim for contract compliance in their employee’s purchasing behaviours as to keep in line with corporate governance and ensure control of processes by doing so.

Further, Maverick Buying (MB) refers to orders being placed without involving the purchasing department, i.e. non-compliant purchasing, either intentionally or unintentionally. Therefore, purchasing policies, clear directives, guidelines and principles are recommended, especially in a centralised organisational structure. Suggestions to prevent such maverick practices include: invoices without references to POs not getting paid, issuing financial threshold controls in the organisation, requiring

requests for quotations (RFQ)/bids for requisitions and consequently awarding a contract with the suitable supplier for the purchase in question, further, a contract requirement with a supplier prior to ordering from them. (van Weele 2010, 48)

Other than managing MB, strategies to cut spend are of interest to management. Cutting spend comprises analysing the indirect consumption patterns and tending to suppliers. It has been recognised that indirect expenditure tends to increase in the last quarter due to fear of budget cuts, thus orders being placed without a need. Furthermore, notable savings can be made by tending to supplier contracts and negotiations, shortening the supplier base and implementing e-procurement tools for operational cost reductions and/or outsourcing small items such as IT supplies (van Weele 2010, 86). Such strategies can therefore also be used to increase PO coverage, as eliminating suppliers could enable more attention to collaboration and meticulous purchasing by agreeing on product selections in catalogues, increasing accuracy of matching invoices to POs, as well as avoiding MB taking place. As well-informed and cooperative suppliers should expect a PO for each order placed, thus avoiding orders being placed without this requirement.

Hence, managing suppliers is an important factor in purchasing, which begins reactively by focusing on opportunities that arise, then moves on to a proactive approach where suppliers' performance is improved. Afterwards, a relationship can be formed which can result in a partnership between the company and the supplier. Therefore, supplier collaboration is not only to negotiate the separate order details and agreements, but also to strive towards a cooperated relationship. Although this task is mainly managed by tactical purchasers, it is also important that operational purchasers are aware of and strive for creating and maintaining such relationships when possible. (van Weele 2010, 68; 3)

Finally, in the case of multinational companies, separate business unit strategies should be avoided since a joint development plan would create transparency and enable global integration. This would be most successful in a centralised-led purchasing manner including both purchasing maturity and corporate coherence; creating transparency and enabling global unity with guidelines can therefore be

provided to structure the process of decision making in a top-down manner. In addition to purchasing strategies and plans being communicated and shared with stakeholders, training is essential when changing the traditional purchasing methods towards new methods. Thus, having the correct foundation and building cross-company teams, with steadfast preparation, is key for purchasing successfully in large organisations. (van Weele 2010, 193; 290–291)

2.1.5 E-Procurement

When a purchasing process inefficiency resides in factors such as high expenditure in transactions, MB and low in-house compliance, low spend and control distinguishability, as well as timely handling, e-procurement systems can aid in improving such issues and thus have a positive impact on operations overall. E-procurement solutions can increase expenditure control by 35%, improve operation costs by 48%, reduce handling time by 60% and reduce MB costs by 41%. It is also emphasised by van Weele (2010, 83) that Intel has managed to decrease their costs by 10% in two years, this was achieved by adapting a centralised team, using e-catalogues and sourcing plans with e-negotiations. Thus, e-procurement does not only relieve the operational tasks of purchasing procedures, but it can also increase cost cutting in an innovative, practical and holistic manner. (Wallace et Xia 2015; 132)

Rothkopf et Pibernik (2016) state that e-procurement can be a step towards solving MB issues, since such technology can allow for transparency and monitoring within an organisation, thus making it more difficult for personnel to collude in such practices. Brandon-Jones (2019) maintains that e-procurement can improve quality and accuracy of process operations concerned with requisitions, orders, invoicing and payment. Orders placed beyond the e-procurement tool can be subject to errors and consume further resources from the process operations mentioned. Moreover, embedding catalogues into the e-procurement tool allows for further efficiency as items can be obtained in a similar manner as e-commerce shops. Orders for multiple items and budgets can be combined into one requisition, thus enhancing handling time across support/process operations.

The key factors in ensuring PO coverage via the R2P process are end-users, purchasers, suppliers and the system which keeps them collaborated, as stated in **Figure 2**. A well-established and fully adopted e-procurement tool would automate purchases by collaborating with suppliers and allowing for e-catalogues to be utilised within the tool. This means that requisitions can automatically be filled in by selecting desired items and the tool would obtain the appropriate approvals, the purchasing department will be able to modify the PR if required and then upon approval the PO will be created and automatically sent to the supplier. The supplier will then be able to access the PO and confirm the order online, the delivery will be made and the goods receipt (GR) should be completed by end-users. The supplier can send their e-invoice and it will be scanned and matched with the PO, then checked if all three criteria matches: PO, GR and Invoice. If this is the case, then the invoice would go for payment. Thus, instead of thirteen stages in traditional purchasing, the e-procurement tool would have eight stages which both simplifies the process and enables efficiency. (van Weele 2010, 272–273)

2.1.6 Development

In order to ascertain where opportunities arise with regards to improving PO coverage, a spend analysis will be conducted on the indirect spend in Company X. A spend analysis aims to obtain data on category/commodity expenditure, supplier expenditure and supplier expenditure within those category/commodity segments. The reason that a spend analysis is beneficial for management is due to gaining an overall outlook of expenditure and locating areas of improvement. A strategy could be built up for managing categories and suppliers and thus aim to improve the PO coverage. (Hawkins, Nissen et Rendon 2014)

A similar analysis is to be drawn up in the empirical part of this study to determine results of PO coverage per supplier and category, enabling developmental opportunities. Such an approach is similarly encouraged by Monczka, Handfield, Giunipero et Patterson (2011) where it is also argued that major savings can be obtained via this method as non-compliant purchases can be identified. However, since company expenditure is classed as sensitive data, as well as supplier information, this report

will not include the values nor identities, but rather consider the percentages and focus more on PO coverage in relation to categories. Certain suppliers, due to spend, should take priority in further actions should these be required. Although this report will only focus on the internal stakeholders as opposed to the external i.e. suppliers, the data obtained from the study may produce valuable factors which could prompt addressing issues in external stakeholder behaviours too.

Further, MB can also be identified by checking how many invoices are received without a PO as a reference, in addition to determining which department/employee paid the invoice and how frequently such invoices occur. Thus, enabling actions to be taken in improving the purchasing process by means of communicating with users regarding the correct R2P process and offering training/support in complying with such expectations could be beneficial (van Weele 2010, 48). It would be important to attempt to establish if MB has been carried out intentionally or not, and if so, why this has occurred, as this could aid in the change management of MB. Therefore, the framework below provides a foundation for posing questions to end-users in relation to discovering MB reasons within Company X.

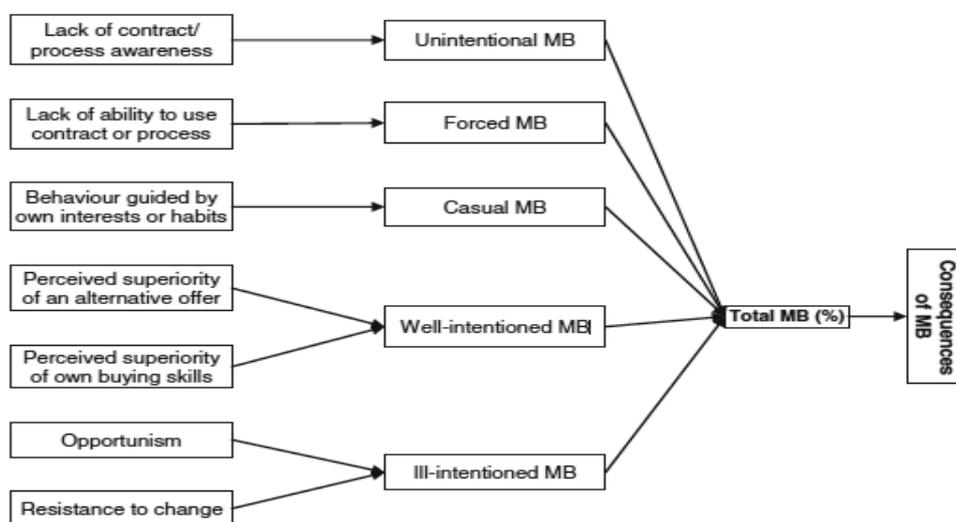


Figure 3. Different Forms of Maverick Buying and their Underlying Reasons. (Karjalainen, Kempainen et van Raaij 2018, 257)

As adapted from the figure above, questions to consider in relation to MB occurrence include the system's capabilities/lack of understanding the system's

capabilities, lack of purchasing policy and lack of training and attitudes of personnel. Attitudes of personnel comprise thinking they have agreed the best outcome with the supplier, that purchasing personnel are under qualified, that there is an opportunity to avoid the R2P process, or believing a particular brand/item is necessary for their needs and therefore avoiding the process since they fear they could not obtain the item they wanted. Such questions aim to determine the type of MB and thus allows for analysis on part of the main question “*How to increase the PO Coverage?*”

To summarise the IP section, the purchasing department requires a requisition to begin the purchasing process, consequently relying on internal personnel to place such requisitions depending on their needs. Further, if the purchasing process has been evaded and invoices go the accountants from the end-users/suppliers directly after an agreement to order, then MB should be detected and prevented by such management measures as described in The Managing Aspects of this report. Maverick buying practices are non-compliant and should not occur. Therefore, this report aims to not only determine if MB occurs in Company X, but also why and how to change this from non-compliant to compliant purchasing i.e. with ensuring there is a PO in place. Since actions would be required in changing purchasing attitudes/behaviours if MB is present in Company X, in order to increase PO coverage, this report therefore aims to study change management as a means to ensure compliance in the R2P process by focusing on internal stakeholders.

2.2 Change Management

This section of the report aims to introduce change management, why change is important, how to approach change and how change can enhance the organisation. Resistance to change will be considered along with the change curve itself, subsequently, receptivity of change will also be reflected on as anchoring change is the preferred final destination in managing the change. However, it is especially important to grasp the overall process and understand how to reach such an objective.

2.2.1 The Importance

Moran and Brightman (2000, 73) state that serving the economy and customers in today's progressive environment, where adaptation is necessary, is vital. Ewenstein, Smith and Sologar (2015) elaborate on this and assert that keeping up with and getting ahead of the external forces in the world of business, in order to remain or become a viable competitor and maintain or gain market stance, is fundamental to any organisation. Consequently, change is unavoidable and mastering it is of high significance to businesses in today's markets. Christensen (2014, 377) states that organisational change is an ongoing process that develops and fluctuates over time. Therefore, identifying such areas and attempting to understand these can provide insight on how to approach change.

Enhanced and innovative methods in utilising resources can result in efficiency, and as such should be enriched upon organisations if and when possible (Chen, Yu and Chang 2006, 1303). This can prove invaluable to companies and processes where leverage and efficiency saves time and thus costs. Thus, moving with the times and developing where opportunities arise are additional factors in which change management is essential as to ensure a positive and prosperous future for the company.

2.2.2 The ADKAR Model

In Jeff Hiatt's ADKAR Model, the process of undergoing change is laid out in terms of awareness, desire, knowledge, ability and reinforcement. Such a process cultivates change and thus results in a change becoming a norm. This model allows the research to be built on and reflects where the case company is at a particular moment in time, thus, providing the ability to draw conclusions on how to progress in the change management cycle. (Prosci 2018)

Since Prosci (2018) describes a change as a process which is divided into three states: current, transition and future, it is apparent that such states should be determined in this research. The process of momentum along the states of change are first and foremost awareness; one must become aware a change is required. However, awareness alone will not allow progress along the process, desire must also

stimulate the change to begin the transition from the current state. Further, a transition cannot occur if neither comprehension on how to change nor the ability of enforcing change are evident; such an ability includes both skills and attitudes required to make a change. Further, in order for the change to endure, it is necessary to reinforce the change, especially since a change is, as suggested by Christensen (2014, 377), an ongoing process.

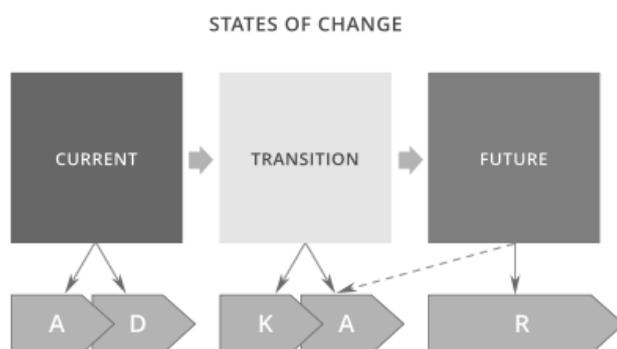


Figure 4. The Prosci (2019) ADKAR Model.

Prosci's (2019) research states that efficient and targeted communication with stakeholders can be achieved by utilising goal-orientated communication advances with further emphasis on awareness and desire, since these were key components in communicating successfully with stakeholders. Stakeholder groups and tailored communications to each group is available using the AKDAR model since depending on the status of the group, the communication can vary. There were also implications that this model has helped companies enforce change since people involved were more aware of their states of change, and with that knowledge, able to transition through the change somewhat easier as opposed to not understanding the process of change.

In conclusion, as studies suggest that a structured approach to change management is a fundamental factor in successfully enforcing a change in an organisation, with further evidence of assessing, guiding and facilitating efficient communication throughout the change process, this is therefore why such a framework should be in place and utilised by an organisation when undergoing change. (Prosci 2019)

2.2.3 The Change Curve

The Kubler-Ross Change Curve enables identification of the processes people go through when changes occur. Such information aides the thesis in conclusions of where the case company's personnel might stand along this process and therefore help determine coding for the research depending on their state. (Connelly 2018; Orridge 2009, 5)

Kubler-Ross portrays the stages of receiving tragic news include Shock/Denial, Anger, Bargaining, Depression and Acceptance, all of which are defined as a person's defence mechanisms which are required to manoeuvre through in order for change to be managed. Such stages, however, are not linear nor are they a single flowing process, as each can be revisited and re-experienced over an immeasurable time frame until a change is completely enforced. Therefore, Kubler-Ross also concludes that some people can become stuck in a change and find it either difficult or impossible to submerge from such a state. (Connelly 2018)

The shock/denial stage is often an initial reaction to a change; a person can receive the news and feel they do not wish to believe it is happening – some may even go as far as pushing the change away to avoid it. The anger stage tends to occur once the initial shock/denial stage is over, a person can become irritated by the change and refuse to accept it. This stage is where negativity can arise within a person and sometimes as such can be projected on to others. Anger, unlike shock/denial, can cause issues if festered over a longer period of time, thus this is one stage to be mindful of. Bargaining is when a person attempts to avoid change, this can be by asking for more time to adjust or try to renegotiate in matters related to the change – often this is done in hope of the change not occurring, thus after efforts can lead to a depressive stage. (Connelly 2018)

Therefore, depression is the stage which occurs within people once they realise that the change is occurring regardless of their actions, this can be a stage which some people find themselves stuck in, thus this is the other stage to also be mindful of. After some time the acceptance stage begins, positive thoughts/attitudes in relation to the change begin to be apparent and people tend to choose to proceed with an

accepting mind, this does not result in the person being happy about the change, however, they choose not to fight it anymore. In some cases, the acceptance stage is where people become creative and realise/learn new things about themselves or their methods of working. (Connelly 2018)

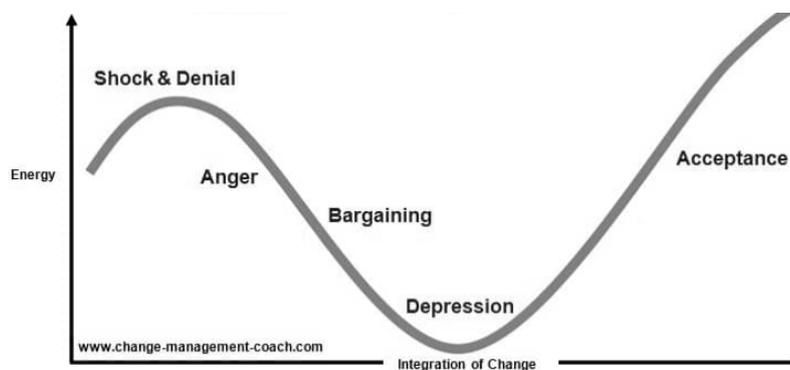


Figure 5. The Kubler-Ross Change Curve. (Connelly 2018)

The process considers the energy of a change in terms of how it is integrated/processed, however, this is not linear as stated previously. Although this identification began with bereavement it is not solely fixed to such emotions and can be applied to positive changes too (Orridge 2009, 5). A stage in the change can be revisited, for example, once the acceptance stage begins, a reminder of the change can trigger someone into the anger stage or denial stage once again. The key in progressing through a change is to allow the process to occur, rather than to rush it, nevertheless, if the anger or depression stages are immobilising a person's progress it is important to act upon this since it can be damaging for a person and their environment. A further element of successful change, as stated by Connelly (2018), is hope, this is said to provide people with enough positive future-onlook in order to persevere through the change. Therefore, struggle/strife, processing and then looking to the future/hoping are the emotions experienced according to Kubler-Ross.

