Development of an Internal Communication Process with Focus on Change Management

Robin Sundfors

Master Thesis

Technology Based Leadership

Vasa 2020

MASTERS THESIS

Author:	Robin Sundfors
Degree Program:	Technology Based Leadership, Vasa
Supervisor:	Roger Nylund

Title: Development of an Internal Communication Process with Focus on Change Management

Date 4.12.2020 Number of pages 45 Appendices 3

Abstract

This thesis has been made for a sales company in a well-known organization that manufactures and sells machines and solutions for forestry and garden. The world is rapidly changing around us regarding sales channels and trends, resulting in a need for organizations to adapt and change to cope with the future. This brings an increased demand of change management when executing and communicating a change process.

Therefore, the purpose of this thesis has been to research how the organization communicates and works with change processes. More specifically, the purpose was to research and suggest a communication process supported by theory, that could help the sales company when communicating a change.

The theories used to execute and support the thesis work have focused on change management like Fullan and Kotter's change models. Secondary focus has been external factors that drive changes, and as support for these theories a report highlighting the market situation has been used. The actual research was performed on a target group through a questionnaire.

The result is a suggestion of a possible communication process for the sales company to use when communicating change processes to change agents. The idea of the process suggestion is that it could work as a tool for the sales company when communicating changes in the future.

Language: English Key words: Change management, Change process, Communication

EXAMENSARBETE

Författare:	Robin Sundfors
Utbildning och ort:	Teknologibaserat Ledarskap, Vasa
Handledare:	Roger Nylund

Titel: Utveckling av en kommunikationsprocess med fokus på förändringsledarskap.

Datum 4.12.2020 Sidantal 45 Bilagor 3

Abstrakt

Avhandlingen har utförts för ett säljbolag i en välkänd koncern som tillverkar och distribuerar maskiner och lösningar i skogs och trädgårdssegmentet. Eftersom världen omkring oss förändras i snabb takt med tanke på distributionskanaler och trender, resulterar detta även i att behovet av förändring ökar i organisationerna. Det i sin tur resulterar i att behovet av förändringsledarskap vid kommunikation och genomförande av förändringsprocesser ökar.

På grund av detta har ändamålet med avhandlingen varit att undersöka hur organisationen kommunicerar och arbetar med en förändringsprocess. Resultatet av undersökningen har varit att föreslå en kommunikationsprocess med stöd av teorierna som behandlats vilken försäljningsbolaget i fråga skulle kunna använda när de kommunicerar förändringar. Teorier som använts i arbetet har fokuserat på förändringsledarskap, exempel på dessa är Fullans och Kotters förändringsmodeller. Andra teorier som använts har fokuserat på externa faktorer som driver förändring, som stöd har även en rapport belysande marknadsläget använts. Undersökningen har genomförts i sin helhet på en målgrupp genom en enkät undersökning.

Resultatet är ett förslag till en kommunikationsprocess, vilken försäljningsbolaget skulle kunna använda sig av som stödverktyg och möjligtvis effektivera kommunikationen av framtida förändringsprocesser till sina förändringsagenter.

Språk: Engelska Nyckelord: Förändringsledarskap, Förändringsprocesser, Kommunikation

Table of content

1 Introduction

With a faster changing world around us that brings with it multiple sales channels and trends such as urbanization, digitalization, servitization, sharing economy, circularity and sustainability which all comes with needs that we did not know we had, it will become more important for companies and businesses to be flexible and alert on its surroundings as well as to improve their skills regarding implementing new processes and systems. These factors will change the working environment and increase the need of change and change management.

In this thesis I will reflect on the current situation between management and employees as well as dealers and suppliers regarding how the organization handle change processes and communicate change, this is done through an analysis of the cooperation will be used to identify how the organization can become better change leaders when communicating change processes internally, as well as in the long term help the company to communicate change and lead its dealers to a preferable path. To execute this thesis a diversity of studies concerning change management and the bricks and mortar business will be used along with a case study through a questionnaire, the development suggestions that I aim to develop will be supported by theories.

The background for this thesis was set after some discussions with both employees and management within the studied organization where we noticed that there was a need to investigate how the organization work with change processes along with how successful it has been to communicate changes in the organization.

1.1 Research objectives and questions

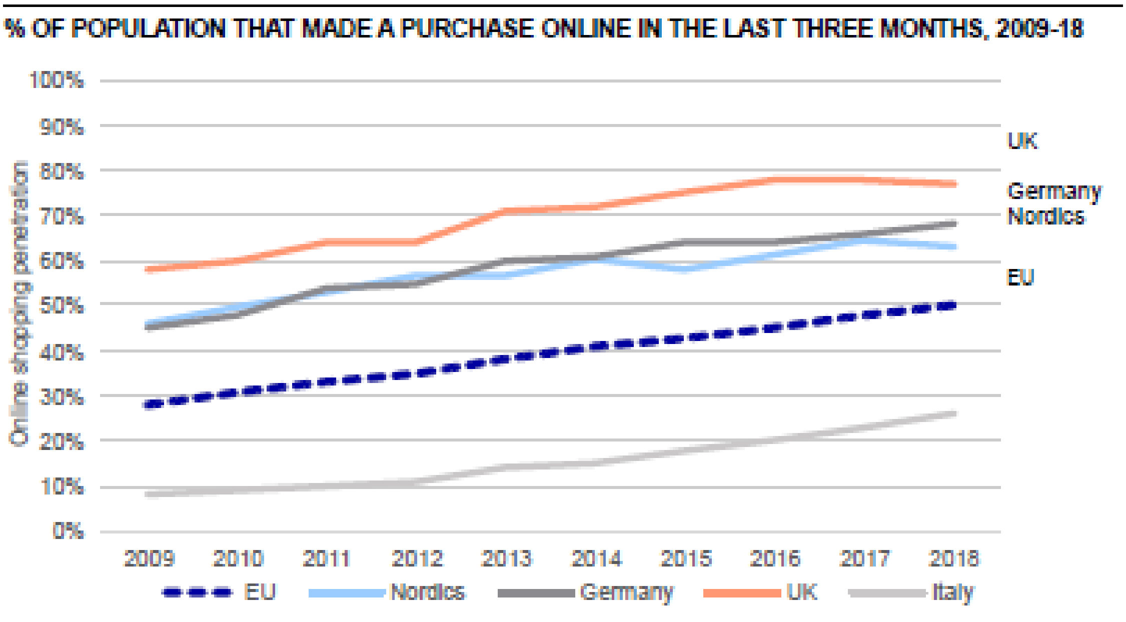
As explained with a faster changing world and multiple sales channels and trends, it will become more important for companies and businesses to improve their skills regarding implementing new processes and systems. This will increase the need of change and change management.

The challenges have raised some questions that I will try to address during the thesis process. Some of the questions raised were the following, What is the situation today in the organization? What kind of challenges do we face during a change process? How does the company communicate change? How can the organization become an even better change leader? What is the current situation for bricks and mortar businesses? How will E-commerce affect our business? In what way will the cooperation between dealer and supplier have to change to survive in a changing world? How should a supplier react to gently manage dealers to adopt a preferable path?

2 What is the current situation in the bricks and mortar business?

2.1 How will E-commerce affect the retail business and to where is the business heading?

A report from Nordea states that during the last three months of 2018 in average 50 % of the population in the EU have made a purchase online, this in comparison to 2009 when the percentage was 29 %. What this tell us is that our society has gone through a radical culture change regarding our purchasing habits.



Source: Eurostat and Nordea

Figure 1. Graph of population that made a purchase online in the last three months, 2009-18 (Nordea on your mind, 21.5.2019, p. 18)

What do we know about the drivers behind these changing habits? There are two major factors behind the increase in e-commerce and those are smartphones and mobile internet penetration. Due to the fact that people are constantly connected we have made it possible for people to make purchases at any time they prefer. The second factor in the e-commerce boom are our smartphones which have had a key role in the change, when comparing the chart presenting the percentage of people that made a purchase online to the chart showing smartphone penetration in Europe you can see that they have developed in almost the same way. In other words the more people who buys and uses smartphones which equals to easy access to websites, the more people have gone online to make purchases. (Ovin, 2019)

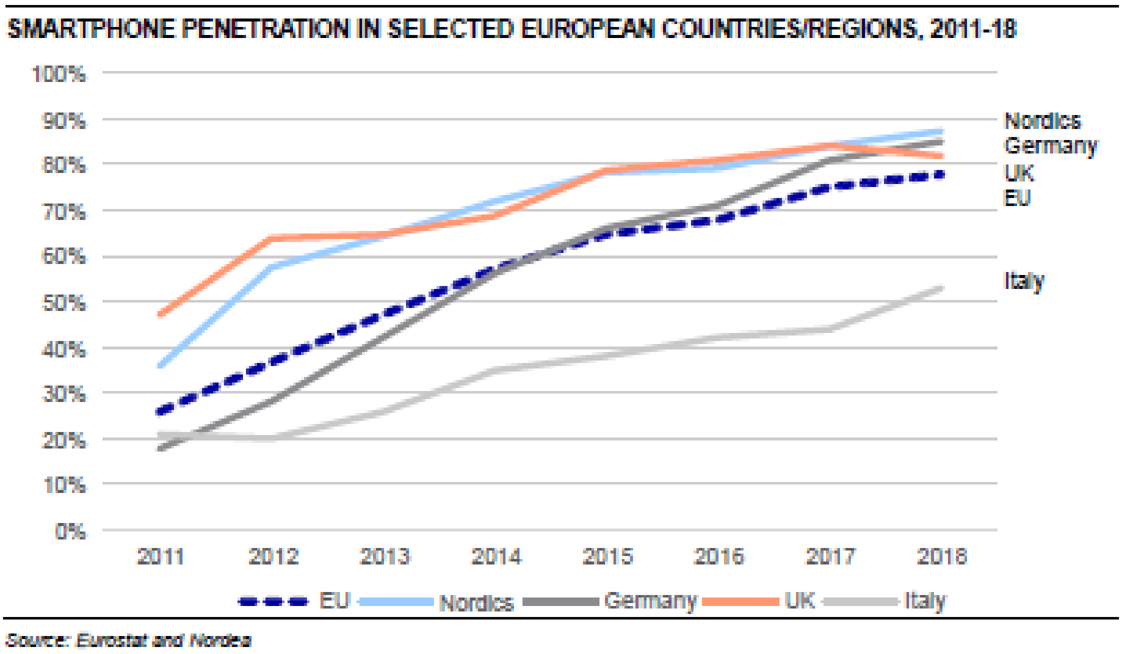


Figure 2. Graph of smartphone penetration in selected European countries/regions, 2011-18 (Nordea on your mind, 21.5.2019, p. 19)

2.1.1 Who are the online shoppers?

When looking at the demographics of people shopping online we can see the following trends, people in ages between 30-49 are more likely to do online shopping than people aged between 20-29. This is interesting as the assumption always have been that the younger people are the more likely it is that they shop online. When investigating the graph further you can see that there is a pretty big decline in online purchase habits when comparing generation aged 50-64 to the younger generation 30-49 year old. The decline continues even further when a comparison is made between 50-64 and 65+ year old. When looking at the graph we can also see how big the difference in income is between these generations which of course make a huge difference in how much consumers a ready to spend on online shopping, we can also see that consumers in younger generations spend more of their disposable income on online shopping than consumers in older generations. Thus we can conclude that after a certain amount of time when younger generations move up to the higher income levels, they will most likely continue with the same purchasing habits. And this will result in a significant boost on the e-commerce market, according to an estimation made by Nordea even if nothing would happen to our online purchasing habits in the near future. E-commerce will still increase by 40 % only due to the demographic perspective of people getting older and moving into a higher income level. (Ovin, 2019)

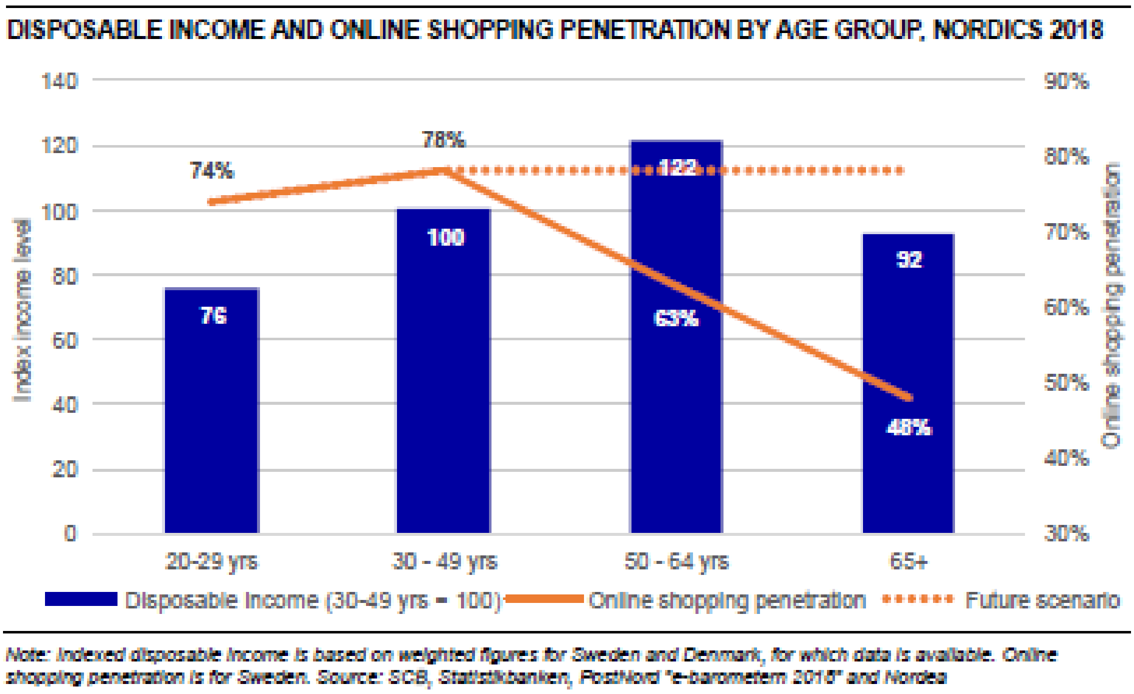


Figure 3. Graph of Disposable income and online shopping penetration by age group, Nordics 2018 (Nordea on your mind, 21.5.2019, p. 21)

2.1.2 Online versus Offline in ten years?

According to a trajectory made by Nordea the future of Online and Offline sales in the Nordics will develop as follows. At first, we will have to point out that total retail in the Nordics have grown by only 0,2-1 % a year since 2011, and the forecast for the following years are also as low as 1%. By this said we can turn to what the impact of online retail will have on offline retail.

According to the writers, in ten years we will see a steady -1,7 % decrease of offline sales per year or a total of 16 %. While at the same time e-commerce will have a modest growth of about 12,7 % per year, for the total retail this means that in ten years online retail will grow from 10 % to about 30 % of the total retail. By this we can draw the conclusion that online retail will have a big impact on the offline retail market, this as we know that the total retail have only grown with about 0,2-1 % a year since 2011. (Ovin, 2019)

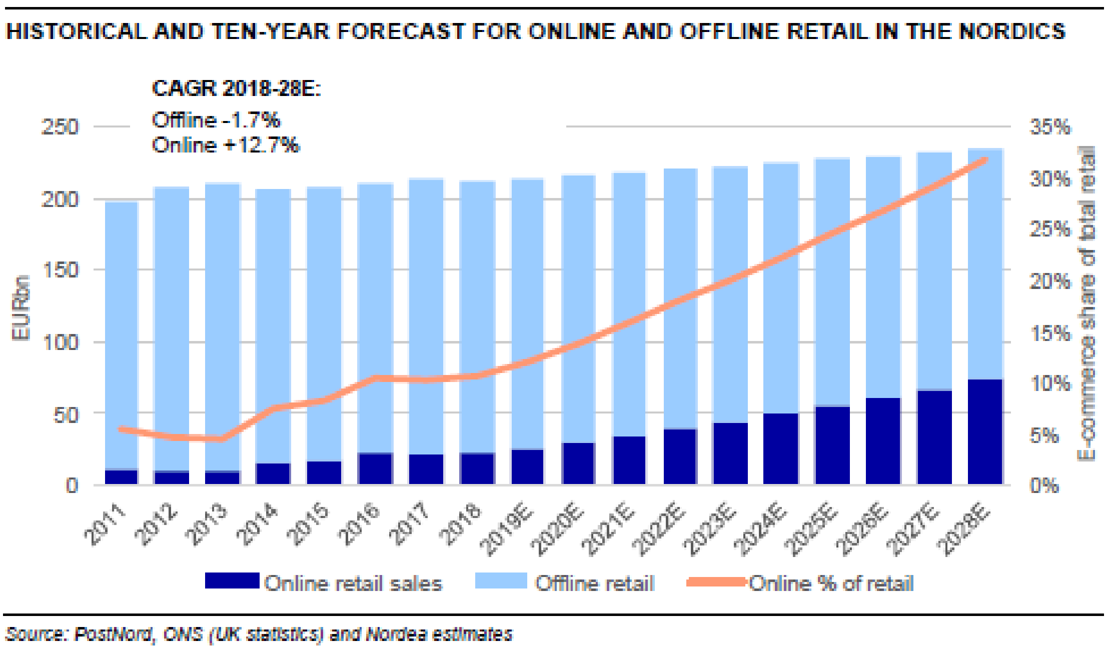


Figure 4. Graph of Historical and ten-year forecast for online and offline retail in the Nordics (Nordea on your mind, 21.5.2019, p. 23)

3 Objective

The objective of this thesis work is to investigate and find out how good the organization is at change management and communication of change processes. This I will investigate and try to suggest points on which the organization could improve on when communicating its visions and strategies from management to employees and further to dealers. The focus will be on the organizations internal strategies for how they mediate information to their employees such as district managers who is one of the focus groups in this thesis work. In other words; how can the organization become even better in leading and communicating changes so that its employees in the long run are able to communicate and lead dealers more successfully to adopt a preferable path for the future?

4 Limitations

Limitations for this thesis work have been to investigate and find what kind of challenges the organization face when handling change processes. to do this I have made a questionnaire that focus on both internal and external change processes, due to an internal discussion we have come to the conclusion that we should focus on our internal challenges. Therefore, I have continued by analyzing a couple of internal challenges that we face in our organization and will research further possible solutions for these by using change management as a theoretical ground.

5 Theoretical frame of reference

The theoretical framework for this thesis work’s main objectives will be retrieved from different change management studies, business reports and the organizations own material. The theories regarding topics of the thesis will then focus on how we can implement them in the most sensible way in the organization.

5.1 Planned change and change factors

Organizations today, more than before, have to keep up and be alert on what happens in their surroundings and therefore see themselves as part of a bigger system and not as an isolated player. Organizations will have to be up to date regarding changes in markets they are active in, what competitors are doing, what happens in the countries they are present in and what happens in the regions from where the company is getting its employees. These are all factors that changes the living conditions of the company, and to survive these changes the company have to always analyze and continuously work with making plans and implementing changes in their organizations. (Hallin & al, 2019)

5.1.1 External change factors

To be able to understand what factors influences an organization it is preferable to analyze the organization from the outside and in, for this an organization can use the SWOT or PESTEL analysis. The SWOT analysis contains four different categories to analyze and these are Strengths, for example what does your company do well, internal resources and qualities that separates you from your competitors together with brand identity and cost advantages, the second component is Weaknesses like for example limitations in resources, does your company lack something and in what areas are your competitors better than you. Next component in the analysis is Opportunities which could be for example E-commerce development or that you have few competitors in your market area, and also is there an emerging need of services or products and Marketing activities, the last component in a SWOT analysis is Threats which could be for example changing attitudes of customers for your company as well as bad or negative media coverage.