2.2.4 The Resistance to Change

Holloway's Resistance to Change could further help discern the possible reluctance toward change in personnel, thus allowing the thesis framework to be more equipped and correspondingly offer understanding towards personnel. (Holloway 2016)

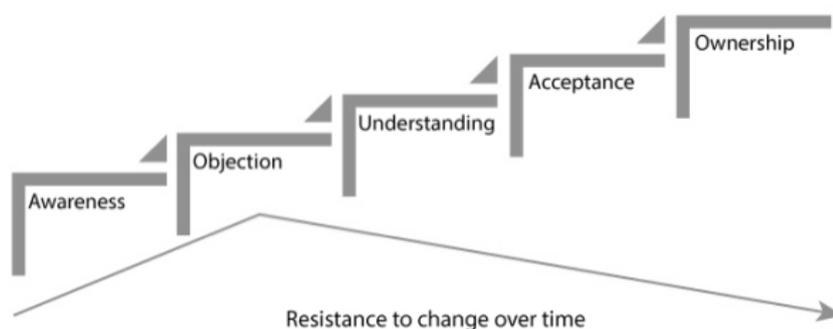


Figure 6. Resistance to Change. (Holloway 2016)

With regards to resistance to change, Holloway's (2016) model above, suggests a linear progression in people over the course of time. While initial awareness prompts an objection after which understanding and acceptance prompts a change ownership, in other words, adaption to the change. Holloway (2016) claims that this progress becomes more effective, in terms of reducing the time a change takes, when effective messaging tactics are applied.

Holloway (2016) further describes that the number of stakeholders invested in the change has a direct effect on the time it takes to realise the change, this in turn, results in the budget allocated to the change management programme. Therefore, the higher the number of personnel required to change, the higher the budget required to enforce such a change since this takes longer to enforce.

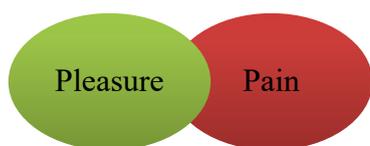


Figure 7. Triggering Change. (adapted from Holloway 2016)

Holloway (2016) describes that a change requires an uproar of some kind, albeit negative or positive, the current being is in the centre of pleasure and pain, as shown above. Thus, an incentive is required in order for the centre to become immobilised and create a reaction. Without an incentive a chain reaction cannot occur, this means that the incentive should be communicated well enough for the receiver to understand, otherwise the incentive is ineffective. Communications should be aligned and

not confuse those involved since one message understood does not automatically result in another message being understood and thus creates confusion.

In summary, as seen in the change management frameworks, it becomes evident that these methods have different messages with regards to approaches. Hiatt's AKDAR model goes hand-in-hand with Holloway's interpretation of resistance to change, in relation to communication, i.e. change improves over time with understanding and willingness to engage. However, the Kubler-Ross model describes that changes tend to hit a depression stage prior to acceptance, which is a deeper and stronger response to change as opposed to denial/objection. Nonetheless, change in all the above examined models has not been pleasant throughout the transition period, therefore one can determine that change can be difficult in order to flourish and be enforced – this is one factor that must be kept in mind when promoting the change and for stakeholder groups to be aware of too.

2.2.5 Key Features in Anchoring Change

Key shortcomings, which can occur when pursuing change management processes in organisations, are examined in this section which combined lead to a summary in how a change can be anchored. This is adapted from Kotter's (1996, 3–16) "*eight errors common to organisational change efforts and their consequences*".

Creating a high sense of urgency is necessary in a change since if this element is missing the change is likely to fail. A team enforcing the change, together, can increase the change's success, this includes management support. Additionally, obtaining employees' willingness to help, even if a sacrifice may be required, which often requires a belief in the change being beneficial and attainable, can help avoid failures. Avoiding obstacles which prevent the change from occurring is also vital. However, if the organisational structure of the company does not allow for change, nor if managers embrace it and rather encourage their subordinates to avoid the change, these can be obstacles which are difficult and almost impossible to overcome. (Kotter 1996, 3–16)

Kotter (1996, 3–16) also states that creating and communicating a vision and inspiration to encourage the change can benefit the change management procedures immensely, especially when such a concept is apparent to stakeholders and broken down into smaller more achievable strides which should be reflected upon as victories. Consequently, being overly optimistic and proclaiming the change fully enforced can damage the change transformation since it is fragile until fully adopted into the business culture, this is especially true in an organisational change since these can take numerous years to complete.

Should the change not be anchored into the business as a culture and the common way of working the change will inevitably fail, since this is required for the change to actualise. Kotter further expresses that volatility in businesses today, in terms of lack in stability and the fast-moving times which are being lived, causes concern in terms of anchoring change. The key in anchoring a change lies in empathy towards why it is resisted, a comprehension towards the reluctance-model and its steps, and most importantly the leadership required to enforce the change vigorously. (Kotter 1996, 3–16)

In summary, the vision should be clear, fathomable, creative, emotional, relevant and short. It should be incorporated into communications as well as dwell in operations. Those members of the change team should listen to personnel's concerns, encourage feedback and act upon it too, outwardly, as to encourage and promote interaction as well as developments. The team should also identify benefits of the change at the beginning and reinstate them, after each phase it is important to also stop and acknowledge the tangible benefits of the change and to demonstrate the status; focusing on achievements. Repeating efforts and building up on the change by removing issues and being persistent in messages will eventually lead to an anchoring opportune, that is, where the change is installed into organisational operations and models as well as into an individual's daily proceedings.

2.3 Internal Stakeholders

Internal stakeholders are defined as employees, managers and owners of a company (Lumen 2019). As internal stakeholders play a key role in organisations, involving

them in the change is therefore important – since without people there can be no change, as an entity does not change but rather the people within the entity are the ones changing (Holloway 2016). Therefore, in order to involve such stakeholders, key personnel should be identified. This enables both the IP service to be improved and the change to be adapted to the business function where communications, engagement and understanding is vital. The focus and theories in this section will be in relation to change management in the IP business function at company X.

2.3.1 Involvement and Importance

Francke (2014) determines that involving people affected by the change is necessary as they go through the change process. Involvement allows building interest, becoming engaged and committing to change more easily. Not being included or informed could trigger hostility, allow for negative feelings or the wrong impression. Hence, it is important to be aware of the receptivity responses of change for stakeholders, since these will be met when enforcing change.

The largest proportion of responses, at 50%, are said to be those in a thinking position; i.e. they are careful and wait to see what happens with regards to the change. The second largest proportion are the resisters and the early adapters, which each accumulate 20% of the total responses. The resisters are on the negative side of the change, but not completely against it, and the early adapters are on the positive side of the change, but they are not champions. The least proportions, at 5% each, are the champions who are commonly swift change embracers, and those with checkmate responses where they can be not willing to change at all. (Francke 2014)

Acknowledging which people are the champions and early adapters would be beneficial to enforcing the change as these can be the key promoters of the change itself, often swaying the larger thinker-group members and helping to encourage those on the negative side towards the change occurrence. These groups both often take longer to process the change, so it is necessary to not push them too quickly. Involving people and communicating honestly should encourage the change to naturally take its course, if mistakes occur then it is important to apologise and correct issues as early as possible, during this process referring back to the theme of the

change, sending updates/reminders and being positive towards the expected goal/s set out is also recommended. (Francke 2014)

2.3.2 Identifying and Mapping

Monczka et Trent (1991; 1992) describe that there are key steps in enabling purchasing processes within the company, including centralisation and development of supply chain, measuring performance, IT systems, teams, strategies and personnel training. Personnel training applies not only to the appropriate employees handling purchasing operations, but also competence in adapting to the tides of change and implementing training sessions to other personnel; in order to improve their skills too. Identifying key users would therefore be wise of the operative purchasing team since such users can help the change to become successful or otherwise, as examined by Kotter earlier in the Key Features in Anchoring Change section.

By outlining groups of personnel based upon their influence and impact on the change, a company can manage their stakeholders (Francke 2014). As such, efforts on diligently managing those likely to have both a high impact on others and pose a high risk to the change are wise. Whereas those likely to be a risk for the change, although not likely to influence others, should be kept satisfied. However, those with high influence but low risk to the change should be kept updated as to not become a risk by feeling they are not involved. Further, those with both low impact and influence on others should be observed as they do not pose a risk in terms of impacting nor influencing the change. (Francke 2014)

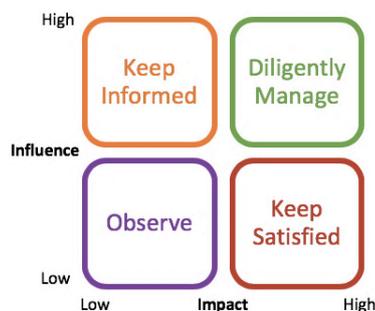


Figure 8. Managing Stakeholders. (Francke 2014)

It could also be an advantage to encourage those with high influence but low risk, to promote the change i.e. enlisting them as key personnel for the change. Further, selecting a member of the team to handle stakeholders/groups of stakeholders allows for better managing the change. Attempting to avoid surprising or disappointing stakeholders is important but cannot be completely avoided although a plan is in place; nevertheless, preparation is wise and recommended. (Francke 2014)

Approaching the different internal stakeholders is not simple, thus, a map such as the one below, which can be created based on the matrix in **Figure 8**, allows for further understanding in how to approach them according to the task; increasing PO coverage via change management. Those negative towards the change will appear on the left side, the stronger they are against the change and the power they have against it define their place on the map since the steps up are progressive. Similarly, those positive towards the change will appear on the right of the map, in a progressive manner for the change and according to their power for it, thus, leaving those neutral in either side of the centre. Using colour coding such as red for negative, grey for neutral and green for positive will further provide visual aid in dividing stakeholders according to their stance/behaviour and power. (Francke 2014)

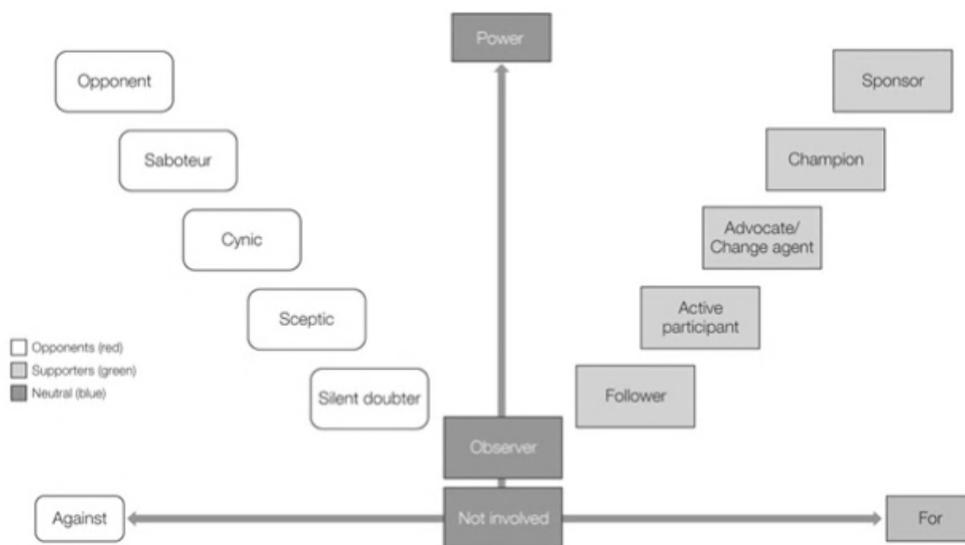


Figure 9. Stakeholder Map. (Francke 2014)

2.3.3 Effective Communication

As previously discovered in Key Features in Anchoring Change, it is important to communicate change well in order for it to be successful. This part of the study aims to determine which methods of communication are effective when undergoing change. Supplementary to effective communication methods, a messaging strategy tailored towards the different internal stakeholders will also be considered since this study aims to offer practical methods to company X with establishing how its internal stakeholders can be onboard with the change.

According to Ruissalo (2015, 22), Kotter (1996, 89–100) and Holloway (2016) the most effective communication methods are those which are both simple and consistent. Kotter (1996, 89–100) states short and simple communications allow for inclusion of the broader organisation as opposed to narrowing the message to a selective few, for example with jargon or a multitude of words. However, Holloway (2016) disagrees and claims that writing on a personal level rather than to a general group is more likely to generate reactions, encouraging those involved to engage and even respond to messages. Ruissalo (2015, 22) also agrees in tailoring communications toward the audience and presents adequate consideration must be allocated to preparation and training for this.

Holloway (2016) claims that visual aids can allow for those involved to understand and remember the message better, as can short to-the-point messages. Kotter (1996, 89–100) agrees and suggests figurative/illustrative communications, ensures a slot into the minds of personnel when done correctly since a refined string of words to create an image is more likely to stick into peoples' minds than a longer sentence of words. Further, Holloway (2016) states repetition is mandatory since people must be reminded until the information is positioned/understood, and the change is fully enforced. Kotter (1996, 89–100) agrees, that reiterated messages help support the already placed messages and by prompted reminders at given opportunities the message has the ability to spread.

In terms of selecting the channels on which messages are communicated, Kotter (1996, 89–100) asserts utilising a broader range of channels enables a broader

audience and repeat exposure. However, Holloway (2016) emphasises the correct communication channel should be chosen since there is no added value if it does not generate the audience, an example of this could be writing someone an email if they do not read emails, or sending posts to Yammer if they do not read them. Similarly, over-sending messages can also be counterproductive if the receiver becomes irritated and ignores these. Thus, it can be determined that it is important to locate suitable communication channels for the internal stakeholders and send reminders/updates, but not too frequently.

Additionally, it is said that the messages should be represented by behaviour, as seeing the change represented by others is claimed to be more powerful than words/messages. Thus, the importance of management displaying the change in action can create a ripple effect upon others in the company as well as astonish those sceptical of the change. Concurrently, if changes apply only to certain people/groups in the company, this could discourage others and create a negative vibe, therefore, when necessary, the company must practise honesty communicating contradictions in the change otherwise it can face failure (Kotter 1996, 89–100). Ruissalo (2015, 22) also discusses that limiting negativity towards the change is mandatory, this can be maintained by assuring messages are not misunderstood.

Kotter (1996), Holloway (2016) and Ruissalo (2015) agree that actively communicating with stakeholders and working towards the ultimate endgame/vision should help encourage the change over time, since behaviours adjust as people are exposed to, and gain an understanding in the change. Ruissalo (2015, 22) also asserts that it can be effective to communicate how the change affects stakeholders since this can generate interest. Further, by supporting and motivating stakeholders, as well as focusing on operational excellence and developing performance, the change can be maintained on course towards the destination/goal.

Holloway (2016) stresses that messaging efforts should retain that value is more important than cost and not allocating a suffice budget can result in a change failing, thus, sometimes costing more overall. Kotter (1996, 89–100) states receptivity must also exist in order for communications to not become one sided or forced, since

many cases fail due to lack of attentiveness during the transformation period. Therefore, making sure that the change comes at the right time and is budgeted for is vital to its success. Finally, proactively communicating with stakeholders is the ultimate aim, as discussed above, however, reactive responses are required in certain situations. Spontaneous communications should also reflect positively on the change, thus, Ruissalo (2015) claims that preparation is required for these circumstances.

2.3.4 Communication and Messaging Strategies

The methods to consider in terms of communicating the change to stakeholders involves both a communications strategy and a messaging strategy. The communications strategy is the means of communicating to stakeholders and the messaging strategy is the timing and the message which should be conveyed. One reason for such strategies to be in place is due to stakeholders' attitudes towards the change; sometimes personnel feel it is the business that should change rather than their own operations. However, the business itself does not change, rather, the personnel within the business do. (Halloway 2016)

Holloway (2016) claims, should messaging and communication strategies be allocated to a single person, such as a manager, this could result negatively towards the change since managers are generally not those communicating on a daily basis with personnel. Hence, a team of personnel working towards the same goal should increase the prospect of a positive change. This is arguably why operative purchasers are in the best position to enforce changes in relation to the R2P process and increase PO coverage via advances in managing the change.

Mapping the stakeholder groups and tailoring communications according to their importance, as shown in **Figure 9**, is key to ensuring a positive outcome. By being specific and clear in conveying messages to promote the change at given opportunities and getting those involved to work holistically whilst allocating tasks which require actions, can in turn have a positive impact on the success of the change and would be worth considering in the messaging strategy. For example, pinpointing managers to speak in their own professional languages to their subordinates regarding the change could ensure users understanding what is required. (Holloway 2016)

As an example of mapping stakeholders and creating a concrete messaging strategy, **Appendix 4. Stakeholder Messaging Strategy.** (Holloway 2016) allows for alternative stakeholders to be grouped in terms of their current behaviours, as well as allocated three alternative stages in the program according the status, including “*start up, growth, operate*”. Whilst keeping both inwards and outwards communications in line with the ‘calls to action’ issued for each stakeholder group and thus structure the messages in a clear and concise way. (Holloway 2012)

The ultimate aim with dividing the stakeholders into groups is to provide different angles of approaching the overall business and personnel. Using alternate methods and exposing the change, along with efforts being consistent and holistic, the change should be a smoother process. This does require a detailed plan which requires stakeholder division and tailored approaches. However, as established earlier, an individual cannot maintain an organisational change alone but rather strengths in numbers and leaders, i.e. multiple people working towards the change to accomplish its enforcement as a team.

2.4 Theoretical Framework

The theoretical research gathered is placed into the Theoretical Framework diagrams below. These display which research themes are covered, along with a description of which research questions will be answered under each theme. The main research question ‘*How could the Indirect Purchasing function at company X increase their PO coverage via change and stakeholder management?*’ provides an anchor for the overall content below.

CENTRALISED PURCHASING BEHAVIOUR:

CURRENT SITUATION	FUTURE GOAL	HOW TO OBTAIN THE GOAL
Maverick Buying	Contract Compliance	Increasing the PO Coverage
# Suppliers ↑	↓ # Suppliers	Determine development opportunities
E-procurement ↓	↑ E-procurement	Training/support, communicate benefits
Costs ↑	↓ Costs	Efficiency, compliance, quality
Formalised process ↓	↑ Formalised process	Communicate the R2P process
Economy of scale ↓	↑ Economy of scale	Focus supply efforts; purchasing power

Figure 10. Theoretical Framework: Theme One.