According to Francis Aguilar who developed the PESTEL analysis a company will have to continuously track the surroundings it is working in for different factors, to be prepared to make changes if needed in the organization. Factors to track in the PESTEL analysis are Political like for example government policy that could be for example foreign trade- and tax policies along with trade restrictions, the second component is Economic factors like for example globalization, economic growth, exchange-, interest-, inflation rates and disposable income. The next factor in this method are Social factors which could be for example population growth rate, age distribution, cultural barriers, health and lifestyle attitudes, as fourth component there is Technological factors which could be new technology, innovations, R&D and patents. The next component to consider are Environmental factors like for example climate change, environmental policies, international environmental agreements and environmental awareness of customers, as last component in Aguilars analysis are Legal factors like copyright and patent laws, consumer protection laws, health and safety laws and antitrust laws.

These two are examples of how an organization can make an analysis of different factors that may have an impact on the organizations way of doing business, therefore by executing these analyses frequently an organization is able to take different results in consideration and prepare itself for strategical or vision changes when needed. (Hallin & al, 2019)

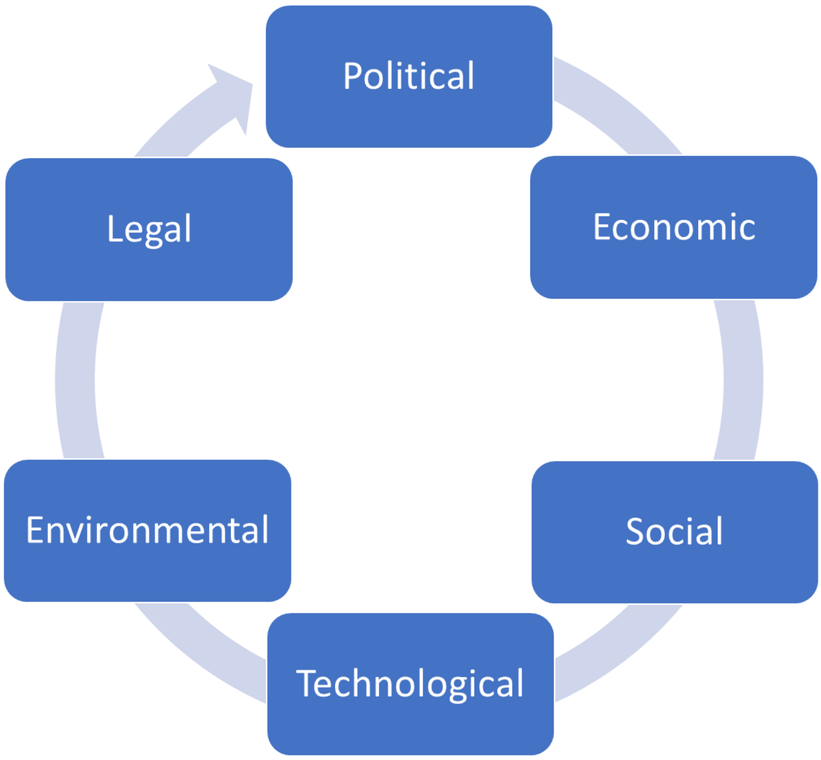


Figure 5. Illustration of PESTEL analysis (Hallin A. and others., 2019, p. 78)

5.1.2 Internal change factors

Due to all change factors are not external, the need for change can emerge from a variety of different inputs or changes in the organization. For example after a CEO change is made it normally results in launching a new change process, other factors that may launch a change process are inputs from the organization which could for example be a need of new work processes a new work culture or leadership. (Hallin & al, 2019)

5.2 Leader and Manager

There is a lot of different explanations regarding what a leader and a manager is. According to the authors an easy way to explain this is to say that a leader is a people person with focus on leading the people he or she is in charge for through mutual trust and relations. The manager is a person that has been chosen to a formal position, where he or she first and foremost have different administrative tasks, planning, problem solving, making rules etc.

The description above is of course a pretty black and white picture of these two roles, and due to this I have to add that the modern manager has to be something in between a leader and a manager. With this said we have now entered the main question, what kind of leader is required to be a successful change manager?

According to some studies made by Herold & al. (2008) and Battilana & al. (2010) the transformational leadership is the most successful leadership in a change process. Transformational leadership means that the leader work by inspiring and motivating people to make them achieve and exceed beyond their comfort zone, this leader usually work by mobilizing people into effective groups that gets the work done. The transformational leader gives the employees autonomy and authority to make decisions once they have been properly trained, which will boost the desire and motivation for the employee to achieve goals.

There are four components that characterizes this kind of a leader. The first component is idealized influence which means that the leader gets his or her influence from leading themselves by moral standards and values, and through this being a role model for other employees. The next component is inspirational motivation which gets people more motivated and hardworking by having a common vision and the third component is intellectual stimulus which means that the leader stimulates his or her workers to think outside the box to develop new solutions and ideas. The last component is individual consideration, which in practice means that the leader spends time to consider employees need of self-development, support and guidance. (Aronsson & al, 2012; Kaufmann & Kaufmann, 2015)

5.3 Change Management

According to source it takes 3 years to change the culture in a company or organization, 3 months for a smaller unit and 3 weeks for a single person, with this in mind it is good to think of the change process as a marathon. The organization that gets momentum up and is able to keep it will be able to successfully implement change.

What is change management? Change management is a way to lead and drive change in an organization. change management is the art to create willingness and understanding at the same time as it lowers the resistance against change in an organization. There are many different models for how change should be executed in an organization and I will in this chapter go through some different models.

5.3.1 Sequential Change models

Kurt Lewin defined in the early 1950 one of the first models from which many of our change models used today have emerged, the Lewin model consists of three steps in how to manage change in an organization.

The first step is to unfreeze the situation which means that you will have to determine what have to be changed in the organization at the same time you are ensuring that you have the support for the change needed. Next part in the unfreeze process is to create the need for change in the organization by for example erasing old structures and after this has been done try to understand and manage the doubts and concerns that have been raised by the organization.

The next step of the change is to move the organization, this means that you will implement all new structures, processes and routines, and by this action you will have to involve the organization in the process and be very clear and active to communicate with them. When changes are made rumors often arise and spread in the company, rumours are poison for your organization and therefore it is important to eliminate and handle all rumours as soon as they arise.

The third step is the refreeze or anchoring of changes into your organization, in this component you will have to anchor the changes by developing ways to sustain the change in your organization. An example of how to sustain the change is to provide training and support for the organization to become more acceptant of changes, the last but not least important thing in the refreeze step is to celebrate successes. Remember to celebrate successes, even small successes are successes.

The biggest difference between the Lewin model and the models used today is that there are more steps than only three, but the foundation was laid by Lewin for the sequential change models. (Aronsson & al., 2012; Kaufmann & Kaufmann, 2015)

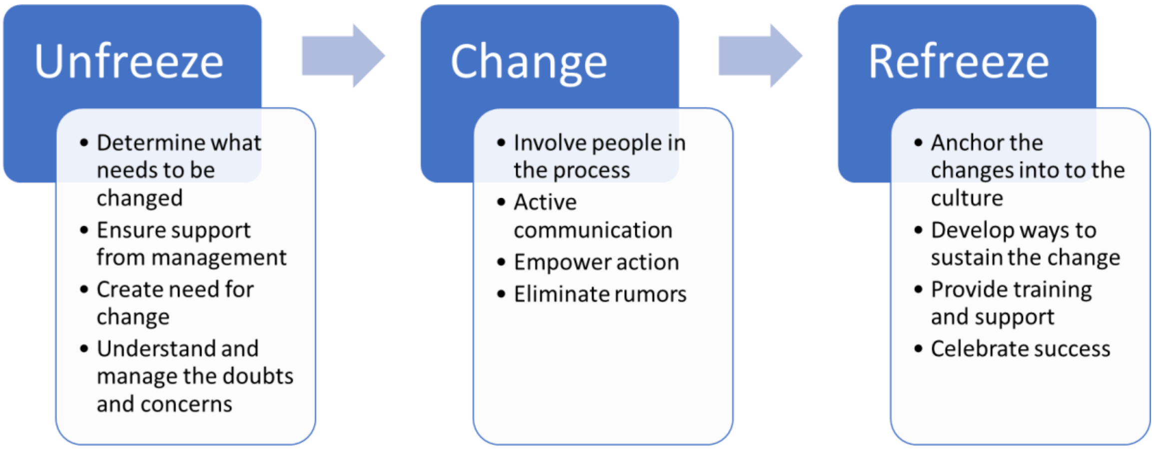


Figure 6. Illustration of the Lewin change model (Kaufmann G., Kaufmann A., 2015, p. 416)

5.3.2 Change process by Kotter

John P. Kotter (2012) is one of the authorities when it comes to leadership and change management, after many years of studies he came up with his eight step model which is one of the better known change management tools for organizations driving change. The eight step process consists of different steps that should be performed to manage a successful change. These steps are to create a sense of urgency, build a guiding coalition, form a strategic vision & initiatives, enlist a volunteer army, enable action by removing barriers, generate short term wins, sustain acceleration and institute change. Next follows a closer look into what these steps mean in practice?

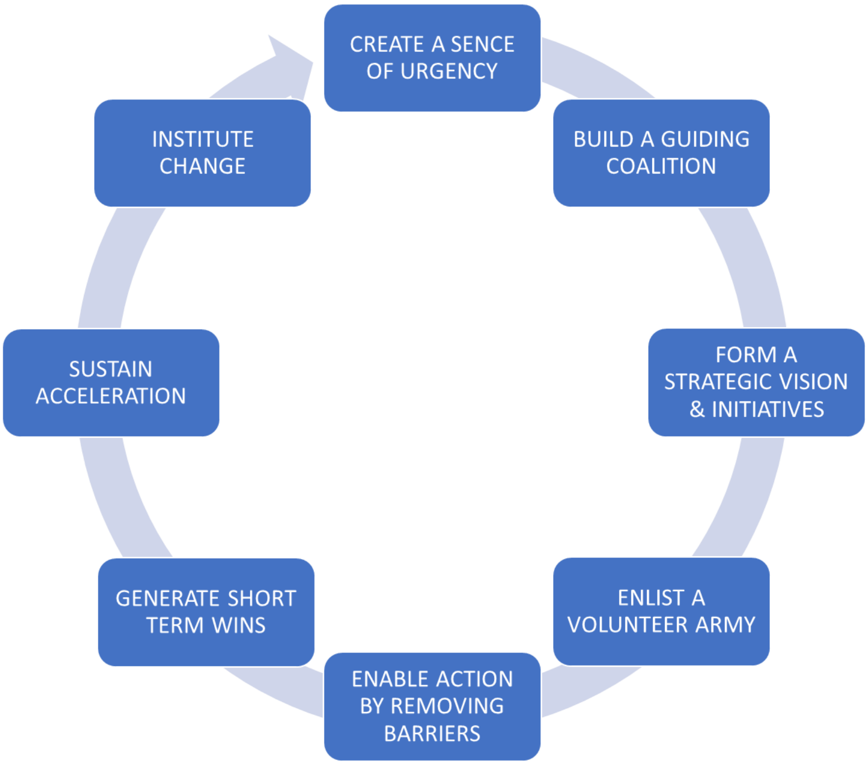


Figure 7. Illustration of the eight-stage process of creating major change (Kotter J.P., 2012, p. 23)

1. Create a sense of urgency

Many change programs fail because an organization do not manage to raise the sense of urgency to a certain level where the personnel understand that "we have to change" to survive in this business. By increasing the sense of urgency, the employees gets activated and ready to work for change. There is different things one can do to raise the urgency level, and these are to create a crisis by for example allowing a financial loss and exposing managers to weaknesses against competitors and allowing errors to blow up. Secondly you need to set productivity, income, revenue and satisfaction targets so high that they cannot be reached, then as next step the organization need to mediate more data about how the company performs against its competitors to a majority of the employees, especially data that shows the company's weaknesses. As last step you can hire consultants to dig up more data to force a more honest discussion in the management meetings. If a company does not manage to raise the sense of urgency they will have an organization in status quo that does not understand why they should change anything.

2. Build a guiding coalition

   Without a strong coalition or management team possessing the right skillset for leading the change there will be problems with both launching and keeping up the phase in a change process. It is also of great importance that the coalition establishes and forms a culture where the organization can discuss challenges with the process honestly and openly, this to enable the coalition to guide the change in the right way. To build a coalition you need to find the right people especially people with different backgrounds e.g. people with broad expertise, strong positions and high credibility, you will also need to create trust through discussions, joint activities and off-site events, and as last component you will have to develop common goals, these goals should be sensible to the head and appealing to the heart.

3. Form a strategic vision & initiatives

   A vision needs to determine the core values at the same time as defining the ultimate vision and strategies for realizing the change "we" want to make in our organization. To form this kind of an effective vision, it needs to consist of six characteristics. The characteristics are that it needs to be imaginable were people enhancing it needs to be able to draw a mental picture of how the future will look, the vision will also have to be desirable. It needs to appeal to the long term interests of stakeholders, employees and customers of the company, and it will also have to be feasible in a way that the vision is realistic and the goals set reachable. Another characteristic is that it have to be focused in that sense that it is clear enough to provide help and guidance for making decisions, one of the last components is that the vision need to be flexible enough to give individuals possibilities to alternative responses in the changing process. The last characteristics of a good vision is that it have to be communicable, this is one of the most important things with a vision. It needs to be so simple that you can successfully explain it in five minutes. When the organizations vision have all these characteristics they can be sure to have created an effective and achievable vision.

4. Enlist a volunteer army

   Many change processes fail due to under-communication of the vision and strategy that has been developed. Therefore, to get real power and efficiency out of a vision you need to get a majority of the people in an organization to have a common understanding of the strategy and goals you are trying to achieve with a change process. This step in the process deals with how to successfully communicate your vision to the organization, as Kotter (2012) writes key elements to an effective communication of vision is simplicity this by using an effective and simplified language. Do not hide the message behind difficult words or terminology instead use metaphors to build up a verbal picture for people to understand your message. The organization will also have to use multiple forums to communicate it, everything from meetings, newspapers, intranet, informal and formal channels have to be used to successfully mediate the change but equal important as to use multiple forums is repetition. All information is good to repeat several times to get people to take in the information, as next step it is important for the leadership to lead by example, people in key roles need to work consistently with the vision in their way of work to promote others to follow. The last key element in this phase is to have two way communication this because it is always more effective to have two way than one way communication.

5. Enable action by removing barriers

   Usually there are existing barriers in the old organization that works against the new vision these could for example be old structures and ways of thinking, therefore it is very important in this step of the change process to transform these barriers to support people in their work with the new vision. To empower people in the change process you will have to make structures aligned with the vision as well as provide your employees with needed training, this because a lack of skills among personnel will disempower them. After this the organization will have to align systems to support the vision, for example KPI’s and HR systems used have to promote the vision via performance goals, compensation and promotion. It can also be crucial to confront supervisors that do not support the change process, because “nothing disempowers people more than a bad boss”. The last component in the change process is to communicate and create a shared sense of purpose for the employees.

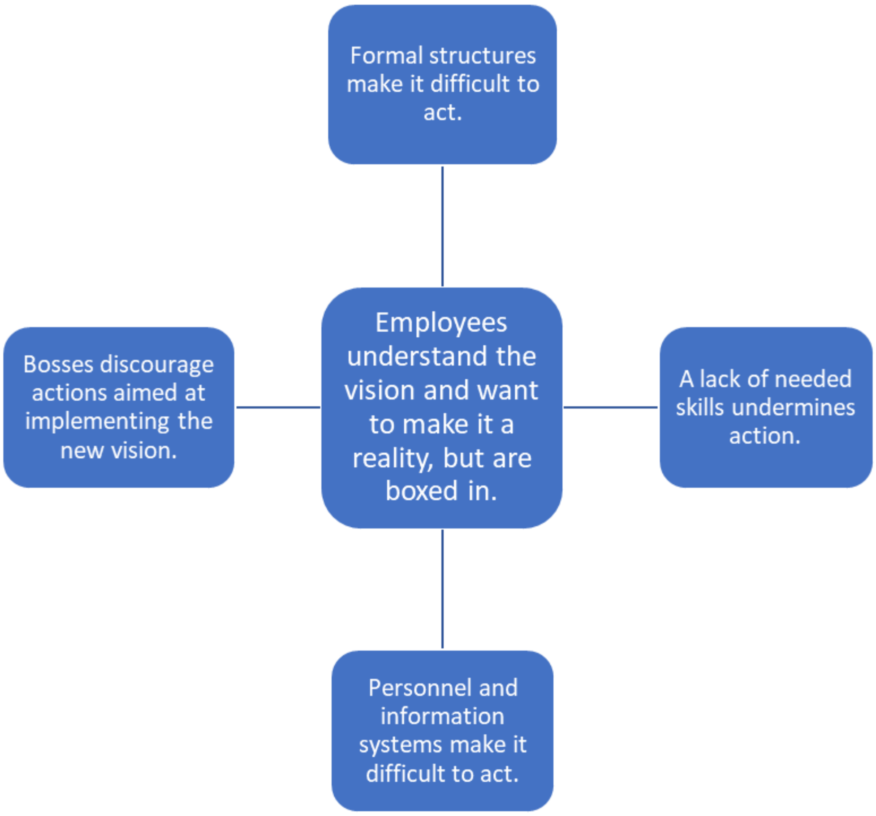


Figure 8. Illustration of barriers to empowerment (Kotter J.P., 2012, p. 106)

6. Generate short term wins

Planning of short term wins have to be initiated in an early stage of the change process planning, this because short term wins are needed to follow up that the process is on track and also to stimulate the personnel working with the vision to keep up the pace and morale. Role of the short term wins are to provide evidence that the time and workload people put into the change process is worth it, the evidence will also have to justify the costs that has been involved in the process which makes it possible to give positive feedback that boosts the morale of the personnel working with the change. Short term wins also give measurable data to the coalition to fine tune the vision and strategy, another role these wins have is that clear improvements and results will make it hard for skeptics to undermine the needed change. Another role of the short term wins is that it is easier to show executives and management that the transformation is on track and already showing results, the last component is that with short term wins the organization builds momentum by activating people and gaining supporters.

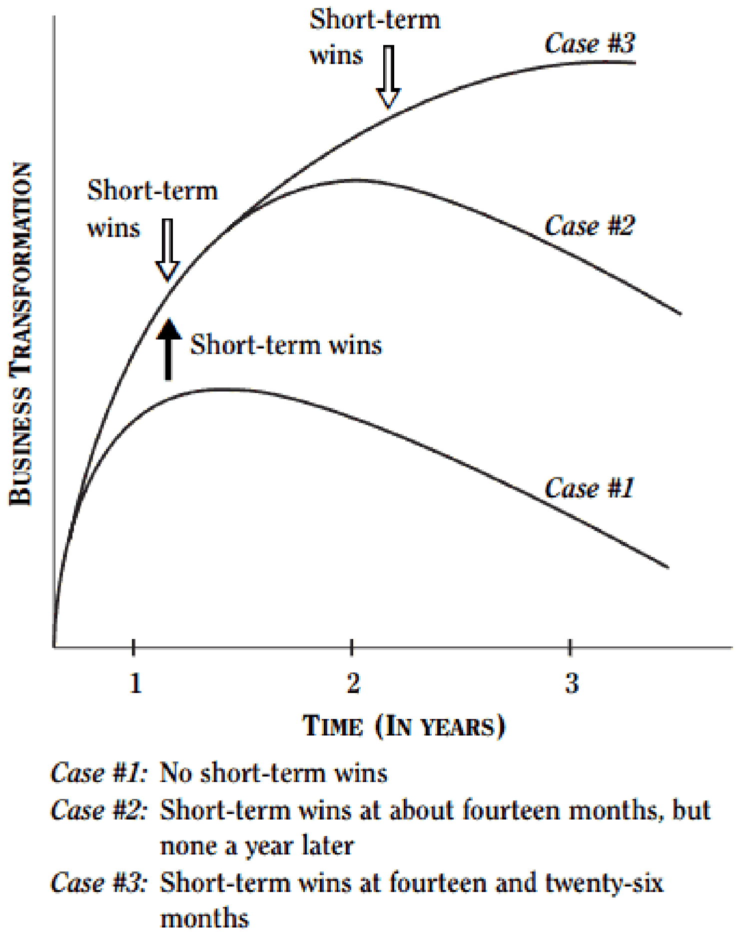


Figure 9. Illustration of the influence of short term wins on business transformation (Kotter J.P., 2012, p. 124)

7. Sustain acceleration

After a bigger achievement have been reached it is important to not celebrate these achievement too much. This because the productivity will in this case drop dramatically as the personnel or change agents will see it as they have reached their goal. In this case when the organization has made a greater achievement it is important to use that momentum to start the process of continuous improvement and making more goals by analyzing different success cases individually and improving from those individual cases. The key steps of phase seven is to make more changes by using the credibility of the short term wins to make bigger changes along with involving or hiring additional people and promote change agents to help with all changes that have to be made. Another key component is to keep up the sense of urgency and maintain clarity of the change purpose. Make a reduction of interdependencies to make change and processes easier, it is also necessary in this phase to identify and eliminate interdependencies.