The first theoretical theme in this study is related to IP. The situation, future and how to reach this goal are therefore reflected upon. As the IP function is centralised, the behaviours occurring within centralised purchasing functions are important to establish the current situation as opposed to the future situation which is the ultimate goal. PO coverage is non-existent in cases where MB behaviours are carried out, since PO coverage is the definitive aim, changes for such behaviours are essential. Identifying where change opportunities arise by determining locations, departments and in which categories such behaviours are demonstrated is key to triggering change, since no actions are taken in the current state if there is no trigger, **Figure 11** will however examine this further.

As the e-procurement tool is the platform in place for indirect purchases, this tool is the method in which to request orders. Therefore, it is mandatory for users to utilise this tool when buying any goods/services which fall under the indirect description. Training and support whilst users familiarise themselves and gradually accept the change is important as these ensure the tool's functions can be expressed and promoted as well as identify the benefits of the tool. By using the tool, the function can save on costs; in terms of ensuring compliance and approval processes, ensuring the handling time is efficient and the quality of the POs is good which results in less manual work when invoices are received. This also ensures that the R2P directives are followed and purchasing power can be enabled when the supply base is focused. Thus, these combined factors ensure the future goal can be reached.



Figure 11. Theoretical Framework: Theme Two.

The second theoretical theme in this study is change management. The change models are therefore reflected upon. Displayed in above diagram are the following models; the ADKAR, Resistance to change, the Change Curve and the Responses to change, these are combined to support one another in clarifying the process and enabling the current state determination.

Awareness and desire are both required to leave the current state, which must be triggered either positively or negatively. After such a trigger, the transition stage begins, this is where knowledge and ability begin to work together which can be met with objective feelings until understood and accepted. After leading to the change being reinforced and owned, the new state becomes the current state once more and should further changes be required the change process can be retrIGGERED.

To reach the ultimate contract compliance goal, this will require a long-term plan and possibly many take years since there are multiple and major aspects of change required. Therefore, ensuring the PO coverage is improved where and when possible, it is the most important step to make efforts smoothly and effectively. Due to an improved PO coverage leading to the ultimate contact compliance goal as the e-procurement usage, formalised processes and economy of scale can be increased, as well as the suppliers and costs decreased.

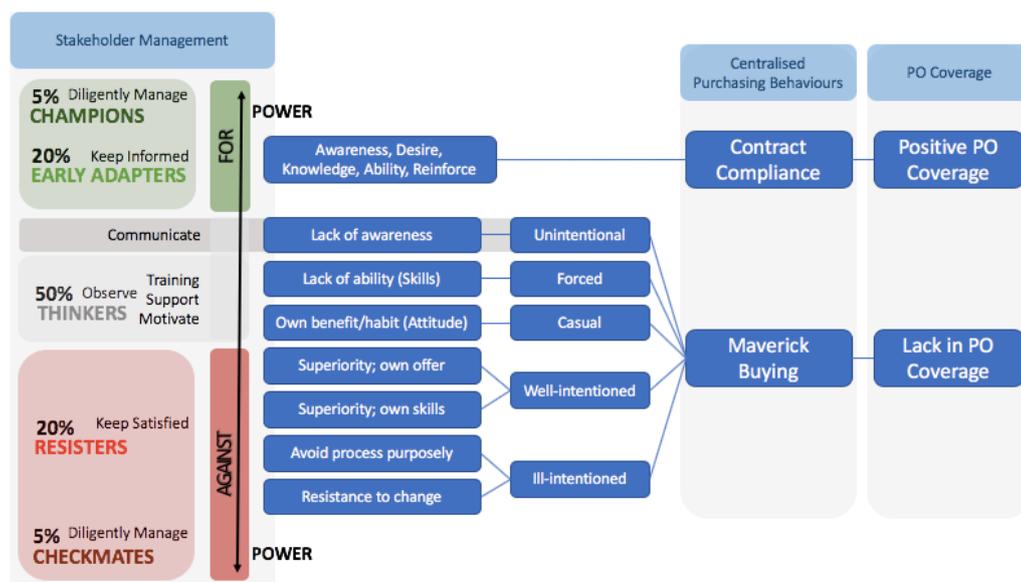


Figure 12. Theoretical Framework: Theme Three.

The third theoretical theme in this study is related to purchasing behaviours, PO coverage and stakeholder management. In order to increase the PO coverage, the lack in coverage must be first determined along with the reasons why this occurs. As above, there are different methods in which stakeholders can be managed and actions can be taken depending on the type of attitude people have. The attitudes have been divided up into positive *for*, neutral, and negative *against* factors.

Those in the positive section are classed as early adapters 20% and champions 5%. The reason for this is, the change is relatively new and such personnel have recognisable awareness, desire, knowledge, ability and are reinforcing the change. In other words, complying with processes and maintaining PO coverage. They are for the change and could be an opportunity to help encourage other thinkers or resisters in adapting to the change, therefore it is important to keep them informed and manage them diligently as they can be key promoters to the success of the change.

Those in the neutral section are classed as thinkers 50%. The reason for this is, they are considering the change and its impact on them and like to take their time doing so. All personnel within this section have been made aware of the change but they do not yet desire to change, this can be due to attitude or lack in ability to follow processes. Therefore, training, support and motivation should promote thinkers to begin their transition from the current state. There is one other group of personnel in the neutral section; those unaware of the change, thus they are not complying unintentionally, these people would require awareness via communication.

Those in the negative section are classed as resisters 20% and checkmates 5%. The reason for this is that they are aware of the change and desired transition, however, in an objective manner. This may be due to thinking that they have abilities or skills superior to the purchasers; both of these are well-intentioned maverick buying attitudes since the person believes they are saving the company money by taking the buyer lead in the process. This may also be due to purposely resisting or avoiding processes, which are ill-intentioned since efforts are made in direct opposition to the change. Such people could become a threat if not kept satisfied or diligently managed as they can be key destroyers to the success of the change depending on their power (influence and impact towards the change).

3 EMPIRICAL STUDY

The empirical study section of this report includes the research methodology and the data collection steps, including; data extraction from the system and the qualitative and quantitative research. Henceforth the findings in terms of e-procurement implementation, the scope and the sample relevant to this study, in addition to the theoretical themes aligned with the empirical findings. After which the validity and reliability of the data shall be drawn up.

3.1 Research Methodology

This study utilises a deductive research approach. Such an approach begins with gathering existing literature and building a theoretical framework. Based upon the framework a hypothesis can be determined which allows empirical data to be conducted and analysed to test the theory (Streefkerk 2019). Empirical research can be addressed either by means of qualitative or quantitative data. These methods are utilised by academics in gathering data from respondents (Salvador 2016). The principles and aims of both methods will be discussed in this section.

The principal characteristic in qualitative research, according to Salvador (2016), is conducting research by focusing on the samples' experiences and exploring relationships within the sample. Its ultimate aim is to generate theories rather than to test existing theories. The observations and findings combine to provide strength in the data which is obtained by nascent tactics and relaying open-ended enquiries to the subjects. Such a research method allows for flexibility and elaboration, the sample size tends to be petite and the desired data is rich in information; focusing on respondents' values and experiences where context and environment is also considered. A researcher would conduct such a research until the data becomes saturated since data is not analysed in a numerical manner. They also tend to be conducted in a collaborating manner either indirectly or directly. Direct qualitative research is conducted in the form of either group or personal interviews, whereas indirect qualitative research is conducted in the form of either observations or projective techniques. (Salvador 2016; Eyisi 2016; Hammarberg, Kirkman et Lacey 2016)

In comparison, quantitative research tends to focus on collecting a broader range of data and analysing it in a logical and mathematical manner, whilst exploring correlations and providing weights to answers. Its ultimate aim is to test existing theories, instead of generating new theories. In order to achieve this, data should be collected in a broad manner since it is statistical and relies on numerous respondents to be valid. Quantitative data is objective in the sense that questions are predetermined and limit respondents to a structured design. The data should seek answers; proving a particular stance statistically, thus claiming verification based on theories and results. The methods used to obtain such data include questionnaires or experiments which produce static, numerical, close-ended answers that can later be analysed. The findings provide validity and reliability by conclusions based on the theories and hypotheses presented, these are unbiased although confined to predetermined plans. Methods supporting this research collection could include structured telephone, mail or personal interviews/questionnaires. (Salvador 2016; Eyisi 2016; Hammarberg et al 2016)

Neither qualitative nor quantitative research methods have been scientifically proven to hold dominance over the other. However, it is important to consider the research question and topic when selecting which research method would be suitable, since each serves an alternative route to collecting data in order to draw results and conclusions. (Salvador 2016; Eyisi 2016; Hammarberg et al 2016)

Brannen (2007) suggests that there are trends to include both qualitative and quantitative research methods in social science research, which could enrich the data and results since the combination would not bound to limitations of selecting either methods. This choice would demand further skills and work from the researcher, however, interesting and perhaps worthwhile since the two data outcomes could complement, elaborate, substantiate or contradict one another, in any case enriching and offering value to the research. In the case when aiming to further elaborate or develop on the initial findings, the combination of research methods could be highly valuable.

3.2 Data Collection

The empirical data collection begins with establishing the situation in company X by obtaining data from the Enterprise Resource Planning system to determine the current PO coverage status, in addition to analysing the data to see if there are any results which could be examined/considered in the next data collection stages. The core system data from company X will be in numerical form. The reason this is required is that both the purchasing experts and the internal users do not have precise figures to present and this is required in order to test the theoretical section of this report, as well as provide valid and reliable findings on the situation.

The system data that is required for this study includes; comparing direct to IP at company X as an introduction and foundation base for its importance, the overall current situation in the IP function including:- supplier numbers and utilisation, saving trends in terms of the tool and the centralised team, PO coverage to identify MB traits, formalisation of the processes, the economy of scale. In addition to category coverage comparison, as a means to test the theory above. Results aim to focus on the IP function and its development opportunities; pinpointing areas the company should focus its efforts.

The qualitative data is then collected by means of observation and interviews with the IP team at company X, this will be carried out in order to answer the research questions from the perspective of the business function; IP. This data will be gathered to provide a unique perspective, to add to the theories and explain the cultures within the case company's business function process. Both indirect and direct qualitative research will be conducted; the indirect qualitative research will be obtained by the researcher observing in the operational environment and the direct qualitative research will be conducted via personal and group interviews within the IP's personnel, since these professionals have the inside expertise and hold an opportune position in filling in the above research gaps. This will be compiled to reach the '*situation now and where the function wants to be*' aspects of research.

The last part of data collected will be a survey for the internal stakeholders within the team's scope to obtain their perspective. Such questions will be based mainly

upon the literature, however, should any important factors arise in previous data collections, the researcher will consider adding these in order to enrich the data collection from end-users. This data will be gathered to identify key internal users and include qualitative means to allow users to express their feelings towards the business function, e-procurement tool, IP processes and its value as well as the overall service provided; this assists the study to reach the 'current situation' aspect of research to strengthen the conclusions. The reason quantitative research has been chosen for the empirical part is due to testing the theories, using statistics/correlations and results; connecting them to the theoretical part.

This method will be conducted by means of a survey due to the flexibility and time frame users have to fill it in; since the research will be conducted during office hours, thus gathering extensive research via interviews either personal, mail or via telephone would take an extensive amount of time and resources. In addition, the questionnaire can be structured in a way that allows for theories to be tied in with questions and thus aids in analysis. The structured survey will be sent to users based upon their location and business unit; as to obtain a broad selection sample within the scope. A random selection of users will be utilised as to not coerce the study nor results. The data collection method to be used is probability sampling, which is said to be the truest representation of the population; this method uses statistical theory to obtain a sample. Stratified random sampling, i.e. the number of the population is known and can be divided up into subcategories, in this case by country and business unit to represent the overall scope in a proportional manner (Bhat 2019a). Once the data is compiled, it will be analysed in relation to the earlier empirical data and the validity and reliability of the data will be assessed.

Combined, these conclude the empirical part of the thesis and the final conclusions can then be conducted by linking the prior sections together. Thus, answering the main research question by means of the situation analysis-based concept questions and research methods to enhance them. By applying the theories and research findings, recommendations for the case company and its internal stakeholders will be drawn up, with the ultimate aim of improving the PO coverage by catering to internal stakeholders.

3.3 Analysis of the Data

As previously established, the empirical aspect of this study is focused on a change within the IP business function in company X. The current development is in an intermediary period as the change is not yet fully embraced and improvements in PO coverage (usage) are essential. The attention to emphasise on internal stakeholders’ importance during change, and thus work towards realising this change in collaboration, is vital as determined previously.

Developing the e-procurement tool and allowing users to feel they can apply this for their purchasing needs, in addition to allowing the tool to collaborate with suppliers and deliver upon user-friendliness, functionality, transparency, quality, control and compliance, is the ultimate goal. Though, with regards to compliance, in some cases it may be that internal stakeholders are required to change their current procedure of buying, as well as the tool they have previously used or not had in place, thus this change could come as a double shock for some personnel.

3.3.1 Implementation, Scope and the Sample

The e-procurement tool has been in use since Q4 in 2016, although rolled out primarily in the Nordic countries. The tool spread to other counties in the global organisation progressively over time, however, those countries within the scope are only considered below, displaying a roll out to Europe in Q2 2017, North America in Q4 2017 and to Argentina and Brazil, in South America in Q2 2019, the countries with minimal employees, and thus orders, may be included in future roll-outs. During the e-procurement tool rollouts, the local centralised team has steadily increased their IP scope to a variety of countries.

	Finland	Denmark Switzerland		Sweden Norway	The Americas	UK	France	
TIMELINE	Q4 2016	Q2 2017	Q4 2017	Q4 2018	Q2 2019	Q3 2019	Q4 2019	Future
E-procurement implemtened:	Finland Sweden Norway Denmark	Switzerland France UK	America Canada		Argentina Brazil			Paraguay Uruguay Chile

Figure 13. Rollout and Scope Timeline.

As seen in the timeline above, the centralised team began with expanding from Finland, which was initiated in Q4 2016, to Switzerland and Denmark in Q2 2017. Then following additions were Norway and Sweden in Q4 2018. Then in Q2 2019 additions included USA, Canada, Brazil, Argentina, Paraguay, Uruguay and Chile. The UK in Q3 2019 and the latest addition, France, in Q4 2019. Today, there are 14 countries in total within the operative IP team's scope, these will be represented in this study as a relative value according to the number of employees; current users of the e-procurement tool.

To determine the sample size of this study it is important to determine the number of employees involved in the change related to the scope. The total population of employees within the scope of countries this report focuses on is 7,258 (Email 2019a; b). Employees in Finland account for about 52%, the rest of Europe about 32% and the Americas about 16% of the scope's total population (**Appendix 7a**). For this sample size to become relative to the study scope, both in terms of countries and business areas, the sample is broken down in a relative manner and rounded when required. When utilising the stratified random sampling equation, $n_h = (N_h/N) * n$, as opposed to the population proportion sample size equation above, the sample size is 290 in order for the sample size to be truly relative to the population data in its stratum and sampling fraction form, after rounding the numbers to the nearest 0.5 (Bhat 2019b).

Typically, the population data is required to determine the sample size, the margin of error, confidence level, population size and response distribution must be considered. As the population size is 7,258, to obtain a confidence level of 95% when having a sample size of 290, the margin of error would be $\pm 5.64\%$ when the likely sample is 50% due to no pilot nor previous study. Note, however, as shown in the table below, the total sample is 16 for business unit 3 since the numbers were rounded. Thus, the sample's total becomes 288 instead of 290. This results in the margin of error increasing to $\pm 5.66\%$. The margin of error could be reduced to 5%; as commonly assigned, by increasing the sample size to 365, however, given the time constraints and adequate relative population sample, the $\pm 5.66\%$ margin of error is acceptable. (Select Statistical Services 2019; Littler 2019; Raosoft 2004)

Table 4. Represented Sample into Perspective: Business Units & Countries.

	Business (1)	Business (2)	Business (3)	Total
Finland	103	37	10	150
UK	24	-	2	26
Switzerland	5	-	-	5
Denmark	5	-	-	5
Sweden	4	-	-	4
Norway	36	-	1	37
France	7	8	1	16
Brazil	2	12	1	15
Argentina	-	4	-	4
USA	14	6	1	21
Canada	4	1	-	5
Total	204	68	16*	288

The largest business unit is Business 1, with 204 (70.6%) of the total sample, the second largest is Business 2 with 68 (23.7%) and Business 3 is the smallest sample with 16 (5.7%). The majority of employees are in Finland, in all business units, although France, Brazil and the USA have representatives in all business units too. In addition to these, business unit one includes representation in Norway, the UK, Denmark, Switzerland, Sweden and Canada. Business unit two is represented by Argentina and Canada. Business unit three is represented by the UK and Norway. Paraguay (1), Uruguay (1) and Chile's (8) employees were not adequate enough to be considered in the sample.

According to Lekowski (2019) the Stratified Random Sample with proportions has more creditability than random sampling techniques, since its method is controlled according to the known population; thus, providing a true representation and being an efficient way to obtain a relative sample. Random sampling allows for fluctuations where certain groups may not respond and therefore neglect representation. By dividing the sample size into stratum (h), this allows for all groups to be represented according to the proportion/fraction (Wh) of the population (Nh); these stratum are therefore according to business units and countries within the scope of this study. The sample (nh) totals at 290, however, as described earlier this is due to rounding and the true total is 288. The last column is a fraction (fh) of the sample, as opposed to (Wh) a fraction of the population. The detailed table can be found in **Appendix 7b**.

The survey generated a total of 390 respondents, however, as these were disproportionate to the sample size in each stratum, as described above, this would therefore give misrepresentation, thus the additional data has been disregarded at random.