8. Institute change

After a lot of hard work with the change process it is important to institute the changes made into the culture of the organization, otherwise the company will probably without noticing go back to its old habits and routines which can be harmful for the company. According to Kotter (2012) this is one of the hardest thing to do in the change process, to anchor changes into the culture you need to show and highlight result because new processes usually gets accepted and brought into the culture after they have proven that they are superior to old methods. The biggest changes in peoples values and standards comes in the end of the transformation process, another element for anchoring is discussions because without a lot of discussions and support people often do not want to admit the successes of the new process. Unfortunately sometimes the only way to change culture is to change key people. In the process to anchor changes it is crucial that new promotion process support the change vision together with new practices, otherwise the old habits and practices will reappear in the system. (Kotter, 2012)

5.3.3 Change model by M. Fullan

Another authority of change processes is Michael Fullan (2007) with his change model consisting of eight components, this model is interesting as it differs from Kotter’s (2012) step by step change model. According to the writer the more complex our society gets, the more sophisticated our leadership have to become. Organizations are complex and with complexity he means that change is rapidly occurring, nonlinear and unpredictable at the same time as the pace of change is increasing. In a rapidly changing society to solve problems it is essential for an organization, when discovering new ideas to have a knowledge creation and sharing of knowledge culture to solve these challenges. As stated by Fullan (2007) in the knowledge society businesses will have to become learning organizations or they will most likely not survive. The change model consist of the following principles and the first one is to specify what- the moral purpose of the change is, the second is that change- and leadership theory are needed. Next component in his model is that diversity and conflicts are a good thing, and the fourth principle is that working on the brink of chaos is good as it flourish creativity and leads to coherence making. Emotional intelligence and collaborative cultures contain and provoke anxiety, as next principle in his model is that knowledge-building and sharing along with being connected through different relationships is important for the change. Last principle in this model is that an organization need to create its own theory and solution because there is no single model that works.

According to the author good leadership in a change process consist of five different components. The first component is moral purpose which means that the leadership have to act with the intension of making positive difference for customers, employees and society. As stated by Sober and Wilson (1998) all effective leaders are driven by both egoistic and altruistic motives which is perfectly fine as they need to find their own drive from somewhere, and in the end a leader that works with the five components mentioned in this chapter will find themselves formed by the moral purpose of the change. The moral purpose of an organization and its leadership is becoming more and more important as we are living and working in a complex world and business climate.

Second component states that it is essential for leaders to understand the change process, because a moral purpose without understanding of the change will lead to problems with executing the change process. according to Fullan (2007) leaders that combine their commitments with a moral purpose and respect for the complexity of a change process will be more successful and develop an even deeper moral purpose for the change. Stated by the author to understand a change process is less about innovation and more about innovativeness as well as less about strategy and more about strategizing, by this he want to open up the concept by explaining that we cannot make an over simplified step by step solution as we are living in a complex environment overflowed with complex, contradictory and unclear advice. He addresses his critic to management gurus like for example Mintzberg, Hamel and Kotter, this as he points out that to be able to lead a change process successfully in a complex environment you will have to understand the change instead of making step by step processes that can be hard to implement. In Fullan's (2007) second component there is six phases in understanding the change process. The first one is to understand that the goal is not to innovate the most, this because a lot of innovations usually makes the process to superficial without depth and coherence. the next component is to understand that it is not enough to have the best ideas, to explain it he states that this is the leader who always have the best ideas that may get some problems with getting people to buy into the ideas. This will in the long run not be successful and the leader will most likely encounter overwhelming opposition- . The third is to appreciate the implementation dip which is a dip in performance and confidence when change agents and leaders in the organization meets challenges that require new skills and understandings. Leaders that understand the dip knows that people in this situation experience lack of know-how skills and have social-psychological fear of change to make the change process work. Next component in this phase is to redefine resistance which means that we are more likely to learn from people we disagree with than from people who we agree with, therefore we have to respect people that disagree with us, because they may have ideas or solutions that we missed that can enrich the change process. Fifth phase is that "reculturing is the name of the game", to convert the culture of how the organizations does things is the main topic. As the author writes "Leading in a culture of change specifically means creating a new culture of change", it does not mean to adopt a lot of changes it means to create the tools to critically evaluate and selectively incorporate new practices and ideas both internal and external. In the last phase it is to "never a checklist, always complexity" which means that there will never be a recipe or a step by step process for change, according to Fullan (2007) step by step methods such as Kotter's (2012) should not be used as a basis for planning but as a tool to get new ideas and models that may help to develop your own change process through the leadership models five core components.

According to the change models third component that you need to become successful in a change process is to improve relationships, because if relationships is improved things will automatically get better. Therefore, it is important that leaders in a change process are successful at building relationships with diverse people, especially people and groups that are different than themselves. This because if you have people that are very similar the leader will receive an easy consensus which may not help to execute the change process as there will be less input of different solutions and ideas. Relationships are not only networking, every company has a “soul at work” which is both collective and individual. The majority of people working for a company wants to be part of their organization and strive to understand and make difference in their organization. When the individual soul gets connected with the organization, people in the organization will become connected to a greater level which means that their desire to be part of and work for the change process will increase. Stated by Kouzes and Posner (1998) you need seven important factors- to develop relationships, according to the writers these are that standards should be clear and you should always expect the best. Next factors is to always pay attention and recognition should be personalized. It is also important to tell the story and celebrate together as well as to set examples.

The fourth component in the process is knowledge creation and sharing which is a component that is very dependent of the three earlier themes, as a rule of thumb information develop into knowledge only when it takes on an own “social life”. this phase as stated before is dependent of the earlier components because people will not share knowledge voluntarily if they do not feel a moral commitment to do so. They will also not share their knowledge if they feel that they are not gaining any knowledge during the change process, third thing is that you need good relationships to share knowledge as it is a social process. Many organizations have invested in technology and training but almost none in knowledge creation and sharing, therefore organizations usually finds it hard to do it when they- attempt to. In the knowledge creation process you will have to put a lot of demands on relationships in the organization, this because in order to share personal knowledge the individual sharing will have to rely on that others in the group listen and react to their ideas.

Last component of the five is that good change leadership need coherence making, all the complexity in a change process keeps people near the edge of chaos. Therefore, it is important for the leader to support his people to be near this edge as it is here where creativity flourish. Along the way when working with the change process people get more knowledge about the change and they will start to seek coherence and make patterns that are worth retaining. In this component there is two different concepts in complexity science that can be attached to the coherence making and these are self-organizing and strange attractors. The self-organizing part deals with new relationship patterns and action that emerge when setting up the processes and conditions described in earlier phases. The strange attractor concept are called strange because they are not predictable. We could describe this concept by explaining that they are components like experiences and forces that attract change agents to commit and awakens their desire to work on the change process. An example of an attractor can be a vision as it can work as an attractor when it is shared at all levels of the organization, but then only when it arises through experience and by this action creates commitment for the change process. As he writes the organization and the change agents will experience the most powerful coherence when they worked through a hard to solve problems complexities and ambiguities. (Fullan, 2007)

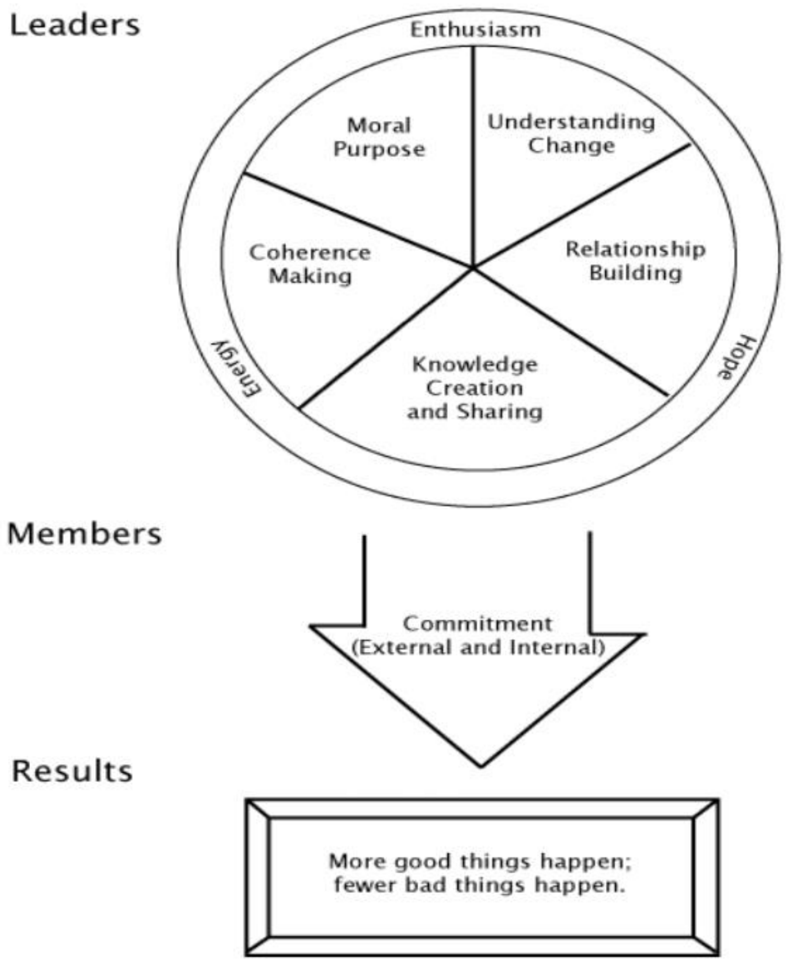


Figure 10. Illustration of the Fullan change model, a framework of leadership (Fullan M., 2007, p. 4)

5.3.4 Four phases of change

During the process of change the participants in an organization usually goes through four phases, these four phases of change consist of the following components. Phase one which is the denial or shock phase where the participant goes through a strong emotional phase that will make a change in the behavior of the participant, a person experiencing this phase will try to block facts and inputs regarding the uncomfortable matter. Next phase is the resistance or reaction phase where the participant will make mental resistance against the change when he or she notices that change is a fact, this usually causes strong reactions such as anxiety, despair, rage and depression. The third phase which is the exploration phase states that the participant has accepted the "hard" change and is beginning to look forward as he or she is trying to find new ways and possibilities to cope with the change. The last phase is the commitment or adaption phase, which means that the participant is starting to get solid ground to stand on and is beginning to activate and engage himself in the new situation and in the future to come. (Kaufmann & Kaufmann, 2015)

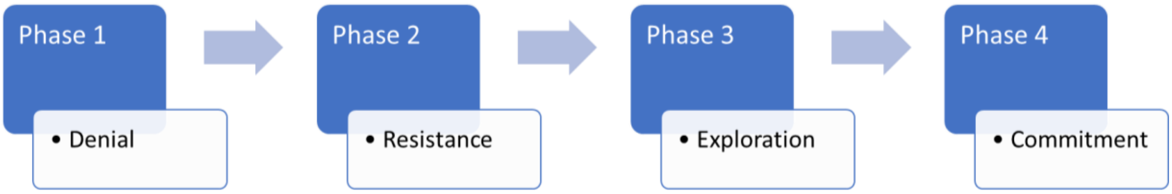


Figure 11. Illustration of the four phases of change (Kaufmann G., Kaufmann A., 2015, p. 416)

5.4 OMNI Channel

Omni-channel retail operations focus on the total customer experience, Omni-channel is a retail approach made up from different channels from where a customer can make his purchases or be in contact with a supplier through channels such as brick and mortar stores, web-shop, mobile app, phone or social media. In an Omni-channel all these are seamlessly spun together to make the best possible customer experience regardless of which channel they choose. The Omni-channel approach to the customer have become very important, as a Harvard Business Review have stated that 73 % of customers use multiple channels before they make purchase. (Roberts, 2019)

5.4.1 Omnichannel and Multichannel

Multichannel is a retail channels system where you have for example an online store and an offline store where both stores are owned by the same retailer but operate as separate stores beside each other, this compared to the omnichannel concept where both stores work together as one with focus on the complete customer experience. What have to be said is that without a multichannel concept it is not possible to have a omnichannel concept, as this concept is built on the multichannel. (Roberts, 2019)

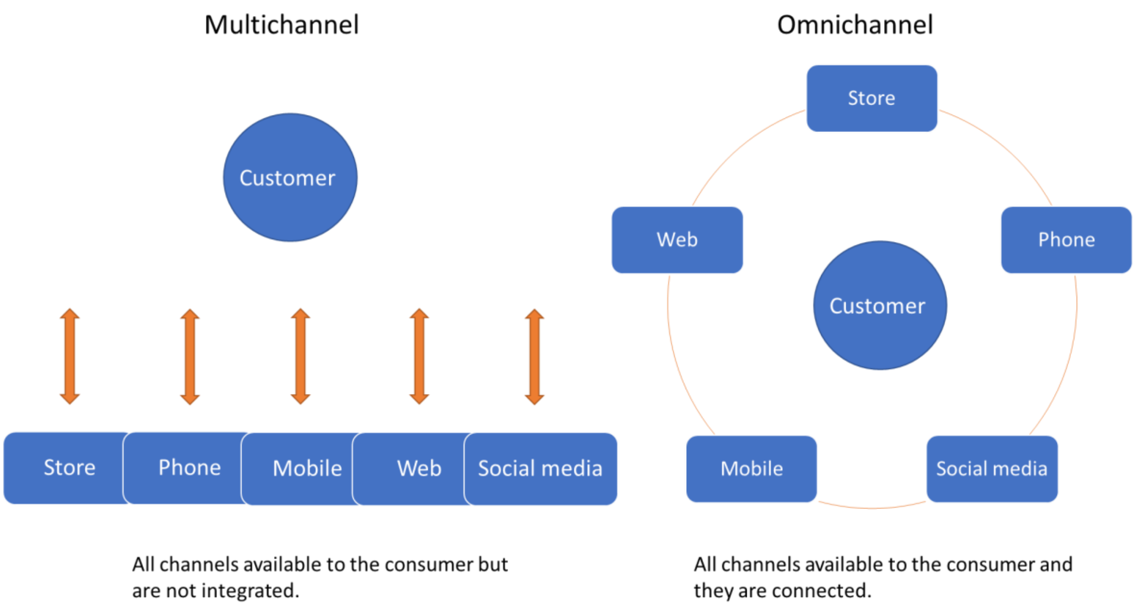


Figure 12. Illustration of the differences between a MULTI- and a OMNI-channel (Roberts T., 2019, https://www.bloomreach.com/en/blog/2019/07/omnichannel-commerce-for-business.html)

5.4.2 Benefits of an Omni-channel

According to Roberts (2019) benefits of an omnichannel are the following. First and foremost better unified experience for the customer as they use different channels, the integration between channels have to be as invisible as possible. Second benefit is that retailers increase sales by using the omnichannel concept, this result has been presented by a study made on customers. Third benefit is that an omnichannel solution increased customer loyalty compared to a single channel concept retailer, then which is the fourth and last benefit. According to Roberts an omnichannel concept makes it possible for the retailer to track their customers and collect data to make the customer experience even more personalized compared to a single channel solution, which encourages customers to come back to the store both to the online- and offline store. (Roberts, 2019)

5.5 The Amazon effect

The Amazon effect is a phenomenon that refers to the change in shopping patterns and customer expectations which has formed todays customers, when getting used to new digital marketplaces that have made an impact on the brick and mortar business. For example in today’s world people more easily use their phones or computers to shop or make an comparison between different products at the same time their getting used to the easiness of finding what they are searching for, this have also gotten them used to a bigger variety of products and made their expectations on physical stores higher.

Pavlova points out in her article that some advantages that bricks and mortar stores have as advantage compared to e-commerce and pure online retailers, is WACD or “what amazon cannot do”. For example, what a pure online retailer cannot provide is service, experience, curation and community which are all very important components in the customer experience. (Shobhit, 2018; Pavlova, 2019)

6 Method

There is different kind of methods one can use to gather data for a thesis, two types of frequently used methods are the qualitative approach and a quantitative approach. Examples of a qualitative approach is observations, interviews and questionnaires with a specific target group. Examples of methods with a quantitative approach is surveys, experiments and statistical methods. According to Blomkvist it is preferable not to decide too early in the thesis process which method to use, because the complexity of the thesis may require both methods. When choosing a method I have in my thesis chosen to use the qualitative approach, this because we were able to narrow down the questions, challenges and the target group that we wanted to research in a pretty early stage. Therefore, we did not see a need to work with a wider approach were we would have for example asked a broader group in the organization. The empirical research was made through discussions and observations of the organization, from where the questions first emerged. Through more discussions with people within the organization a couple more questions emerged, and from these the case study and questionnaire occurred. The first phase of the research where to send out a written questionnaire to respondents to answer on, after these discussions were executed with some of the respondents to get more clarity and to dive a little deeper into some of the answers. As explained the thesis work has been distributed by sending out a qualitative questionnaire by e-mail to employees in different positions in the company. The respondents have been divided into two groups ``Management and District managers´´. In total for this qualitative research there has been sent out eleven questionnaires five to people in management position and six to district managers in two countries Finland and Sweden. After received answers there have been made some further discussions with some of the respondents to clarify and dive deeper into some of the topics. By this approach I have been able to map the differences between the groups on how they experience that the organization handle change processes. I have then compared the answers against each other to get an actual overview of where the challenges lay, the challenges that emerged have then been further investigated to find out how the organization can become better to for example mediate its change processes. (Blomkvist & al, 2014)

7 Findings

7.1 Questionnaire and analysis of answers

For the thesis work two different questionnaires have been made, one for management and one for District Managers. The difference between these lay in question number four regarding to be a change agent or a change leader. The questionnaire consists in total of eight questions that process both the changing world around us and how we handle change processes internally as well as externally, the questionnaire used you can find in the appendix section of this thesis. In this section I will look more into some of the answers received from the questionnaire, this approach has been chosen due to the limitations set for the thesis. These where to focus on internal challenges in the organization and on how the world is changing around us, this approach has then been encouraged during some formal discussions made internally.

7.1.1 Question: 2. In which way will the market change in the coming 5 years?

The respondents agree that there will be several touchpoints in a purchase journey for customers where the organization will have to be present when selling its products. According to the respondents most of the sales transactions regarding products will go through different e-commerce solutions in an OMNI-channel where the brick and mortar stores have moved their focus to solution sales like for example digital and financial solutions as well as service contracts. Other trends that will change the sales arena and customer behavior is sharing economy and of course the environmental aspect which will put focus on the switch from petrol machines to battery and increase the interest of rental services. As stated by the respondents the brick and mortar stores will change their appearance by becoming more as showrooms that customers visit to get knowledge and help to find the right solution, the stores will probably also have to move closer to its customers like for example malls where the majority of people are. The respondents thoughts also seems to align with the predictions Nordea made in their report regarding how e-commerce is changing our purchase habits, according to Ovin the purchasing habits of people in the younger age group between 20-29 will make an significant boost on online sales as they move up to a higher income level. With only the demographic perspective they predict that e-commerce sales will increase with about 40 % which undoubtedly will make an impact on the brick and mortar stores. According to a forecast that Nordea have made the Nordic offline sales will decrease with a total of 16 % to 2028 whilst at the same period e-commerce will have a growth of about 12,7 % per year which means it will grow from 10% to 30% of total retail in the Nordics until 2028. With this said and as stated we can draw the conclusion that the organization and its dealers will have to focus on e-commerce solutions and solution sales to successfully cope with the changes we have ahead of us. As we see in answers from the respondents everyone seems to agree that this is that path we are heading and should focus on, below we can see some of the answers received from the questionnaire.