3.3.2 Theme One: Indirect Purchasing

7 out of 13 countries within the scope spend more in indirect purchases as opposed to direct, however, these countries spend less overall compared to their counterparts. 6 out of 13 countries within the scope spend more in direct than IP, these countries spend more overall, with the exception of Denmark. Thus, the true division of indirect and direct spend within the scope is 33:67. Although direct spend is dominant in company X, the indirect spend is still significant and should therefore be acknowledged and treated with importance. Paraguay's spend data was missing in the system, thus, it was not included in this analysis. Moreover, Chile, Paraguay and Uruguay do not have enough employees, purchases, suppliers nor invoices to be relevant, except for in **Figure 16**, hence, they will not be considered below.

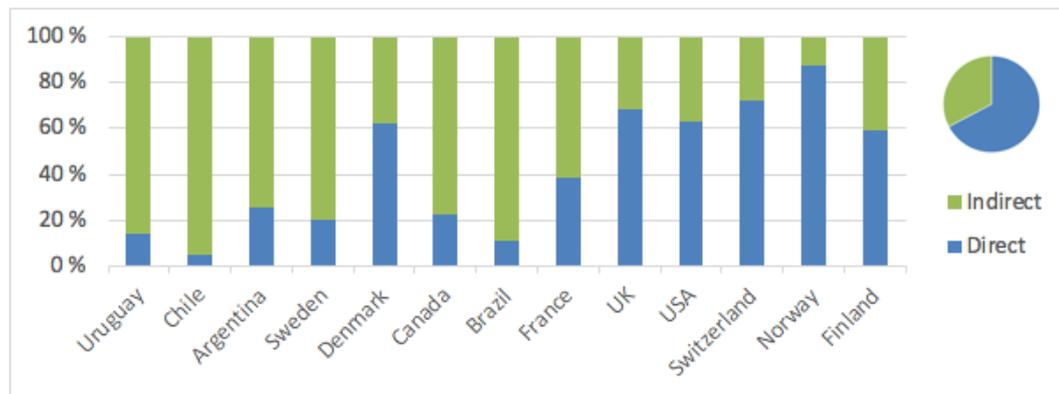


Figure 14. Indirect vs Direct Spend in the Scope.

The current situation with regards to the number of suppliers, related to contract compliance **Figure 10**, is scattered and infrequent as shown in the figure below. The future goal is to reduce suppliers in the system which the entities do not purchase frequently from. Thus, focusing on suppliers that can supply required items/services (Interviewee 2019a; b; c). Interviewee (2019a) states “*shortening the supply base would concentrate orders... more orders with the same vendor means better terms and prices... preferably all cases should have contracts to ensure*

clarity”. Although the cost per item may be more expensive in a single order, the increase in orders placed with focused suppliers can gain purchasing power and efforts relay to better terms and negotiations as an attempt to build upon the relationship rather than have scattered infrequent spend with a broad range of suppliers.

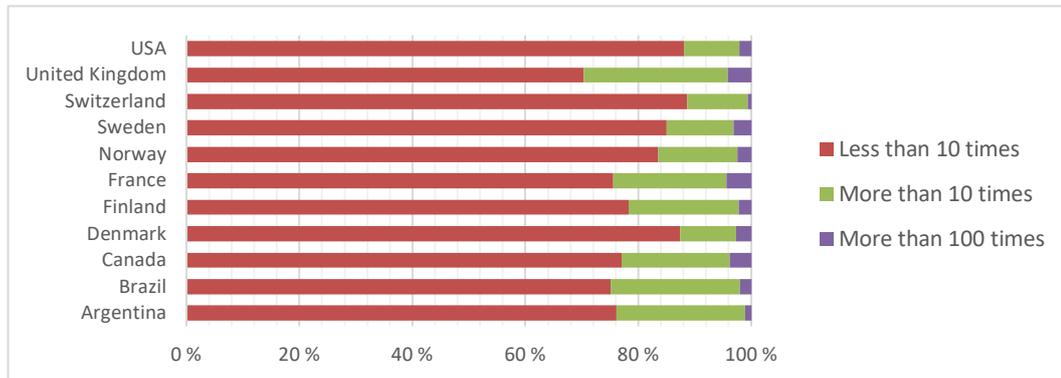


Figure 15. Supplier Utilisation per Country.

When respondents were asked “*Please state your reasons for ordering from suppliers directly*” and “*When do you think it is ok to order without a PO?*” those responding with answers corresponding to “*due to the supplier not being available in our system*” were provided by all countries in the scope except for Argentina. Those countries with the highest level of such a response, from most to least, are Denmark, Sweden, Switzerland, USA, UK, Canada, Brazil, France, Finland and Norway. However, when considering these percentages in relation to the population (p) they, combined, result in 17%, where business unit 1 is 13%, business unit 2 is 3% and business unit 3 is 1% of the total.

Table 5. Supplier Related Queries per Country & Business Unit.

Country	Total	Bus.1	Bus.2	Bus.3	Total p	Bus.1 p	Bus.2 p	Bus.3 p
Finland	12%	9.7%	18.9%	10%	6.2%	3.4%	2.4%	0.3%
Sweden	50%	50%			0.7%	0.7%		
Norway	8,3%	8.3%			1.0%	1.0%		
Denmark	100%	80%		20%	1.7%	1.4%		0.3%
Switzerland	40%	40%			0.7%	0.7%		
UK	29.2%	29.2%			2.4%	2.4%		
France	12.5%	6.3%		6,3%	0.7%	0.3%		0.3%
USA	38.1%	50%		100%	2.8%	2.4%		0.3%
Canada	20%	25%			0.3%	0.3%		
Brazil	13%	8.3%	100%		0.7%	0.3%	0.3%	
Total					17%	13%	3%	1%

The above results display discrepancies in terms of training and awareness since it is possible to order from suppliers that are not available in the system; albeit not preferred. Thus, 17% of the total population within the scope seem to have either not received this information or misunderstood it, leading them to buy outside of the directives. Further, where most of the IP team members believe that the supply base should be shortened, this is not true for some end-users as there are a fair number of employees feeling that the supply base is inadequate for their needs.

According to the quantitative research, the majority, 69.4%, of countries and business units agree that IP spend should be controlled. However, 22.2% were not sure and 8.3% stated that they did not think IP spend should be controlled. The countries, in accordance with higher percentages, disagreeing with IP spend being controlled include Finland, France, USA, Brazil and Norway, and the countries unsure about whether IP spend should be controlled include Finland, Norway, UK, France, USA, Argentina and Canada. (**Appendix 8a**)

Each business unit agrees that IP spend should be controlled, however, in order to see these figures into perspective, the total of each business unit will be compared with one another as a true representation. As such, business unit 2 displays a greater level of disagreement in IP spend being controlled in relation to the population. Whereas business unit 1 displays greater uncertainty in whether such spend should be controlled or not. Business unit 3 has the greatest percentage agreeing that the IP spend should be controlled, interestingly this can be due to the operations occurring within the unit, since finance departments fall within this category. As shown below, the majority of employees agree on IP spend requiring control, regardless of their business unit and location.

Table 6. Business Units' Relative Perspective on IP Spend Control.

Business Unit	Yes	Maybe	No	Total
1	70.39 %	23.79 %	5.83 %	100 %
2	63.64 %	19.70 %	16.67 %	100 %
3	81.25 %	12.50 %	6.25 %	100 %

The current situation with regards to e-procurement usage in relation to theme one's theoretical framework, **Figure 16** with the support of **Appendix 5** focuses on the countries which have maverick buying issues i.e. not having POs in place either in the new tool nor the old. Thus, lacking in control of the ordering process and possible missed saving opportune. From the stronger performers in the scope, in terms of e-maverick buying avoidance, through to the weaker performers within the six-month period of March to August 2019.

Evidently maverick buying occurs in all countries within the scope, however, there are countries outperforming others. Brazil has 16% of MB cases, France has 20% and Canada 22%, these three contain the scope's least cases. The UK and Argentina are not far behind with 26% and 27% of MB cases, however there is still room for improvement. The more concerning issues arise in the next set of countries, Switzerland 49%, Norway 52%, Sweden 55%, both Denmark and the USA have 59% and Finland has 64% of MB cases, these occurrences are high and should undergo inquiry. The top three occurring countries in the scope are Chile with 78% and Paraguay and Uruguay with 90% of MB cases; these countries do not utilise the e-procurement solution but the ERP system is in place to obtain POs. Therefore, the theory of e-procurement solutions being beneficial for PO coverage is confirmed.

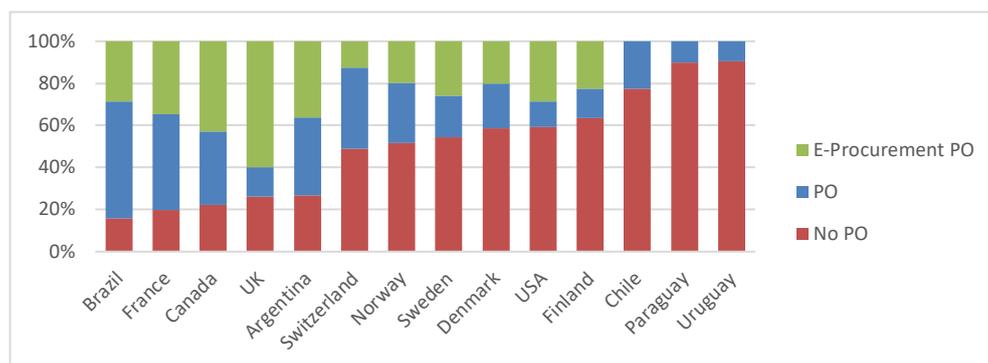


Figure 16. PO Coverage Averages March–August '19: MB Occurrences.

Based upon the findings above, it would be interesting to see why countries are struggling with MB. Especially Switzerland, Norway, Sweden, Denmark, the USA and Finland as these countries have the tool in use, yet still see around half or more of their purchases placed non-compliantly.

Considering the current situation with regards to costs in terms of maverick buying and contract compliance in centralised purchasing behaviours, the below figure focuses on the countries' saving percentages since adopting the e-procurement tool. The reason for this is to see if a correlation exists in time versus saving percentages.

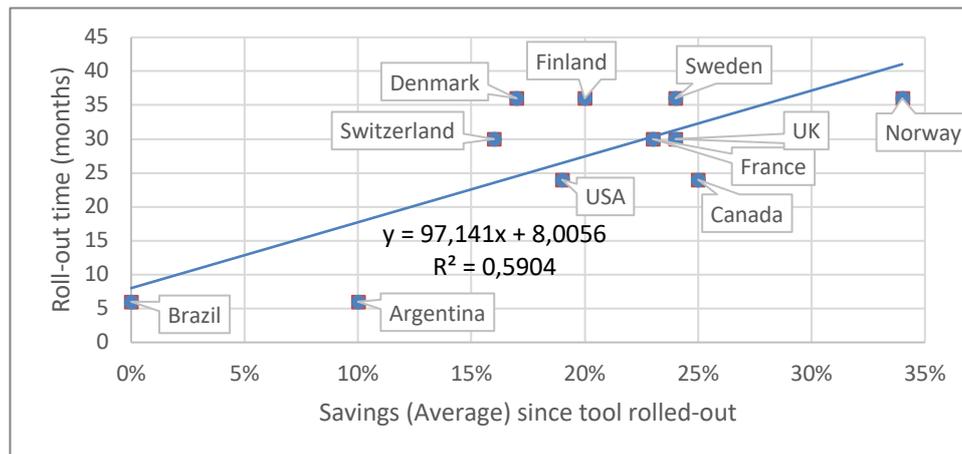


Figure 17. Trends in Rollout-time vs Savings % (average).

A strong positive correlation is evident between e-procurement roll-out and savings obtained within the scope, this data is also significant statistically *P-Value* .00574. For each month that the entity has used the tool there are 0.825% savings on average, this translates to 9.9% savings after the first year, 19.8% savings after the second year and 29.7% savings after the third year.

The countries obtaining access recently, in the last six months, include Brazil who have yet to report savings, and Argentina who has already in this time reported 10% savings on purchases made within the e-procurement tool; this is an achievement as they have managed to save more than double the expected in half the time. Norway, Canada and Argentina have also excelled in terms of savings since adopting the tool. The UK and France along with the USA all seem to be relatively linear in correlation to the overall expected performance. However, Switzerland adopted the tool at the same time as the UK and France, yet it is underperforming in savings. Further, considering the Nordic countries have utilised the tool for a longer period of time, all except Norway have somewhat deviated from the overall performance on savings, thus encouraging efforts on savings could be focused in these countries.

In addition to the savings found in utilising the tool, it would also be beneficial to determine if the average saving percentage increases or decreases when centralising the purchasing in company X; this is a means to test favourable outcomes. In **Figure 18** below, it seems there is a weak positive correlation in centralising purchasing efforts, however, this is not significant enough statistically. The countries added to the scope in the last six months or less have broad deviations in their savings reported, thus hindering the outcome, this is also true for those countries being part of the scope for a year or above (displayed over the trendline). Thus, time can prove this to be positive or negatively correlated, but at this point in time there is not enough significance to determine if the centralised team is beneficial savings-wise.

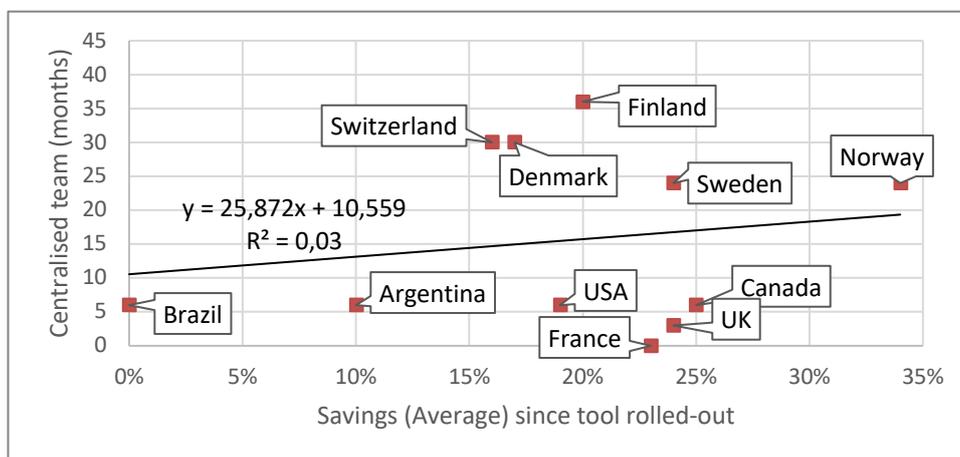


Figure 18. Centralisation time vs Savings % (average).

Considering the current situation with regards to the formalisation of processes, all countries in the scope apart from Chile, Paraguay and Uruguay have the e-procurement tool in place, thus all of these are formalised to some extent. The R2P directives are in place and all countries should adapt these where possible. There are some exceptions as to which types of purchases are not possible in the e-procurement tool, however, a large proportion are covered. (Interviewee 2019a)

Users' awareness of the R2P directives was low; only 11% knew what the directives were, thus communication efforts here are vital. France, Argentina, Switzerland and business 3 in Finland were aware >20%, otherwise awareness was lacking significantly: 20% or less in 7/24 units and half of the scope 0% (**Appendix 8b**). The R2P directives also require RFQ/bids for PRs (this is in line with the managing aspects)

and consequently awarding a contract with the suitable supplier for the purchase in question, however, purchasers felt that these delay handling-times and often ETA does not allow for this, technical issues can also occur when using the e-sourcing tool since suppliers are lacking awareness too. (Interviewee 2019a; b; c; d; e; g; h)

Most of the countries within the scope have received e-procurement training, especially in the launching stage, with the exception of those without access. However, training is not mandatory so employees may have chosen to avoid it. Communication efforts to promote the tool in global operations have occurred, so employees should at least be aware of the tool and its functionalities. (Interviewee 2019a; d)

Considering the current situation with regards to the economy of scale in terms of maverick buying and contract compliance centralised purchasing behaviours. By obtaining such savings as mentioned above, company X has a greater opportunity in their market to reap financial benefits since costs are being reduced. Although indirect spend does not directly affect the costs per item the company offers on the market as in direct purchasing, the cost of personnel, marketing, maintenance and repair operations, services, logistics, travel, etc can be saved which are, as earlier described, significant within this organisation. Although, the e-procurement tool is expensive and control measures do not tend to save time (Interviewee 2019g).

Appendix 6a displays the PO coverage per country and category within the aforementioned 6-month period. The key findings from this data include countries within each category which have a significantly low performance in PO coverage, and the overall category performance in terms of the scope's PO coverage.

With regards to the low performing countries in each category, those performing over 20%, for the purpose of this study, will not be considered as low performers. Although 30% is low, it is not as critical as under 20%, thus, these will be examined.

Table 7. Low Performing PO Coverage Categories per Country.

MRO Product	IT	Telecom	Facility Manag	Marketing & Comms	Services	Travel & Meetings	Logistics	HR & Personnel
	Brazil	Denmark			Sweden	Canada	Denmark	Sweden
		Brazil			Switzerland	France	France	France
		USA			Denmark	Sweden	Finland	Denmark
						Switzerland	Norway	
						USA	Switzerland	
							USA	
							Sweden	
							Argentina	
Switzerland		Sweden		Argentina	Brazil	Denmark	UK	Brazil
Denmark					Canada			Canada
Finland					USA			
					Finland			

The most common issues of low performing PO coverage, at 10% or lower are displayed above in red. These arise, in in order of greater occurrence, in Sweden, Denmark, Switzerland, France, USA, Brazil, Argentina, Norway, Finland and Canada. The Logistics category suffers the most from lack of PO coverage, followed Travel & Meetings, Telecom, Services, HR & Personnel and IT. These are the most severe cases in the countries; thus, efforts should be made to focus on these areas. The most common issues with 20% or lower (displayed in orange) arise in Brazil, Canada, Denmark, Finland, Argentina, Sweden, Switzerland, UK and USA in order of greater occurrence. The Services category suffers the most from lack of PO coverage between 10–20%, followed by MRO Production, HR & Personnel, Telecom, Marketing & Communications, Travel & Meetings and Logistics. These are the second most severe cases in the scope, thus, efforts should be made to focus on these areas after the initial efforts. (**Table 7**)

In terms of overall category performance in the scope's PO coverage, the categories with the least coverage in order of underperformance are Logistics, Services and Travel & Meetings, these have 30% or under coverage. Those categories with 30–60% coverage in order of underperformance include HR & Personnel, Telecom, IT, Facility Management, thus with some MB cases but not as severe as the previous. The best performing categories in the scope are, according to their performance are MRO Production and Marketing & Communications. However, the categories which have adopted the e-procurement tool, in order of performance include

Marketing & Communications, Facility Management, MRO Production, IT, Telecom, HR & Personnel, Travel & Meetings, Services and Logistics. (**Appendix 6b**)

The reason why MRO Production may have less coverage in the e-procurement tool can be due to material code orders, as these are not integrated into the e-procurement tool. One respondent mentions “*it's a shame that some tools that have material numbers, can't be ordered in [tool], doing it in SAP is nervburning*”, whereas another respondent also refers to their inability to use the tool when “*ordering spare parts with unknown material number*”. Other reasons for lack of use in the e-procurement tool for the above categories include pensions, insurances, bank finance, phone/network subscriptions, IT equipment with lifecycle management, employee business travels and representation costs when claimed as back in expense reports. Sensitivity/confidential orders and logistical services were also mentioned by some interviewees; however, these should be covered in the e-procurement tool (Interviewee 2019a; c; d; e; f; g; h). Thus, the above cases can have an effect on the PO coverage. However, the difference between the PO coverage in the old tool and the new tool should not deviate vastly since the above directives apply; apart from the MRO Production/material numbers which require POs in the old tool.

Figure 16 shows there are countries utilising the old tool instead of the e-procurement tool when purchasing, this can also affect the PO coverage. Thus, potential development areas are identified. This data includes average percentages in countries' differences between using the old and new tool, from March to August 2019.

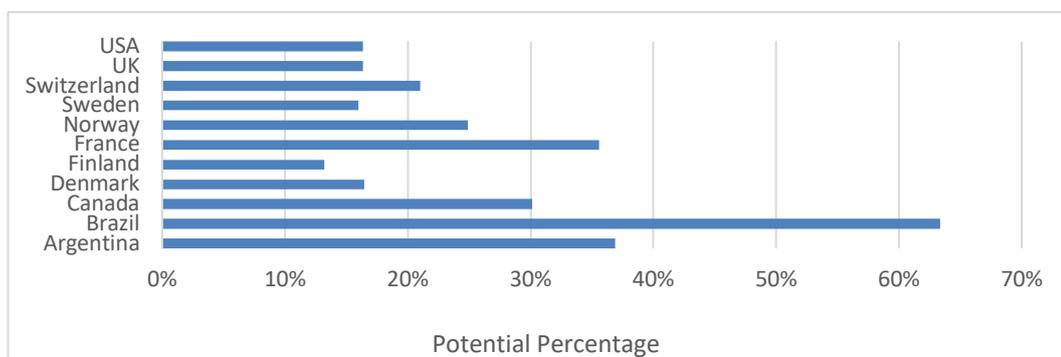


Figure 19. Potential E-Procurement Percentage per Country.

Since the old tool is still in use and the scope is undergoing the transitional change towards the new tool, especially in countries which have recently been given access to the new tool such as Argentina and Brazil, it is understandable if their use is lower than their counterparts. Brazil has the most potential for development at 63% in all categories except for MRO Production and Travel & Meetings. Argentina has potential for development in all categories except MRO Production, Services, Facility Management and HR & Personnel, the development potential is 37%.

However, France is another country with 36% potential development in Travel & Meetings, Logistics and HR & Personnel categories, although since they joined the centralised team recently it could be that such an improvement occurs gradually. Canada has a potential of 30% development in using the new tool, the key areas are, Services, Travel & Meetings and HR & Personnel. Arguably the categories which could be developed are those where this may not be possible. Further, all other countries in the scope have 25% or less development opportunities in categories where PO coverage is lacking and may not be possible in the e-procurement tool given the exceptions. (**Appendix 6b**)

Hence, a lack in PO coverage in the e-procurement tool exists in multiple countries and categories, regardless of how long the countries have been using the tool and been a part of the centralised team, although the more serious cases of utilising the old tool instead of the new tool exist in the countries adapting the tool recently, and those joining the centralised team more recently. The reasons, according to respondents with regards to MB will be considered in theme three.

3.3.3 Theme Two: Change Management

This theme considers the respondents' awareness and desire to see the e-procurement tool succeed either positively, neutrally or negatively. In addition to respondents' knowledge and abilities to use the tool. This identifies where internal stakeholders may be in the change process, either in the current, transition or future stage.

As previously established, awareness and desire are both required to leave the current state. In the previous section the interviewees stated that all employees within

the scope should be aware of the e-procurement tool. Therefore, the **current state** may still exist due to lack of desire (negative or positive).

Of the sample, 3 (1%) of respondents did not know what the e-procurement tool is; displaying **lack of awareness**. These respondents were from Finland, business unit 1, Canada, business unit 1 and Brazil, business unit 2. All of these respondents had their employment duration in company X between 0–2 years, thus, this could be a reason for not being aware of the tool, in addition to all three of their job roles being related to Parts Coordination Management which are excluded from the IP's scope.

12 (4.2%) of respondents had never used the tool before; displaying **lack of desire/need**, albeit they were aware of the tool. These responses were spread over all countries and business units 1 and 2 within the scope, the only similarity between these respondents was related to their job roles not necessarily requiring indirect purchases. The majority of feelings towards the tool were neutral since these respondents had never used the tool nor required to use it. However, one respondent said it was a positive initiative; this could be due to his position in higher management although he himself did not need to use the tool in his line of work. Another respondent stated that their feelings towards the tool were “cold” his reason: “*don't know for which type of purchases X should be used and not used*”, the respondent had not previously received training and acknowledged his need for this.

Thus, there are 15 (5.2%) of the total scope in the current stage and 4.2% of these are ready to begin the transition stage upon desire/need. As in essence, it seems that in relation to the tool the usage of it is triggered predominantly by the need as opposed to desire due to the nature of the purchasing process, however, when employees receive the information/training related to IP and the directives, such feelings can become apparent. Therefore, these will be considered further in theme three.

During the **transition stage**, in which knowledge, ability and attitude work holistically, this can be met with objective feelings until understood and accepted. Interviewees stated that some employees in the scope can be in the objective stage, where some are understanding and some also accepting the change with regards to the e-procurement tool and in terms of the centralised team.

9 (3.1%) respondents had knowledge of the tool and were **negative** towards their desire to see it succeed, of this percentage 0.7% had ability to use the tool, 1% had some ability and 1.4% had no ability. These respondents used the tool infrequently (either once/twice or multiple times a year). One respondent stated that their behaviour should maybe change, however, all eight others stated their behaviour should not change. The majority (7/9) of these respondents had heard about the tool a year or more ago and had been working in the company for more than 2 years.

Respondents in this negative category seemed to be at different stages in the process. Most responses (4) had no further explanation or used simple comments such as “*too complicated*” or “*do not like*” these cases seem to be in the denial stage. In business 1, Finland “*annoying tool. Hard to find anything. I do not like to use X. I hope to have an easier tool instead*” which seems to fall into the denial step too due to the hope in another tool and lack of willingness to use it. However, in business unit 1, France “*I am not using a lot, not all PO can be created in X, too complicated*” and in business 1, UK “*Items take much longer than necessary to arrive, some never do. In my opinion it would be faster and easier to just buy our own stuff and claim it on expenses*” which seem to be bargaining stages.

In addition, in business 2, France “*we all have a job to perform in company X and in addition we now also have to be a secretary, travel assistant, purchaser (tool X), IT person... May be this is saving company money but would be interesting to know how much since we all have to sacrifice time of our original job/duties to perform these additional tasks enabled via tools that can be complicated and time consuming to use when done seldomly*” which seems to fall into the depression stage, as the respondent had strong negative feelings towards multiple processes in the company. Combined, the above contribute to the objection and understanding stages within the negative transition since there is lack of acceptance.

74 (25.7%) respondents had knowledge of the tool and were **neutral** towards their desire to see it succeed, of this percent 10.8% had the ability to use the tool, 10.8% had some ability and 4.2% had no ability. There were variations between the frequency of using the tool 4 used the tool frequently (either on a daily or weekly

basis), 12 used the tool on a monthly basis and 58 used the tool once/twice or multiple times a year.

All 4 **neutral** and **frequent users** stated that they may need to change, although 3/4 had received training and did not require any more training, these respondents had all heard about the tool two or more years ago. One of the regular users stated that *“It is good that several people approves the purchase. Then we get rid of the ‘unnecessary’ spending in the company”* – this is where those negative respondents were somewhat in disagreement since they were focused on speed and ease rather than saving and processes. There were also comments in relation to the team: *“Sometimes takes time to get replies”, “Slow but ok”, “there are a few extremely helpful persons in the team, always willing to help”* and *“purchasers are really kind and willing to help”* hence, the majority of respondents neutral towards the tool feel that the service provided by the purchasers is positive, albeit slow at times. These fall under the early acceptance stage. One respondent also placed emphasis on not knowing who to contact, this is an important point since communications will be considered as a development factor later in this report.

Those **neutral** towards the tool and used it **multiple times a month** (9/12) were predominantly against changing their ways. However 7 had received training and 2 of these stated they were not sure about needing more training, 4 stated that they require training; these respondents were either not sure if they had received training (2) or did not receive training already (2), and 1 respondent did not receive training nor did they require training – they were confident in using the tool nevertheless. Respondents in this group felt that *“...process has become better, although communication could be improved”, “It's so different from other system we have”, “It's better than we had before, but...still much to do”, “Lack of clear benefit to me personally or to the organization”* and *“From the top management goal is always to spend less whatever the consequences are at local level”* hence, the communication should be generally improved, also with regards to pinpointing benefits and expressing those to users. These seem to be beginning to accept the change.

Of those **neutral** and **infrequent users** (58) there were 11 stating that they should maybe change, 3 stated they required training and 1 required further training after receiving training already; all of these respondents had heard about the tool a year or more ago. 5 non-frequent respondents stated that they should change their IP purchasing ways; 3 of these had not received training already, 1 respondent had received training and still required training, whereas 1 respondent said they did not require training, nor had they received it. These respondents were spread across Finland, USA, France, Norway, Switzerland, and the UK, in business units 1, 2 and 3, and had all been working for the company for different lengths of time.

Infrequent users felt that the e-procurement tool is *“the place where you buy keyboards and headphones”*, *“not really user friendly. Can be difficult to find a product and I don't see the need to add a ‘needed at’ date”*, *“very hard to predict how long purchasing process itself is taking and who is responsible of a specific case”* and *“from order to receiving what is ordered takes way too long”* these comments all display a lack of training as the tool is not only for purchasing IT accessories, but all IP related items/services, there is also a ‘need by date’ function which is mandatory in the tool as well as the possibility to check up on the requisition status and PO status too. Further, some of these respondents state that *“it's not the easiest system to use 1 or 2 to times a year”* although for some people *“it have become easier to use long the way”*, whereas for others it is *“extremely time consuming and user unfriendly”*. Therefore, it seems those who use the tool infrequently do require more training although they may not see the point in this. Some respondents felt the tool is *“another tool among many tools”* and there are *“numerous tools that an employee has to handle and this creates overload of tools”*, however, this is not an issue with IP nor the tool but rather in general that there are too many applications to use. Some users felt it is *“good to have one place for all purchasing”* which is not the case as indirect and direct materials are purchased differently. Therefore, it is understandable that for those requiring to order seldomly would feel this is confusing. These 54 respondents fall under the early understanding stage.

In addition, one respondent states *“I understand the target but still have the feeling that it is very hard to see the profit of using our time with this still not user friendly”*

system and wasting time for creating orders for very specific products or services which are needed” and another user states *“we need to trust people for purchases less than 5.000€... for instance buying a pen creates, e.g. 5 e-mails and huge approval rounds”*. Further, another user stated *“feeling is that a company does not trust its employees therefore a centralization of any purchasing was implemented”* and another user felt that *“we could rather use existing trade platforms like Ebay, Amazon, Alibaba or national ones like Finn.no”*, these kinds of approaches to purchasing would be scattered and difficult to control, thus, the purchasing directives are in place and centralised efforts made; focusing on the bigger picture rather than single orders. One of the issues seems to be that users do not see the need for a purchasing department and centralisation, which verifies the need for communications to support the change. These 4 falls under the objection stage in the transition.

190 (66%) respondents had knowledge of the tool and were **positive** towards their desire to see it succeed, of this percentage 111 (38.5%) had ability to use the tool, 52 (18.1%) had some ability and 27 (9.4%) had no ability.

Of the 111 who were **positive** with knowledge and **ability** to use the tool, 73 respondents use the tool seldomly (once/twice or multiple times a year), 22 respondents use the tool on a monthly basis and 16 respondents use the tool more frequently (weekly or daily) regardless of when they heard about the tool.

Firstly considering the **positive, with ability, infrequent users**, they stated that there can be some issues from time to time, but the majority of these feelings were *“simplicity”*, *“better and more visible approval process which is good”*, *“better overall control or processes”* and *“faster to create purchase request and no need to know whom to contact”*. In addition, it *“supports centralised, controlled, harmonised process/purchasing, adding value to company X as a whole. Challenges with user friendliness and compatibility with other systems, eg SAP”* and *“easy to use when there are already forms made for the supplier. Very complicated in case the supplier is not in the system. Very difficult also to find, figure out if the supplier is in the system. Search function could be improved”*, *“it has been improved and now easier to use... very good support received from the IP team, in case you face*

problems” and *“for fast needs you shouldn't be stuck on waiting for purchasers to pick up your request”*. Therefore, it seems there have been developments and users have noticed these, it also seems like these users understand the importance of centralisation although this has not been perfected yet. User friendliness, simple instructions/information on how to search for suppliers (although not mandatory for users), a solution for ordering from suppliers not in the system and a solution for urgent requests should be considered to further develop the IP service. These 73 fall under the understanding stage approaching acceptance.

Secondly, the majority of **positive, with ability, monthly users** expressed positivity and expressed they thought the tool was useful and transparent, however, some of the responders provided more details such as *“it provides easy access to products without the aggro and messing about that I have had at other companies”*, *“visibility for purchasing tools and other. easy approval process. good history of activities”*, *“it's a good tool, I like it a lot. hope you could add also parts...to it. now it's really confusing to get PR do in SAP for tools in our own warehouse”*, in addition to *“at first I found X a bit hard to use, eg when making a Meetings and Event type of order. But for traditional hardware such as mice, headsets etc it is really easy. Now when I have used it much it is not hard anymore and I can help other users as well”*. Thus, it seems that with time users can appreciate the tool and its usefulness, one user prefers that this tool would also manage those items with material codes as a means not to have to order via SAP, it is also interesting to see that those users confident using the tool and positive towards it have been able to help their colleagues too – this is positive towards the change. These 22 are in the acceptance stage in the transition, as they crave more from the tool and understand its abilities.

Further, one respondent commented *“...it should be much easier to find if you should use a vendor catalogue, search field or a free form text... so somehow a navigation pane would be helpful. Then also who to contact if you need help with an order. There is a comment field but is there a chat function available?”* this is also important feedback since improvements in navigation and information whilst in the tool, which is easy to find, can encourage the use and the change process –

attempting to avoid negative feelings in the initial stages. Clear and simple information on contact details and possibly adding a chat function would be beneficial.

Lastly, considering those **positive, with ability, regular users**, the majority of these also mention transparency, simplicity, a common way of working, clear roles and efficiency. Additional comments were made regarding *“good that more content has been added along the way”*, *“I would like to see more of our regular online shops available to use rather than having to write a request each time I order items”* and *“X can be frustrating due to limitations as to what you can and cannot change/alter without going through the approval process again... It is not clear whether electronically generated PO has gone to the correct vendor email address for processing of order there is no way to check this at the moment unless you contact the vendor direct or one of the X Purchasing Team to check this”*, it is beneficial to obtain comments with regards to content and automated shopping solutions since the e-procurement tool allows for connecting to supplier’s e-commerce sites directly; such advancements do require strategic purchasers input and negotiations made, however, developments are important for making the tool diverse and flexible whilst keeping in line with the directives and saving-efforts. With regards to the last respondent’s comment there could be some additional ‘advanced’ user training available since these are not items covered in the basic training offered, although possible for users themselves to check. Further, triggering the approval chain for changes is important in terms of control, however, purchasers also would be wise to consider if re-approvals are required e.g. in terms of updating the ‘need by (deliver) date’. These 16 users are approaching the acceptance stage in the transition.

Of the 52 (18.1%) **positive** towards the tool **with some ability** to use it, 35 respondents use the tool seldomly, 9 respondents use the tool on a monthly basis and 8 uses the tool frequently.

The 35 **positive, with some ability, seldom users** of the tool felt the tool could be more user friendly, they were not sure how to perform actions e.g. GR, this is likely due to using the tool seldomly. Many felt they got stuck and had to contact either a colleague or a purchaser in order to proceed, thus, making sure that instructions and

contact information is readily available is required. Some users have experienced when their POs do not reach suppliers, this has been frustrating for the users since they have trusted their order to be delivered – follow-ups are necessary and should be improved. One respondent commented “...*would be nice to receive e-mail with the link to goods receipt confirmation...if something is needed urgently should be possible to use some local supplier and go to pick-up from store... Now have to wait until comes with the internal mail*” the suggestion of receiving an email once a GR is created in the system should be considered in addition to improving communication efforts regarding orders that will be picked up, as these are possible but text is required on the PO to reflect this. These users are in the understanding stage of the transition.