- The largest external developments I see are related to the way that customers behave, mostly facilitated by digital/online, increased transparency of what is on offer, and main macro-trends such as urbanization, economies of cities (instead of economies of state/countries), the need for immediate fulfillment (zero patience economy). That being said, the current COVID-19 situation will accelerate a couple of these trends, while on the other side the ability (mostly investments related) to further grow macro-economically is insecure. For our industry, trends such as sustainability, banning of chemicals, labor scarcity (but see COVID-19 impact), sharing economy, and power source shifts (petrol to battery) are the major forces.

- Consumer behaviors following Servitization, Robotization and Digitalization. Customer preferences / distribution / retail landscape are changing. We are capitalizing on that trend and are launching new ways to buy, rent or use our products.

- The sales of robotic mowers and battery will increase considerably.

- Hard to tell, but I think we will buy more online at the same time as the dealer channel will become more important with services like PDI (Pre Delivery Inspection) on click and collect products at the same time as they can offer for example service contracts.

- Possibly more cooperation with retailers that would have e.g. SIS (Shop In Shop) solutions or an own department. And of course rental, leasing and financial services.

- Different kind of sales channels. The customers will become more demanding regarding solutions, services, deliveries, this because we are living in a zero patience world. E.g. when launching a new product we have to be able to sell and deliver it from stores and online-stores the same day. We will also have to become more available for customers and more flexible regarding working with other businesses.

7.1.2 Question: 4.3. How is a good change leader/manager? Management.

4.3. Management (MGT). How do we communicate our change processes and visions out to our company and make sure that these visons reach our district managers and dealers?

1. From the answers below we can see how management in the organization responded on the question how to communicate visions out to the rest of the company.

   - Strategy is broken down to tactics and daily tasks

   - Dedicated platform with contents (Videos, presentations…)

   - Workshop with management & employees

   - Regular follow up

   - Create content (videos/PPT) and methodology to engage employees

   - Proper communication material, storytelling booklet, and clear set of financial and non-financial targets. As we do within the Division, similar setups (although less detailed) can be held with external parties, such as dealers. Clear

> argumentation on why we are going into the direction we are going, and define a trading partners' role in this journey we are on together. Also be clear that it will not be easy (cliché, but change is not easy) but essential. Sales reps are onboarded in similar way as I mentioned above, through workshops and have them also take that self-leadership role, what can they do to contribute?

After a review of the answers we can see that they are corresponding with Kotter's (2012) fourth stage in his eight stage change process regarding how to "enlist a volunteer army" which consists of these key elements. The first one is simplicity, use an effective and simplified language, do not hide the message behind difficult words or terminology. The second element is to encourage and use metaphors to build up a verbal picture for people to understand your message, element number three highlights to use multiple forums, everything from meetings, newspapers, intranet, informal and formal channels have to be used. Next element is repetition, all information is good to repeat several times to get people to take in the information, the next component is to lead by example, it is important that people in key roles works consistently with the vision in their way of work to promote others to follow. The last element encourages two way communication as it is always more effective than one way communication. Communication is one of the main key elements to successfully mediate change, if we then look on Fullan's (2007) model we can draw parallels to the relationship improvement component. It is important to build on the corporate relationship or "soul at work" as he calls it, this because the majority of people strive to be part of and understand as well as they want to make a difference in their organizations. When working on this component and people are starting to feel more connected to the organization, they will automatically desire work harder for the change process.

7.1.3 Question. 4.4. How is a good change leader/manager?

4.4 MGT. In what way do we successfully manage to mobilize enough change agents (employees) to make it possible to implement a change?

- Allowing time and financial rewards
- Via workshop to secure "understanding of contribution expected" to engage them
- Regular follow up
- Most important is to do regular temperature checks on whether people are committed and motivated to lead the change. Showcasing early successes, even if small, will help to get more change agents pro-active, and wanting to be part of the success. Learn from each other.

To successfully mobilize people in the organization the respondents prefer a couple of different tactics like for example allowing time and giving monetary rewards to activate as well as to follow up regularly. In the answers we can also see more modern approaches like schooling and workshops along with the need to show short term wins for the change agents to keep them motivated. According to Fullan (2007) it is important to establish the moral purpose of the change and also work with the understanding of the change process.

7.1.4 Question: 4.4. What makes a good change agent? District Managers.

4.4. (DM.) Do you feel that you get enough of schooling/training? Please specify in what way?

1. When looking into the respondents answers we can see that there are many similar answers that unanimously says that the organization has some challenges with providing its change agents with enough schooling to be effective in their role. Below we can see the answers from our responders.

   - Well, Sometimes it feels scarce but it can depend on that I am new in the organization.

   - We have not had any.

- We have an enormous flow of information in the organization, therefore it can be hard to assimilate all of the information. At the moment you will have to search for a lot of different kind of information yourself.

- We should maybe decide more together regarding our guidelines how we handle challenges. We also need to update our own knowledge when necessary and when possible.

- We need more relevant schooling and also product schooling.

- We need external schooling, e.g. economy, social media marketing and tax questions.

According to studies one of the main components to get change agents activated to work with a new vision and strategy is to analyze and find barriers that does not support the new vision and strategy in the organization. As Kotter (2012) writes these barriers have to be removed or transformed to empower people in their task to work with the change. To do this he underlines that the organization will have to first make its structures aligned with the vision and secondly provide its employees with needed training, because a lack of skills among personnel will also disempower them. The next component is to align systems to support the vision like for example HR systems used have to promote the vision via performance goals, compensation and promotion. If necessary the organization will have to confront supervisors that do not support the change process because “nothing disempowers people more than a bad boss”, the last step is to communicate and create a shared sense of purpose for the employees.

Then according to Fullan (2007) we will during a change process face an implementation dip, which means that people working with the change process will at some point meet challenges that requires new skills and understandings. At this point the change leaders will have to be awake and able to support their employees to work with these challenges so that they can successfully continue working with the change process. As we see training and schooling that is one kind of support for the change agents is one of the more important tasks during the change process, and as stated by the respondents this is one area the organization could possible look into.

7.1.4.1 Support Questions: 4.6. and 4.7

4.6. DM. Are you experiencing that you have enough freedom to be effective in a change process? and Question nr: 4.7. Are you getting enough of support?

1. According to the respondents about 60 % feel that they have not got enough freedom to be effective in a change process. And one answered as follows, “mostly I feel that I have enough of freedom, but sometimes it would be good with more time to be able to meet expectations. Better planning and preparations when it comes to for example PSO:s, sometimes I would also wish for more flexibility and less bureaucracy.

2. According to the respondents about 60 % feel that they have not got enough support when working with a change process.

7.1.5 Question: 4.8. DM. What kind of support do you need?

1. As stated in the previous question the district managers in the organization would appreciate to get more schooling, support and freedom int their role of being change agents. Next follows a closer look at what this actually means and what kind of support the respondents would need or would like to have?

   - In some cases I would need some more knowledge before presenting anything to the dealers, this because things sometimes move very quickly.

   - More freedom to make decisions.
       - All ideas are overturned at the next management level and does not move forth from there.

   - Work more in groups , different areas of responsibility, more planning and decision making together.

   - More feedback, what has went well and what can we improve etc.

   - External schooling from the organization.

As stated in the answers we can see that some of the topics are similar to earlier. As well as new ones have occurred, highlighted from the respondents are a need to get more knowledge and schooling, more teamwork and more feedback regarding how they are performing during a change process. According to Fullan (2007) you need a couple of things to be successful in a change process and these are moral purposes, understanding of change process, relationship building, knowledge creation and sharing and as last component coherence making. After an overall analyze of the answers we come to the conclusion that we could make a closer look into the components of understanding the change process as well as knowledge creation and sharing, it seems like these are the components that the organization possible could look further into. According to Kotter's (2012) theories to improve the mentioned components an organization could focus on phase four, five and six in his step by step model. With adding number six I would like to highlight the need of short term wins after the organization have mobilized their change agents to a degree that they understand and are committed to drive the vision through.

Then according to Fullan's (2007) approach, organizations will have to become learning organizations where they have more knowledge sharing and understanding of the processes in focus then step by step solutions. In a case where the organization follows a step by step process they have to be the one that have created it. To understand a change process you need to understand the following six components, first you need to understand that the goal is not to innovate the most and the next factor is that it is not enough to have the best ideas. As the third component is to appreciate the implementation dip after which they need to redefine resistance, the fifth component is reculturing and the last mentioned is to never have a checklist always complexity. According to the analysis mentioned above and the theories of Fullan (2007) it could be interesting to look into how the environment regarding knowledge sharing and creation has been built up. As the respondents writes and according to theory the organization could think about the possibility of providing more schooling and maybe focus on what culture they have concerning knowledge sharing and communication. Then regarding more teamwork this is one thing that is aligned with the relationship and knowledge creation and sharing phase of how to successfully work with a change process.

7.1.6 Question: 6.2. How can we become even better change leaders? What could we do better?

When we look into the respondents answers we can see a variety of different suggestions on how the organization could become a better change leader. From these answers I have chosen a couple that I wanted to look more into.

1. According to one of the respondents we need to do more follow up at the same time as one of our main issues are that “we tend to move to the next subject before securing proper change is there to stay and not only in short term”. This statement matches as some research have stated on sequential change models by Lewin K. that you also need to focus on anchoring the change by developing ways to sustain the change in an organization. A successful anchoring or refreeze process needs to include the following elements, to anchor the changes into the culture you need to provide training and support for all employees and develop ways to sustain the change as well as celebrate successes both small and big.