The 9 **positive, with some ability, monthly users** felt that the tool suffices for their needs, although it takes time to get used to in the beginning. Some users felt that it is clear to see for managers to control their costs by using approvals. One user commented that they were not sure how to change the cost allocation to a WBS (project) element, this is possible in the tool but displays a need in additional training. These users are in the understanding stage of the transition.

The 7 **positive, with some ability, frequent users** felt that the tool could be simplified and some catalogues require updates, although these have been improved and items added. The transparency and knowledge of what stage the order is at, or, whose approval is pending on a PR is valued. Further, some users also mentioned they would appreciate obtaining their own reports from the system, this is something for the IP team to consider and possibly develop. These users are approaching the acceptance stage in the transition.

Whereas, 1 **positive, with some ability, frequent user** in the UK stated that “*X is a solution to a problem that never existed. There have always been processes in place for Indirect Purchasing and those that have followed previous IP incarnations are the ones who've been impacted most by more 'unnecessary' changes whilst those that didn't follow the rules before - still don't. I also believe we are a LONG way off maximising savings potential especially when you offset the costs of*

implementing/rolling out a system we didn't need and employing people to 'police' it. I also believe IP Support staff have a lot to learn when it comes to supporting users" albeit, this user wants to see the success but possibly struggles with understanding the need for the change. Thus, this user is in the objection stage in the transition.

Of those 27 (9.4%) **positive** towards the tool **with no ability** to use the tool, 24 respondents are seldomly using the tool, 2 respondents use the tool on a monthly basis and 1 respondent uses the tool regularly. The seldom users of the tool felt it was difficult to navigate, it has potential, not so user friendly, time consuming and confusing. As seen earlier, with seldom users this seems to be a common feeling, thus efforts should be made to improve the tool for irregular users. The monthly users felt that the process was not suitable for urgent cases, was time consuming and it was not user friendly. The regular respondent felt *"[the tool does] not work properly in construction site environment and IP can't understand this"*, this user is located in Brazil and stated they required further training; this could be why they felt this way. These users seem to be in the objection stage.

Upon the change being reinforced and owned, the new state becomes the current state once more, should further changes be required the change process can be retriggered. Currently, with only a couple of years into the change, it is difficult to determine if users can be declared as owning the change, however, users have the desire to progress through the change as shown in the table below.

Table 8. Change Management: Scope Results.

Current			Transition			
No awareness	Awareness	Desire		Objection	Understanding	Acceptance
1 %	4.2 %	0 %	Positive	9.7 %	48.6 %	7.6 %
			Neutral	1.4 %	18.8 %	5.6 %
			Negative	1.4 %	1.7 %	

The majority of users in the scope seem to be aware of the e-procurement tool and are in the transition phase of the change towards adapting to it. Whilst 1% of the total scope seem unaware, although during this research have become aware. 4.2%

seem aware yet remain in the current state due to lack of desire or lack of need. 12.5% seem in the objection stage, 69.1% in the understanding stage and 13.2% in the acceptance stage of the transition process. Thus, as a majority of users seem to be in the understanding stage it appears the progress to the acceptance stage is attainable, although strategies to achieve such progress will be required. Further, although 12.5% seem to be in the objection stage, it is wise to strive for such users to attain the understanding stage. Those in the current stage will require desire/need in order to trigger the change, however, as this number is only 4.2% this is a positive outcome since the progress within the 2-year time frame has been swift.

According to Interviewees (2019g; h), some countries can be problematic due to feeling the tool must be used, whereas others have adapted to the tool well since they have local support and regular communication/promotions supporting the local purchasers. However, this seems to be a general issue over the scope, especially for those users who do not use the tool or use it seldomly. However, such local support and consistent, regular, communications are likely to have a positive effect on users. Overall, the purchasers tend to agree that the ease and speed of not using e-procurement or following the processes is a common reason for maverick buying occurring in the scope (Interviewee 2019a; c; d; e; g; h), this was a factor that appeared multiple times in the analysis and it would be worth considering if additional workforce is required, as some users stated they felt the IP team were overworked.

As the results in theme two are based on the desire to see the change succeed, which is a respectable start, in theme three the feelings and behaviours will be considered diligently as to obtain a true representation of the internal stakeholders, their MB behaviours and their position on the change.

3.3.4 Theme Three: Behaviours, PO Coverage & Stakeholder Management

The overall feelings towards the tool are predominantly neutral at 44%, however, positive responses were close to this figure with 39% and negative responses were accumulating 17% of the overall scope's perception. There were no countries negatively inclined towards the tool, however, the following were more positively inclined than neutral/negatively: Sweden, Denmark, UK, USA, Canada, Brazil and

Argentina. The countries with more positive and neutral feelings towards the tool also gave overall better ratings to the team, where many respondents also commented on the team's value related to the process, handling time and assistance.

There was some negative feedback in relation to the team, with regards to slow handling times, lack of communication/visibility, over-worked personnel, lack of service-mindedness (although a few extremely helpful team members were also mentioned) and an uncertainty on how financially beneficial the function is in terms of generating profit to the business. Such feedback should be considered as it could be that improving in these areas can affect the PO coverage indirectly, as if the service is improved then users may feel they are able to utilise the process when an IP requirement occurs.

Table 9. Positive, Neutral and Negative Towards the e-Procurement Tool.

Tool	Negative	Neutral	Positive	Team Rating
Finland	23 %	48 %	30 %	3.1
Sweden*	33 %	0 %	67 %	3.8
Norway	10 %	75 %	15 %	3.4
Denmark*	0 %	40 %	60 %	3.8
Switzerland*	0 %	50 %	25 %	4.4
UK	10 %	44 %	46 %	3.5
France	13 %	74 %	6 %	3.5
USA	11 %	44 %	45 %	3.6
Canada*	0 %	13 %	88 %	4.0
Brazil	3 %	19 %	78 %	3.9
Argentina*	0 %	25 %	75 %	3.7
Business 1	20 %	45 %	35 %	3.5
Business 2	25 %	44 %	31 %	3.3
Business 3	6 %	44 %	50 %	3.5
Overall	17 %	44 %	39 %	3.4

To examine which stakeholders belong to the following groups: champions, early adapters, thinkers, resisters and checkmates, the following factors will be considered from the data collected: the feelings the users have towards the tool, the respondents wishing to see the tool succeed or not as well as if they felt they could impact the use of the tool or influence others to use it, as the respondents wrote freely in the survey, the researcher has also taken into consideration the comments

made by users as to provide weight to the responses. The below results will initially consider the scope combined and the elaborations will consider the country and business unit percentages.

Firstly, 7 checkmates were located in the sample, this represents around 2.8% of the scope. The majority, 2.4%, of these were found in business unit 1 and the other 0.4% in business unit 2. However, in perspective to the countries' divisions, the total percentages in business unit 1 include; Finland 5.8% and UK 4.2%, in business unit 2 in Finland 2.7%. Thus, the checkmates exist in Finland and the UK within business units one and three, thus, efforts should be made to diligently manage such personnel in order to keep risk mitigation for the change at a minimum. As in the theoretical framework, it is important to allow this group time to process the change and it could be that these do not ever accept the change, however, consistency and clear communications are advisable for progress. It is also noted that the checkmates in company X are lower than the 5% which literature states they tend to be.

Secondly, 50 resisters were located in the sample, this represents around 17.4% of the scope. The majority of employees were found in business unit 1 at 11.5%, business unit 2 accounted for 5.6% and business unit 3 had 0.3%. However, in perspective to the countries' divisions, the total percentages in business unit 1 include Sweden 33.3%, Finland and Norway 19.4%, UK 16.7% and France 14.3%, in business unit 2, USA 33.3%, Finland 29.7%, France 25% and Brazil 8.3%, and in business unit 3, Finland 10%. Thus, the resisters exist in the previously mentioned areas and efforts should therefore be made to keep this group satisfied in order to avoid them becoming checkmates and where possible encourage change, allowing time and keeping messages consistent and clear.

Thirdly, 91 thinkers were located in the sample, this represents 45.1% of the scope. The majority, 32.3%, were found in business unit 1, business unit 2 accounted for 10.4% and business unit 3 had 2.4%. However, considering the number of respondents in the scope the total percentages in business unit 1 include Switzerland 40%, Finland 36.9%, Norway 32.4%, Denmark and Canada 20%, USA 9.5%, in business unit 2, Finland 48.6%, France 31.3% and Brazil 6.7%, and in business unit 3,

Finland 20%, USA 4.8% and Norway 2.7%. Thus, the thinkers exist in the previously mentioned areas and efforts should therefore be made in observing this group; offering training, support and motivation where possible, in aim of encouraging the change to move forward over the course of time and allowing experience and queries to be answered when any issues may arise. It is also important to keep messages clear and consistent, as not to confuse nor complicate the process.

Fourthly, 58 early adapters were located in the sample, the majority of these 54/58 respondents felt they could influence others on their use of the tool but not extremely, in addition, they were positive towards the tool and wished it would succeed. The early adapters account for 28.8% of the total scope, business 1 included (20.5%), business 2 (5.9%) and business 3 (2.4%). However, considering the countries and business units in respect of their respondents, in business 1 UK 41.7%, Switzerland 40%, USA 28.6%, Norway 27.8%, Sweden 25%, Denmark 20%, Finland 15.5%, in business unit 2 Canada 100%, Argentina 50%, Brazil and USA 16.7%, France 12.5% and Finland 2.7%, and in business unit 3 Brazil 100%, Finland 50%. Early adapters are accepting of, and gone through, the change process. This group should be kept well informed as a means to preserve interest; these users can become neutral towards the change otherwise, so communications are vital for keeping the positive balance. The ultimate aim for these users is that they remain positive towards the change and it is reinforced adequately as to continue the loop.

Fifthly, 13 champions were located in the sample, these respondents felt they could strongly influence others in their use of the tool, in addition to being positive towards the tool and stating they extremely wish it will succeed. These account for 6.3% of the total scope, where 4.5% belong to business 1, 1% belong to business 2 and 0.7% belong to business 3. However, considering the number of respondents in the scope the total percentages in business unit 1 include Brazil 50%, Denmark 40%, Sweden and Argentina 25%, USA 14%, UK 4.2%, Norway 2.8% and Finland 1.9%, business unit 2 Brazil 8.3% and Argentina 25%, business unit 3 France 100%. Champions have gone through the change process and are accepting of it, they are key promoters of the change as they are both positive towards it and can influence others too. As such, they should be diligently managed, IP team members should

attempt to solve and avoid issues which could impact on this groups' outlook of the tool/team as they are the prime positive influencers.

	Checkmates	Resisters	Neutral	Early Adapters	Champions	Total
Business 1, FI	6 %	19 %	50 %	21 %	4 %	100 %
Business 2, FI	3 %	30 %	54 %	14 %	0 %	100 %
Business 3, FI	0 %	10 %	40 %	50 %	0 %	100 %
Business 1, SE	0 %	25 %	25 %	25 %	25 %	100 %
Business 1, NO	0 %	19 %	50 %	31 %	0 %	100 %
Business 3, NO	0 %	0 %	100 %	0 %	0 %	100 %
Business 1, DK	0 %	0 %	40 %	60 %	0 %	100 %
Business 1, CH	0 %	0 %	50 %	25 %	25 %	100 %
Business 1, GB	4 %	17 %	38 %	29 %	13 %	100 %
Business 3, GB	0 %	0 %	50 %	50 %	0 %	100 %
Business 1, FR	0 %	14 %	86 %	0 %	0 %	100 %
Business 2, FR	0 %	25 %	63 %	13 %	0 %	100 %
Business 3, FR	0 %	0 %	0 %	0 %	100 %	100 %
Business 1, US	0 %	0 %	14 %	79 %	7 %	100 %
Business 2, US	0 %	33 %	17 %	50 %	0 %	100 %
Business 3, US	0 %	0 %	100 %	0 %	0 %	100 %
Business 1, CA	0 %	0 %	25 %	75 %	0 %	100 %
Business 2, CA	0 %	0 %	0 %	100 %	0 %	100 %
Business 1, BR	0 %	0 %	33 %	0 %	67 %	100 %
Business 2, BR	0 %	8 %	25 %	42 %	25 %	100 %
Business 3, BR	0 %	0 %	0 %	100 %	0 %	100 %
Business 2, AR	0 %	0 %	25 %	50 %	25 %	100 %

Figure 20. Stakeholders Positions in Countries & Business Units.

In summary, as displayed in **Figure 20** the majority, 45%, of countries within the scope are neutral to the change, however, early adapters 29% and champions 6% both exceed resisters 17% and checkmates 3% individually and overall; resulting in the majority in the scope (once change is initiated) swaying positive as opposed to negative towards the change. Therefore, the unintentional, forced and casual MB factors should be focused upon to encourage the change's trigger.

The next couple of paragraphs will consider unintentional, forced and casual MB i.e. those lacking awareness, ability or motivation, which belong to the majority (thinkers) of the scope who have not yet begun the change process. Firstly, the respondents with lack of awareness have been placed in the thinkers' section, due to their neutrality at this point in time. Factors such as influences from others have not been mentioned in the survey, thus for the purpose of this study these are deemed neutral. The total percent of the sample with lack of awareness is 0.7%, all of these belong to business unit 1. In terms of country percentages in Finland these account for 1%, in Canada 25% and in Brazil 50%. Training and communications should be

utilised for creating awareness and encouraging momentum in change. This type of MB is classed as **unintentional**.

Secondly, in order to test the users' ability in the tool three tasks which users should require whilst using the system were checking the status of their requisition, checking the status of the Purchase Order once created and creating a Goods Receipt for items/services they receive in order for invoices to be released from the system. Those with a lack of ability in all three tasks, who were neutral towards the tool, accounted for 5.6% of the total scope. However, those who were negative towards the tool and had a lack of ability in all three tasks accounted for 12.8% of the scope. Of these two groups, 11.1% of the total scope population noted that they would require more training. Those requiring training, in relation to their location in business unit 1 included Brazil, France, Norway, USA, UK and Finland, in business unit 2 USA, Finland, Brazil, and in business unit 3 Brazil and Finland. This type of is classed as **forced MB** due to lack of ability. 3.1% of respondents had not used the tool before, although aware of it, and could not comment on their ability.

Thirdly, those strongly lacking motivation to use the tool, although aware of it and have used it before, account for 8.7% of the total scope, including business unit 1 (6.3%), business unit 2 (1.7%) and business unit 3 (0.7%). However, in relation to their countries' sample, in business unit 1 which include UK 20.8%, Finland 11.7% and Norway 2.8%, in business unit 2 USA 16.7%, France 12.5% and Finland 8.1%, and in business unit 3 Brazil 100% and in Finland 10%. Those who lack motivation, but not as strongly, although aware of the tool and used it before account for 11.5% of the total scope, including business unit 1, 5.9%, business unit 2, 5.2% and business unit 3 0.3%. However, in relation to their countries' sample, in business unit 1 which include France 50%, Switzerland 40%, Sweden 25%, Norway 8.3%, Finland 7.8%, USA 7.1% and UK 4.2%, in business unit 2, USA 50%, Finland 27%, Brazil and France 8.3%, and in business unit 3, Finland 10%. Communications should be maintained for encouraging motivation and reminders of the company's directives sent for preventing this type of MB, as it is classed as ill-intentioned and casual. Here, **ill-intentioned MB** accounted for 1.7% of the total sample and **casual** 18.5%.

Interestingly, when respondents were asked why they buy directly from suppliers, the majority in most countries within the scope answered that they tend not to buy directly from suppliers. The major reasons, across the board for buying directly from suppliers included: being easier/quicker than via the process, the order would be correct, the supplier is not in the system, the connections users have with suppliers, the users own negotiation skills and the lack of purchaser's language skills. As this question was multiple choice, the responses were not static and could overlap, thus the main intention with the MB reasons is to determine where majorities exist and identify means to approach these.

Reasons given for 'the supplier not being in the system' (7% of responses) was regardless of the location although there were no such responses from France nor Switzerland. Interestingly 11/35 of these respondents had received training and only 3 claimed to require more. This, in the eyes of the user is a forced MB due to the system's lack of ability, however, purchasers will create suppliers in the system on behalf of end users should there be a requirement for this. However, not in a case where there is no valid reason for this i.e. in terms of a current supplier's offerings, or payment terms, delivery terms etc. Thus, either users are unaware of this (and it is unintentional MB) or then they wish to use certain suppliers regardless (and it is casual MB), in those cases they possibly fear that orders may not be approved – these cases are not common and *"If we give users a reason why we change the supplier, then they are accepting explanations in most cases e.g. if it is related to price."* (Interviewee 2019c; d; e). Only one respondent commented *"I will get the product I want from where it can be bought"* which comes across strongly, however, this respondent was neutral towards the change and used the tool in cases when a purchase was required. Thus, the majority of these in company X should be **unintentional MB**.

In terms of the reason 'the order would be correct' (13% of responses) was mentioned in all locations apart from Argentina. This response can display distrust in the team and their abilities, however, when considering that a majority of reasons for this was due to urgency is it understandable why users selected this option. These can be classed as well-intentioned MB since they went against the process

due to the users' own skill/offers in that time period, although it seems to mainly fall under **forced MB**, where the system/approval-time did not allow for urgency.

In terms of users ordering outside of the process due to it being 'easier/quicker' to do so (15% of responses). This is arguably the most damaging reason to the change since it avoids the process purposely. Some elaborations mentioned time sensitive cases which is understandable although the team members "*aim to help out/assist people with getting their orders done, but in a 'good way'. Not picking up the phone and ordering*" as "*it is easier to grab the phone and call suppliers as this was the way of doing it earlier*" and further "*there is still a lack of interest [in the process]*" (Interviewee 2019a; c; d; e). This type of MB can be classed as ill-intentioned as it was due to resisting the process purposely, although it seems to mainly fall under **casual MB** – where habit/ease was involved.

The 'purchasers lack of language skills' (1% of the total responses), were located in business unit 1, in terms of countries' samples these included Sweden 25%, Denmark 20%, France 14.3% and Finland 1.9%. Since the virtual team has local purchasers in all of these locations this reason was unexpected, although when considering the virtual aspect, it may be an issue in urgent cases. Nevertheless, as a local purchaser is available in terms of local language being necessary, this would be classed as **well-intentioned MB**.

With regards to users 'having connections with suppliers' (6% of responses), Sweden, Denmark, Switzerland, USA, Canada and Brazil all exhibit more than 10% of this in their country sample, which tend to be **well-intentioned MB**. However, emphasis was not placed on the connection, instead on processing time, cost, the order being a one-off and urgent requirement.

The users 'own negotiation skills' (2% of responses) were evident in Finland, UK, France, USA, Canada and Brazil. The three countries which displayed a higher tendency for such an attitude was Canada 20%, USA 14.3% and Brazil 13.3% – although the overall percentage of the responses was low, these three countries could be displaying superiority/power-issues in purchasing. This would be classed as **ill-intentioned MB**.

When gathering all of the above MB reasons in relation to buying directly from suppliers, there were a total of 451 reasons provided, thus, to compare these relatively, percentages are shown in accordance with responses. Non-available answers (those who wished not to reply) accounted for 1%, ill-intentioned 3%, whilst well intentioned 8% as well as unintentional also 8%, forced was 23% and casual 26%, the largest percentage at 31% claimed not to order directly from suppliers.

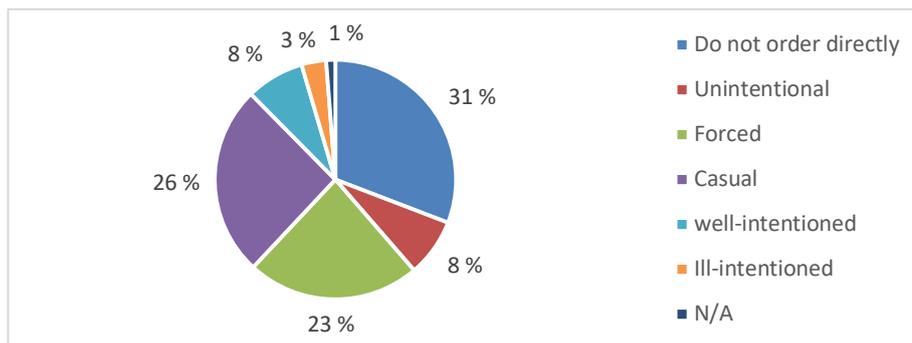


Figure 21. Reasons into Types of MB in the Scope.

In terms of these percentages, when the reasons are elaborated and compared according to classification of MB type, the overall shift in positive, neutral and negative responses shift slightly. Where positive is 31%, neutral is 57% and negative is 11%, 1% were unidentified from this data. This suggests that those in the early adapter stage and resister stage may also be neutral in their reasoning, however, in terms of the change these results are ideal since there are more respondents positive towards the change than before. (**Appendix 9**)

As the stakeholders have been grouped according to the stakeholder management theory in theme three, an effective communication plan can be designed accordingly and put into action as in **Appendix 4**. Since according to interviewees (2019a; b; c; d; e; f; g) there is currently no communication strategy in place for the Operative IP team. However, interviewees (2019a; d) state that their approach has been “*more of a customer service orientated service*”, whereas interviewee (2019g) stated “*I do not know how to inform the end user about new things in X. We thought about a newsletter e.g. once per month... We thought also about the X homepage to inform people locally about the updates*”. As the users and IP team members have mentioned communication lacking and suggested similar methods to approach

improvements in this area, these factors should be considered further, with the support of the theory from this research. However, the time constraint and purpose of this study does not allow for such a strategy to be drawn up, although communication methods will be summarised based on the findings.

Table 10. Communication Method Preferences per Internal Stakeholder Group.

	Yammer	Phone	Messenger	Email	Compass	Ask an Expert	Other colleague
Do not order directly	240	283	299	337	390	415	432
Unintentional	52	72	72	91	84	102	104
Forced	170	221	227	281	292	308	353
Casual	178	203	210	261	266	278	312
well-intentioned	52	77	78	81	87	104	100
Ill-intentioned	60	73	69	94	103	113	121
N/A	11	8	8	17	13	12	18

The above values take into consideration the weighted values of the Likert question. Interestingly, only the well-intentioned MB group would use Ask an Expert over asking another colleague (non-purchaser), otherwise, all other groups state they would ask other colleagues first. Nevertheless, Ask an Expert is the second most preferred point-of-call for all other groups apart from well-intentioned, who prefer asking experts and then colleagues, and those not stating their MB reasons, who prefer sending emails after asking colleagues. Compass is the third preferred way of obtaining information and help in all apart from the unintentional MB group, who prefer emailing over Compass. Messenger tends to be preferred over phoning, apart from in the ill-intentioned group, however, these are minor differences. The least popular communication method for all groups, apart from those not stating their MB reasons, was Yammer. Thus, the IP team will benefit/suffer from word-of-mouth the most, it would be wise for the team to focus on keeping on top of the Ask an Expert forum, as well as keeping their Compass page up to date and relevant and keeping on top of emails. The issue with respondents choosing Ask an Expert in the survey could be due to not knowing the forum exists, but rather considering this as asking an expert, thus this data may not be valid in the sense that it was asked, although relevant to the study, nonetheless.

3.4 Validity and Reliability of the Data

With regards to validity, six email replies were sent to the researcher stating that employees felt they could not participate in the study as it did not either concern them or they did not know enough to participate – the researcher attempted to ensure them that they could participate regardless as there were options for those not using the tool, however, it is unclear how many of these respondents answered the survey. Thus, there could be more unaware of the tool or IP function/IP team than this report accounts for. The survey questions derived from theory and the researcher's knowledge both of the IP function and company X; this could have been perplexing though attempts to be clear were made. Language barriers may have also been involved since around 5 respondents wrote question marks in their answers – this however could have been due to lack of knowledge. Due to utilising and combining qualitative and quantitative measures, this data was not possible in the given time constraint to code thoroughly and objectively into SPSS, therefore, Excel pivot tables and correlation analysis along with formulas and charts were utilised. Due to this method, there is an element of the analysis left to the researcher's perception, where judgement can occur although an objective approach has been utilised.

With regards to the reliability, since the size of the sample in some countries* was below 10, this can have an impact on the strength of the results. Although the samples are relative to the population in the scope and such results are said to be more reliable, it could have been wise to consider increasing the sample size to meet a 10-respondent minimum in Sweden, Denmark, Switzerland, Canada and Argentina (**Table 4**). The initial sample size aimed for was 261, this would have given a confidence level of 90% and a margin of error of 5%. However, since 390 responses were obtained, this enabled the researcher to increase the sample size to 288, where a confidence level of 95% and a margin of error of 5.66% was attainable – the same sample size also produces a confidence level of 90% and a margin of error of 4.75%. (Littler 2019)

4 CONCLUSION

This conclusion will include a short summary of the findings from the analysed data obtained in the empirical study. Such conclusions are important for the case company to obtain as the outcomes and research questions will be included. Moreover, as a part of the conclusion, the study's limitations will also be exhibited and recommendations for further studies examined.

The objective of this research was to examine how Company X could improve their PO coverage. The method used was to study literature in relation to purchasing and change management, since a lack in PO coverage means that there is a lack in procurement compliance and a lack in compliance means change is required. In addition to literature, the researcher's own experiences are also illustrated since this topic is familiar, although the theory and answering the research question were not. In line with the objective, how can company X increase its PO coverage, three questions were posed in order to offer support to the main question. These three questions will be discussed in the paragraphs below.

Firstly, answering "*What is the current situation in Company X's Indirect Purchasing function, and where are internal stakeholders in the change process?*". Indirect spend within the scope is 33:67, although more than half of the countries spend more in indirect than direct spend. Internal stakeholders seem to be unaware of savings that the e-procurement has generated. MB occurs over the scope in a varied manner 5/14 countries have under 30%, 6/14 countries have between 49%–64% and 3/14 countries have above 78% of MB occurring. This is despite the majority (69%) of respondents agreeing that it should be controlled. Efforts in categories such as Logistics, Services and Travel & Meetings, where MB is significantly underperforming should be focused upon, in addition to countries within the scope e.g. Brazil, Argentina, France, Canada, Norway and Switzerland where e-procurement could have been possible but the old tool has been used instead. Over 65% of suppliers are used less than 10 times in a 6-month period. Not all users are aware of the process, only 11% knew of the company's global R2P Directives. There are

issues in handling times and service-mindedness as well as uncertainty in the financial benefits of e-procurement and the team overall.

Secondly, answering “*Where does Company X’s Indirect Purchasing function want the PO coverage to be, and do internal stakeholders feel the same about this?*”. Indirect spend should be controlled and MB reduced where possible. Efforts to reduce the supply base should be made to increase purchasing power. Improving PO coverage requires focusing on areas where the scope is lacking performance, as the ultimate goal is to have all cases which could have been utilising the e-procurement tool doing so, avoiding MB altogether. Suppliers should also be maintained, contracts made to ensure suitable terms and supply. Awareness and compliance should be encouraged and managed in cases where these factors are absent. In addition to improving the process, the tool and the team’s efficiency; providing a full end-to-end R2P process.

Thirdly, answering “*How can the PO coverage goal be fulfilled, and how can internal stakeholders be onboard with this?*”. The IP department should communicate its savings in a clear and concise manner to its stakeholders, since collaborating to meet goals can encourage the change positively. Stakeholders should be made aware of strategies and focused suppliers to increase the purchasing power, which in turn may reduce resistance. They should also be made aware of what purchasing power can result in and how it works in terms of savings and improved terms for the company. Internal communications should be improved and tailored to groups to reach personnel, the tool’s homepage should be updated and contain easy-accessible information for users, developments should also be made in users’ suggestions where possible. Training should also be made mandatory as a mean to avoid lack of awareness in the future in addition to advanced training available to users who have used the tool and would require more specific know-how. Encouraging champions and key-users to promote the tool via word-of-mouth and communication platforms could also be beneficial to create awareness and ignite interaction.

To reach the ultimate contract compliance goal, a long-term plan is essential as such a change could take years to realise. Hence, ensuring PO coverage is improved

where possible at given moments is an important step to make efforts smoothly and effectively along the change process, as improved PO coverage can lead to the ultimate contact compliance goal via e-procurement usage, formalised processes and increasing the economy of scale, as well as decreasing the supply base and costs.

4.1 Limitations

There may be some limitation in this study as it focused on company X's IP function, therefore, categories and approaches may not be comparable in all cases as companies divide IP individually. As the sample had two weeks to complete the survey (trends of responses were on 3-day intervals where the first day produced the most responses) time could have restrained potential responses due to out-of-office replies and emails received after the deadline. Further, as users were selected at random, upon lack of response the researcher sent further emails to encourage this, although a solution was found some users may have received duplicate emails due to the unbiased methods used. Lastly, the survey could have been shorter as background responses were not necessary but 'good to know' in case of relevance.

4.2 Recommendations

Managing supplier relationships is another technique towards improving PO coverage, therefore efforts should be made in order to communicate effectively with suppliers and ensure awareness of the company's expectations with regards to requiring POs as references for each order and invoice. This recommendation in terms of focusing on external stakeholders (suppliers) was not conducted since this study focused on internal stakeholders, however, the change management approach and the managing aspects could be useful and considered for external stakeholders too.

Further, inspecting invoices with no POs to locate departments and cost objects utilised, as a means to identify stakeholders involved in MB, could provide data which the IP management can take actions against ensuring PO coverage. Other MB prevention aspects include invoices without POs as references not getting paid, a contract being required with a supplier prior to placing orders with them and purchasing strategies shared with stakeholders for transparency and coalited goals.

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APPENDICES

Quantitative Survey Questions (for internal customers)

Background Data:

Gender? Age (range)? Education level?

Professional Background:

Job position & Department? Location? Business Unit? Experience?

Questions:

Preliminary questions:

1. Do you think that information/learning is transferred easily between the departments?
2. Matrix questions scale 1–5;
 - a. Are you encouraged by your manager to use ***?
 - b. Do you want to see *** succeed?
 - c. To what extent do you feel you could impact ***?
 - d. To what extent do you feel you could influence others to use ***?
 - e. How motivated are you to use ***?
 - f. How eager are you to adapt to changes early?
 - g. Do you tend to provide feedback related to operations/changes?

*** related questions:

3. When did you hear about ***?
4. How/where did you hear about ***?
5. What feelings would you say you currently have towards ***? *Have these changed?*
6. *** Training... Yes / No / Not sure
 - Training received?
 - Was the training beneficial?
 - Do you feel you require more training?
7. What value/benefits do you think *** does/does not provide?
8. What do you think you could do affect the use of ***?
9. Where do you obtain support/more information from, in relation to ***? (Please tick all that apply)
 - Compass, Yammer, Messenger, Phone, *** Forum, email, other colleague (non-purchaser).
10. How frequently do you use ***?

Daily, multiple times a; week, month, year, once a year / Never (go to Q23)

Those who use *** questions:

11. Which indirect purchasing purposes do you use *** for? (Please tick all that apply)
- Purchasing (categories)
- Maintenance Repair & Operation production
 - IT accessories (outside of *****)
 - Telecom (outside of *****)
 - Facility Management and Services (Incl. office supplies)
 - Marketing & Communications Services
 - Engineering, Classification & Professional Services
 - Travel & Meetings (excl. ***** process)
 - Logistic Services
 - HR & Personnel Services
12. At what point do you place a requisition in ***? (select all that apply)
- Months before required, weeks before required, days before required, upon immediate requirement, after the order has been placed but no invoice received, after an invoice has been received.
13. For your needs, which kind of requisition handling time do you require?
A few hours, Same day, 1–2 days, 3–5 days, 1 week, 2 weeks, +2 weeks
14. Our standard handling time is *, is this often met? Yes, No, Sometimes, Not sure
15. Has the handling time improved with *** and the centralised team handling these? Yes, No, Not sure
16. Please rate how confident do you feel when;
- Checking the status of your requisition (pending approval stage)
 - Checking the status of your PO
 - Completing a Goods Receipt
17. How has your daily work been affected by ***? (*positively, negatively or neutrally*)
18. If issues have occurred in ***, how have these been handled?

The Purchasing Team questions:

19. Please rate the centralised team (1–5 stars)
20. What value/benefits do you think the centralised team does/does not provide?
21. Please tick any of the following accomplishments you have noticed the team has achieved.

Tool development, feedback acknowledgements, feedback actions, handling time improvements, quality improvements, communication improvements, scope expansion, none, other _____.

Supplier/PO questions:

22. Which factors apply to you when selecting a supplier? (Select all that apply)

I have purchased the same/similar items/services from the supplier before, I obtained an offer to suit my needs and wish the order is placed with this supplier, I obtained an offer to suit my needs and wish purchasing to check from elsewhere, I prefer purchasing to locate suppliers on my behalf, other _____.

23. If you order from suppliers directly, please state your reasons for this.

I prefer to due to language skills, I prefer to due to making sure the order is correct, I prefer to do this due to my negotiation skills with the supplier, It is easier/quicker to do it myself than to via purchasing, I have to do this since the supplier is not in our system, other _____.

24. When do you think it is ok to purchase without a PO?

It is always ok, when the order is a one-off, when the cost is low, never, other _____.

Indirect Purchasing (Global function):

25. Yes / No / Maybe
- a) Do you know about the R2P Directives?
 - b) Do you think that indirect spend should be controlled?
 - c) Do you know if there are global indirect purchasing goals/strategies in place?
 - d) Do you think you should change your indirect buying behaviour?
26. Feel free to comment on the above

33 questions in total if all are answered

- 7 Background questions*
- 2 Preliminary questions*
- 8 *** questions*
- 8 *** user questions*
- 3 Team questions*
- 3 Supplier questions*
- 2 Business function questions*

Quantitative Questions – Email Cover for the Survey

Dear colleague,

You are invited to support me in my bachelor thesis based on how the indirect purchasing coverage can be improved from an internal stakeholder perspective, which is aimed in identifying development opportunities, improving processes, communications and the overall service offered to you.

I have been given permission from the director of global IP and have the support of the global team alongside my team and manager.

Kindly take around 15 minutes to support me in this endeavour. Note that your answers are anonymous and your data is handled, stored responsibly and according to the EU GDPR.

[LINK TO SURVEY](#)

Please do not hesitate to contact me regarding this survey should you have any queries or issues.

Thank you for your participation!

With best regards,

Leanne Haapamäki

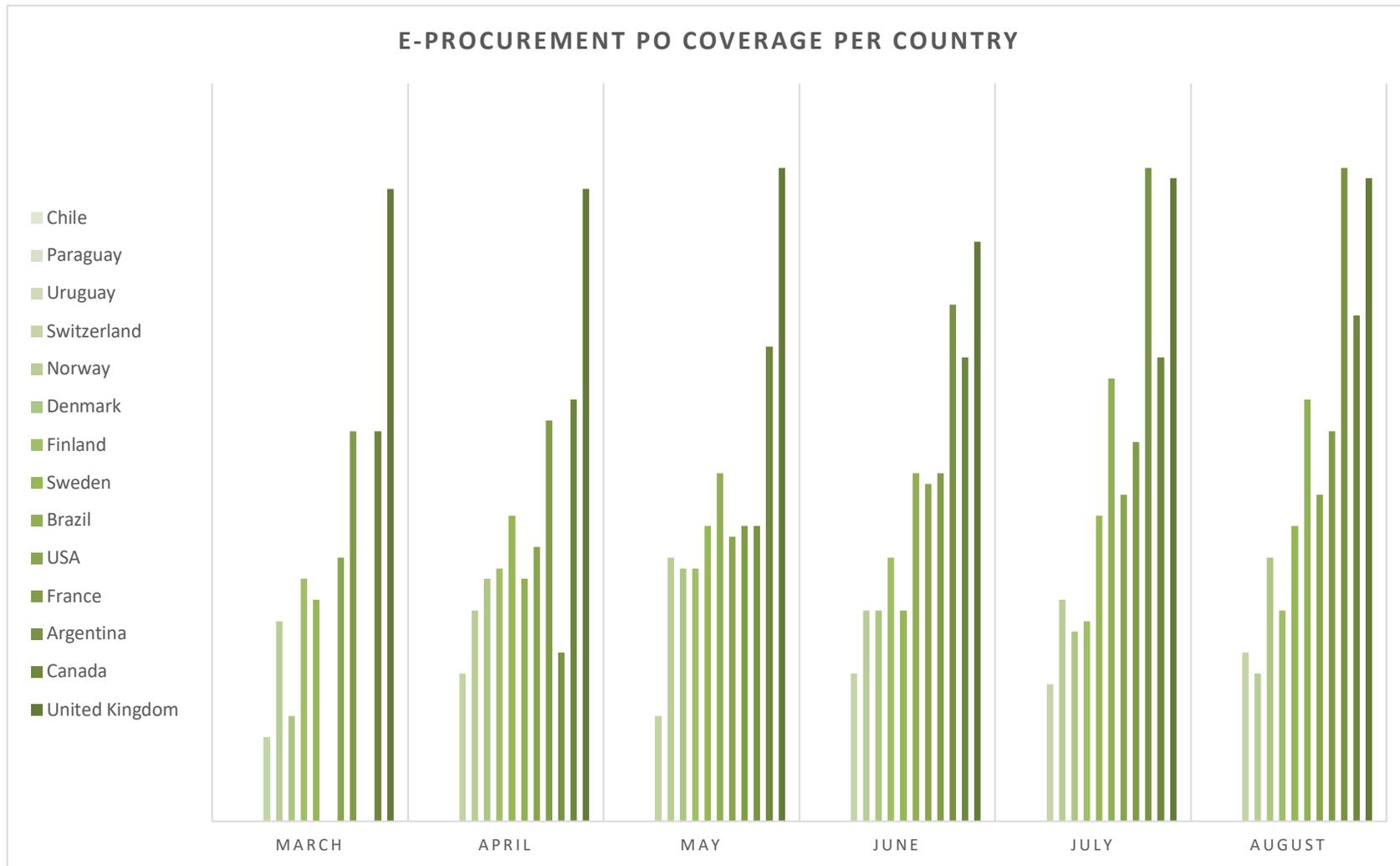
Qualitative Interview Questions (for IP team members)

1. Is *** in use in your country's indirect purchasing function?
2. How do you think end-users feel (in your country) towards ***? Have you noticed any changes in this?
3. What are the reasons, in your opinion, for end-users buying outside of ***?
4. Have you noticed if double invoicing has occurred? Why? How is this prevented?
5. Do you think that end-users may have preferred suppliers? Why? Is this difficult to change?
6. What factors do you feel end-users consider when requesting quotations/offers?
 - a. Are there cases when users feel their offers are valid, but you see that these require further agreement/updates?
7. Do you think the R2P directives have been promoted well?
 - a. Do you feel these have supported your work?
8. Are there RFQ requirements for each case without an agreement?
 - a. Do you carry these out? Where?
 - b. Do you feel handling time allows for this?
9. Are contracts always required with suppliers before placing orders with them? (OTV) Should they be?
10. Do you think the supply base is adequate? Should it be shortened or lengthened? Why?

11. What is the IP strategy/goal; where are we and where do we want to be?
(prompt PO coverage now and where)
12. Have all personnel received *** training? Do you feel they should all be aware of our processes? Why/why not?
 - a. Do you think that training/communications could positively effect PO coverage?
13. Has *** helped in;
 - a. Time
 - b. Costs
 - c. Quality
 - d. Transparency
 - e. Development
 - f. PO coverage
 - i. Why/why not?
14. Are developments occurring in ***? Do you help with this?
15. Do you often have to amend POs to match invoices?
16. Can *** be used in all IP cases? Examples, why/why not?
17. When/how long ago did your country implement ***?
 - a. Country
 - b. Length
18. When moving over to *** what were the toughest things for end-users?
 - a. Do you feel this has improved?
19. Do you prefer *** or SAP? Why?
 - a. Do you promote *** to end-users?
 - b. Do you support end-users in ***? How often? Trend?
20. Do you feel managers/management support ***? Examples.
21. Is there a strategy for communicating with end-users in place? How do you communicate with end-users? Do you feel this should be improved?

Stakeholder	Current behaviour	Program Stage			Key messages in	Key messages out
		Start Up	Growth	Operate		
<p>Stakeholder group 1</p> <p>Example: Senior Executive Team</p>	<ul style="list-style-type: none"> Decision makers Monthly business review meetings Removed from daily operations Working behind the scenes 	<ul style="list-style-type: none"> Highly visible Promote the program Walk the talk Introduce KPIs on direct reports to measure engagement in the change program Implement an out of cycle review meeting specifically for making decisions for the change program 	<ul style="list-style-type: none"> Highly visible Promote the program Walk the talk Actively manage variances for direct reports engagement with and in the change program Increase KPI set to include 'operate' KPI's for new mode of operation. Update position descriptions for senior managers 	<ul style="list-style-type: none"> Promote the program Walk the talk 	<ul style="list-style-type: none"> This acquisition needs your active support. Your behaviour and words will measurably impact the success of the acquisition. The change program is not being done within the company - it is being done to it. Your role is to minimise the shock of the changes. <p>Call to action</p> <ul style="list-style-type: none"> You need to change your behaviour. You need to be seen in the business. 	<ul style="list-style-type: none"> It would be irresponsible of us to resist the acquisition. The acquisition is a good strategy for this organisation. We have too much at stake to resist this acquisition. We have a sense of duty to work toward this program. We think that our organisation will benefit from this acquisition. The acquisition matches the priorities of our organisation. This acquisition will improve our organisation's overall efficiency. We believe in the acquisition. It would be too costly for us to resist the change. <p>Call to action</p> <ul style="list-style-type: none"> When called on please participate honestly and openly. If you have concerns tell us.
Stakeholder group 2					<ul style="list-style-type: none"> Without your active support the acquisition will be undermined. We respect the load you are already carrying. You will need to carry an extra load. You are now the face of the change program. You need to always be positive in your messages to the business. <p>Call to action</p> <ul style="list-style-type: none"> Promote the program in every meeting. Allow staff to express concerns. If you don't have answer talk to the change team. 	

Appendix 4. Stakeholder Messaging Strategy. (Holloway 2016)



Appendix 5. E-Procurement PO Coverage per Country.

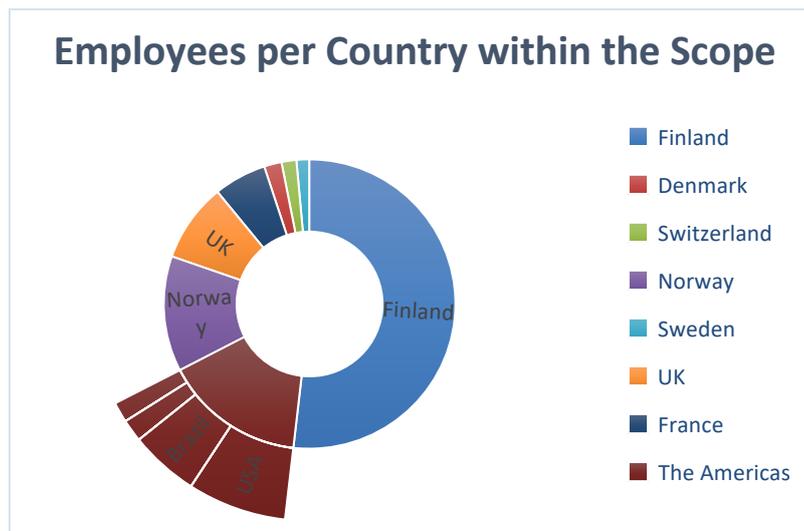
APPENDIX 6

Country	Coverage	MRO Production	IT	Telecom	Facility Management	Marketing & Comms	Services	Travel & Meetings	Logistics	HR & Personnel
Argentina	PO Coverage	98 %	26 %	33 %	95 %	100 %	67 %	60 %	45 %	72 %
	E-procurement	59 %	24 %	22 %	45 %	11 %	33 %	23 %	5 %	42 %
Brazil	PO Coverage	100 %	99 %	90 %	95 %	100 %	40 %	92 %	82 %	71 %
	E-procurement	54 %	2 %	3 %	26 %	23 %	11 %	36 %	27 %	17 %
Canada	PO Coverage	97 %	68 %	42 %	60 %	100 %	46 %	49 %	88 %	92 %
	E-procurement	72 %	39 %	40 %	47 %	94 %	15 %	5 %	39 %	20 %
Denmark	PO Coverage	57 %	62 %	4 %	35 %	33 %	27 %	13 %	51 %	8 %
	E-procurement	14 %	39 %	0 %	31 %	33 %	3 %	14 %	0 %	8 %
Finland	PO Coverage	64 %	65 %	72 %	34 %	68 %	36 %	38 %	1 %	59 %
	E-procurement	15 %	57 %	57 %	24 %	53 %	18 %	37 %	0 %	57 %
France	PO Coverage	100 %	100 %	80 %	95 %	73 %	83 %	65 %	3 %	82 %
	E-procurement	45 %	56 %	78 %	69 %	60 %	42 %	6 %	0 %	5 %
Norway	PO Coverage	75 %	59 %	87 %	67 %	69 %	54 %	36 %	36 %	44 %
	E-procurement	28 %	43 %	69 %	42 %	45 %	22 %	21 %	0 %	33 %
Sweden	PO Coverage	88 %	63 %	16 %	49 %	64 %	18 %	8 %	24 %	7 %
	E-procurement	49 %	29 %	14 %	41 %	50 %	1 %	6 %	1 %	2 %
Switzerland	PO Coverage	98 %	86 %	74 %	81 %	70 %	8 %	29 %	0 %	48 %
	E-procurement	13 %	73 %	49 %	67 %	61 %	2 %	6 %	0 %	34 %
UK	PO Coverage	98 %	73 %	79 %	78 %	90 %	42 %	46 %	31 %	83 %
	E-procurement	82 %	62 %	29 %	70 %	86 %	27 %	32 %	18 %	67 %
USA	PO Coverage	91 %	40 %	39 %	75 %	93 %	20 %	30 %	3 %	59 %
	E-procurement	56 %	32 %	8 %	61 %	64 %	16 %	9 %	0 %	57 %

Appendix 6a. PO Coverage per Country and Category.

	MRO Production	IT	Telecom	Facility Management	Marketing & Comms	Services	Travel & Meetings	Logistics	HR & Personnel
Averages (Categories)	66 %	54 %	45 %	59 %	65 %	29 %	30 %	21 %	44 %
PO	88 %	67 %	56 %	69 %	78 %	40 %	42 %	33 %	57 %
E-procurement	44 %	41 %	34 %	48 %	53 %	17 %	18 %	8 %	31 %

Appendix 6b. Averages per Category: PO vs. E-Procurement.



Appendix 7a. Employees per Country within the Scope.

Sample total: 288 Europe: 243 (84%), The Americas: 45 (16%),
Finland: 149 (52%), Other European: 94 (32%)

Appendix 7b. The Sample's Stratum.

<i>h</i>	Stratum	<i>Nh</i>	<i>Wh</i>	<i>nh</i>	<i>fh</i>
1	Business 1, Finland	2570	0.354	102.80	0.04
2	Business 2, Finland	920	0.127	36.80	0.04
3	Business 3, Finland	246	0.034	9.84	0.04
4	Business 1, Sweden	104	0.014	4.16	0.04
7	Business 1, Norway	900	0.124	36.00	0.04
9	Business 3, Norway	29	0.004	1.16	0.04
10	Business 1, Denmark	133	0.018	5.32	0.04
13	Business 1, UK	590	0.081	23.60	0.04
15	Business 3, UK	42	0.006	1.68	0.04
16	Business 1, Switzerland	119	0.016	4.76	0.04
19	Business 1, France	179	0.025	7.16	0.04
20	Business 2, France	212	0.029	8.48	0.04
21	Business 3, France	31	0.004	1.24	0.04
22	Business 1, USA	352	0.048	14.08	0.04
23	Business 2, USA	139	0.019	5.56	0.04
24	Business 3, USA	37	0.005	1.48	0.04
25	Business 1, Canada	100	0.014	4.00	0.04
26	Business 2, Canada	19	0.003	0.76	0.04
29	Business 2, Argentina	110	0.015	4.40	0.04
31	Business 1, Brazil	43	0.006	1.72	0.04
32	Business 2, Brazil	304	0.042	12.16	0.04
33	Business 3, Brazil	26	0.004	1.04	0.04
Total	Business Units, Countries	7258	1.0000	290*	0.04

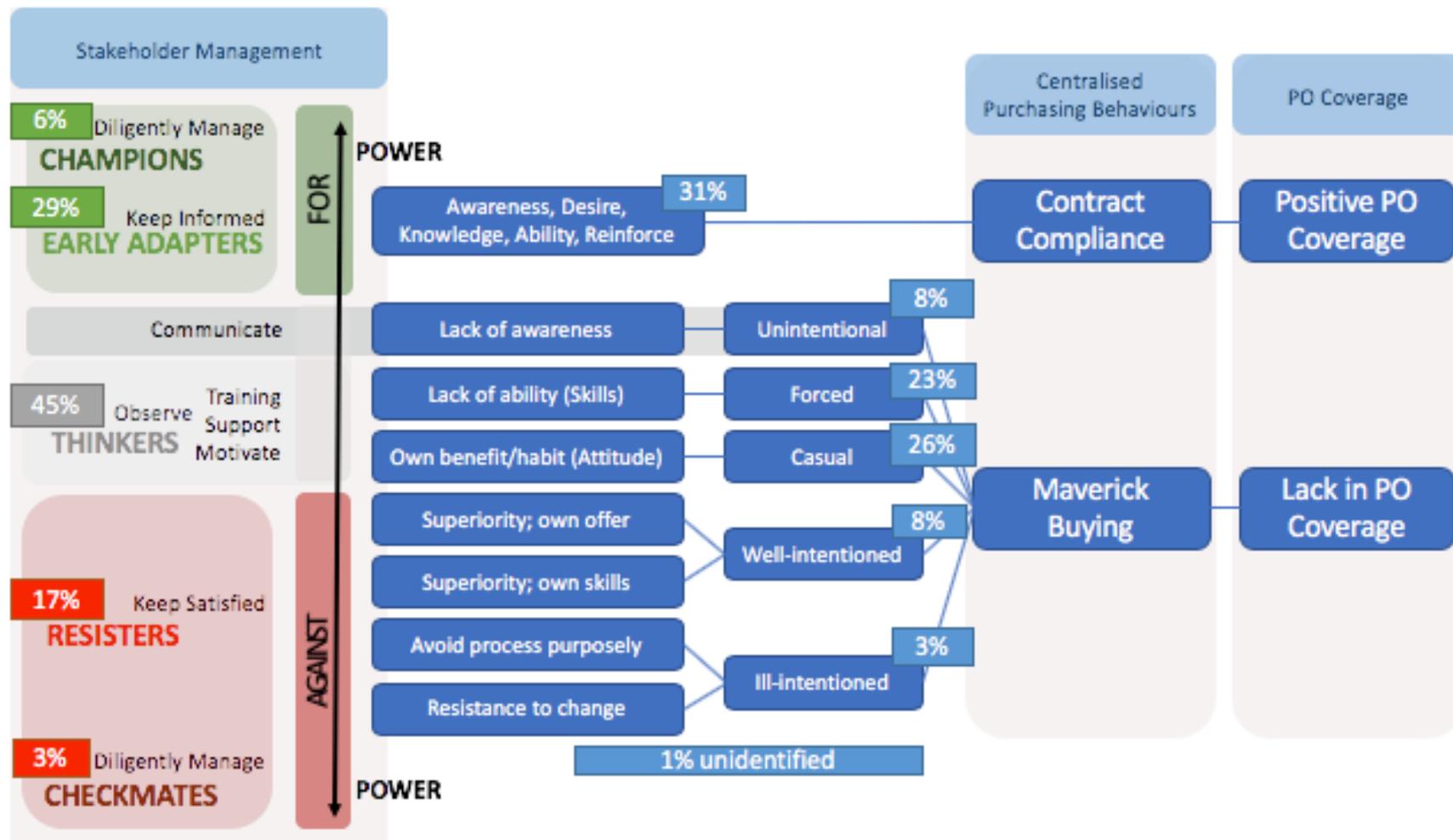
Appendix 8a. Countries' & Business units' Responses on IP Spend Control.

	AR	BR	CA	FI	FR	NO	UK	US	Total					
Unit	2	3	1	1	2	1	2	1	2	3				
No		0.35		3.13	2.08	0.35	1.04	0.35	0.69		8.33 %			
Maybe	0.35		0.35	9.38	2.43	0.35	1.04	3.82	2.08	0.35	1.04	0.69	0.35	22.22 %

Appendix 8b. R2P Directives Awareness.

R2P Directives Awareness			
	Bus.1	Bus.2	Bus.3
Finland	8	3	5
Norway	4		
Switzerland	1		
Argentina		1	
UK	2		
USA	1		
Brazil		2	
France	2	2	1

R2P Directives Awareness, compared to the scope			
	Bus.1	Bus.2	Bus.3
Finland	8 %	8 %	50 %
Norway	11 %		
Switzerland	20 %		
Argentina		25 %	
UK	8 %		
USA	7 %		
Brazil		17 %	
France	29 %	25 %	100 %



Appendix 9. Theoretical Framework Theme Three: in the scope's perspective.