   Another authority on sequential change models namely Kotter (2012) stated that the hardest thing with a change process is to anchor the changes after they have been made, according to his studies there is some things you have to take into consideration when anchoring a change. First you need to show and highlight result, this because new processes usually get accepted and brought into the culture after they have proven that they are superior to old methods, and the biggest changes in peoples values and standards comes in the end of the transformation process. Here we can compare this theory to Fullan’s (2007) theories where he points out that it is essential to start by working with the moral purposes and understanding of the change process. Third step according to Kotter (2012) is discussions because without a lot of discussions and support people often do not want to admit the successes of the new process, the next step points out that sometimes the only way to change a culture is to change key people. According to his last step it is crucial that new promotion processes support the change vision and new practices, otherwise the old habits and practices will reappear in the system.

2. Another respondent highlighted that we should “steer less on short(er) term KPI, especially since large changes will involve new KPIs and some delay in getting results in ”and not to give up too easily”. According to phase five in Kotter’s (2012) change model you need to remove or transform barriers that work against the new vision to make it possible for people in the organization to work with it. In this phase there is five steps an organization can do to successfully empower people, One is to make structures aligned with the vision and second is to provide your employees with needed training because a lack of skills among personnel will disempower them, third is to align systems to support the vision, for example HR systems used have to promote the vision via performance goals, compensation and promotion. The fourth step is to confront supervisors that do not support the change process, “nothing disempowers people more than a bad boss”, the fifth step states that it is important to communicate and develop a shared sense of purpose for the employees. Especially step three of these steps could be one to focus on, align KPI’s so that they support the vision and possible remove others. Regarding “not to give up too easily” we can draw some parallels to what Fullan (2007) writes about to appreciate the implementation dip. Due to somewhere on the way people in a change process will experience a situation that require new know-how and skills to be able to proceed with the change process, in this phase it is easy to start to hesitate about the change process and therefore in worst case give up instead of getting or finding support to be able to proceed.

3. From the third respondent we got the following answer “It seems like it is a relatively new thing for the company. We have a lot to work with and big visions, but I do not think there have been enough of time and resources to implement them.”. Next we will take a look into this because according to Fullan (2007) we need five components to execute a change process, two of these are moral purposes and understanding of the change process that could be looked into. As we mentioned the component of understanding the change process we may also take a look at Kotter’s (2012) theories regarding how to form a strategic vision, it is important for an organization to make their vision as simple and clear that it can be explained in five minutes. Other components that a vision needs to be successful is the following. It needs to be imaginable so that people enhancing it are able to draw a mental picture of how the future will look as well as it needs to be desirable, it also have to appeal to the long term interests of stakeholders, employees and customers of the company.

Next component in building a vision is that it have to be feasible, the vision needs to be realistic and the goals reachable, the fourth building brick in a vision is that it have to be focused. The vision needs to be clear enough to provide help and guidance for making decisions among with that the vision should also be flexible enough to give individuals possibilities to alternative responses in the change process. The second thing expressed in this respondents answer was that time and resources does not seem to be enough, here we may draw the conclusion that by working on the above mentioned communication and understanding of the change process these thoughts could possibly be cleared out.

7.1.7 Question: 6.3. If you would change one thing in our company that would help us in becoming better change leaders, what would it be?

1. One respondent from management answered the following, “Give even more space for self-leadership, acknowledge the fact that we have a lot of knowledge throughout the organization, close to the markets, and telling people what to do is old-school change management. Tell them where we would like to go, what we intend to stop doing, but give the assignment on how to do it to organizational layers/people that are close to these relevant hot spots / topics”. This is a very interesting answer regarding what kind of leader is needed in a change process, according to studies transformational leadership have been the most successful leadership in change processes. Transformational leadership means that the leader work by inspiring and motivating people to make them achieve and exceed beyond their comfort zone, this leader usually mobilizes people in effective groups that gets the work done. The transformational leader gives the employees autonomy and authority to make decisions once they have been properly trained, which will boost the desire and motivation for the employee to achieve goals.

2. Some of the respondents answered that there should be “less bureaucracy”, “Clearer bureaucracy and playing rules, more working together as teams instead of against” together with “more flexibility when the situation demands it”. As Fullan (2007) wrote it is important to work on relationships in a change process, this because when improving relationships good things will happen. In this case we are talking both of the individual relationships as well as the corporate “soul at work” which when maintained creates a desire for people to work with the change process. Another important component is coherence making, in complexity science attached to the

coherence making phase we have two concepts which are self-organizing and strange attractors. As Fullan (2007) writes in a change process the self-organizing part deals with new relationship patterns and actions that comes up when setting up processes and conditions like in his earlier mentioned change process principles. With this in mind by working as he writes in his principles it would be supported to create more teams and encourage teamwork in the work environment which would improve relationships and knowledge sharing in the organization. If we draw some parallels to Kotter's (2012) theories while looking at the answers we can draw the conclusion that the organization are possibly having similar challenges as seen before regarding barriers that could be transformed or removed, due to the respondents writes that they would in some cases like to have some more freedom to take decisions regarding things they consider could increase the speed of the change process. Before this can be done the organization would need to make an thorough investigation of which barriers they are talking about and how they may or may not support the change process. When taking a closer look at the first answer in this chapter that was from management we can see that this is something they also would like to improve on, with other words they would like to give more space for self-leadership in the organization closer to the "relevant hot topics/spots".

3. As one respondent wrote the organization would need to "Be clear on the what and open on the how, whenever possible. This require communication and empowering of ownership of execution". The respondent also have a solution for his answer, and this is that we need to focus more on communication and empowering of ownership. Regarding theories we could look first into what Kotter (2012) writes in step four of his change process on how to mobilize change leaders and agents, to get a common understanding of the strategies and goals. According to studies you need these key elements to successfully communicate a change process to the organization, it have to focus on simplicity through using an effective and simplified language. Do not hide the message behind difficult words or terminology, use instead metaphors to build up a verbal picture for people to understand your message. Next element to take in consideration is to use multiple forums, by using everything from meetings, newspapers, intranet, informal and formal channels have to be used. When it has been decided through which forums the vision should be communicated the organization needs repetition, because all information is good to repeat several times to get people to process the information. The leaders in an change process need to

lead by example, it is important that people in key roles consistently works with the vision in their way of work to promote others to follow. The last element is to encourage and work with two way communication, this as two way communication is always more effective than one way. Regarding communication we can draw parallels to Fullan’s (2007) theories where he emphasize that you need to have a diversity of people in the role of change agents to make sure that you get as many ideas and inputs as possible to make sure that the change process will succeed. In a learning organization it is important to create an atmosphere where knowledge creation and sharing is possible, this to make sure that we do not build silos which may affect on the efficiency of executing a change.

8 Result

As we have looked into the answers in chapter seven we are now entering the phase where I will compare and make some suggestions according to theories as well as from own ideas supported by the theories and aligned with the objectives of this thesis. As objective I have stated that I wanted to find out how the organizations perform when communicating its change processes and visions from management to employees along with how the organizations can become even more successful in this particular task. The results in this chapter will mainly focus on the sales companies in Finland and Sweden where the challenges have been discovered and where the suggestions possibly could be implemented. As support I will use the questions raised in the beginning of the thesis with a minor change as stated earlier in limitations, which means I will not handle questions regarding external change processes. questions listed in this thesis were the following, what is the situation today in the organization? What kind of challenges do we face during a change process? How does the company communicate change? How can the organization become an even better change leader? What is the current situation for bricks and mortar businesses? And how will E-commerce affect our business?

8.1 External factors that drive change

According to both the respondents, Nordea’s report and other sources we are living in a rapidly changing world, in the business segment where the organization is active regarding sales and manufacturing of smaller garden and forestry machines for consumers and professionals. The organization and dealers are experiencing a rapidly changing business environment when it comes to how their customers behaviors are changing concerning what kind of sales channels they use, what trends are gaining more support and how the environmental aspects of the world needs to be taken more into consideration. With these changes occurring the bricks and mortar business is losing ground. As we have seen earlier in the thesis, e-commerce business is growing and gaining a bigger share of the market. As stated by Nordea in the coming 10 years they estimate that Nordic offline sales will decrease with 16 % at the same time as the online sales will increase from 10 % to 30 % of total retail.

In this changing climate it is positive to see that the company has successfully mediated to the majority of the organizations employees to which the focus group district managers belong, this group is closest to the dealers and will have to work as change agents to guide dealers. The district managers seem to agree with the facts stated and are preparing to work for the vision to change how dealers work today to be successful in the future. In near future the organization will have to support dealers to adapt and start working in an OMNI-channel environment where customers have several touchpoints to their dealer and where dealers are more focused on selling solutions and services instead of only a product. To be able to execute this the organization has produced a vision and a strategy to cope with the external factors that require change, due to this we have looked more into the sales companies processes to find out how they work with a change process and what challenges they may have while executing and communicating a change.

8.2 Development suggestions

From where has the need of change appeared? As stated by both the respondents and the report of Nordea we can draw the conclusion that there are external change factors that drives the change. According to responses in the findings chapter, there is some topics that I would like to go through in this following part of the thesis, these topics are understanding of the change process, schooling, communication, relationships, coherence making and how to remove barriers to become even more successful when executing and communicating a change process.

8.2.1 Communication and schooling

When reading the respondents answers it seems like the organization has a properly planned strategy on how visions and strategies are communicated in the company. If we then look at the answers from district managers it seems that some of the communication strategies do not reach them, therefore as we saw in the findings chapter the sales companies could possibly think about how they mediate visions and change processes as the findings claim that there may be some challenges in this area. As stated by the respondents they propose that the company has too few workshops, schooling occasions and follow up meetings to drive these changes successfully through. According to some discussions performed with the respondents the organization usually have one bigger occasion where they go through the vision and strategy, if we draw parallels to studies like Kotter's (2012) eight stage change process this is a good way to start the mobilization of change leaders and agents. But after this one occasion it may not be clear for all people working with the change how these new ideas affect their daily work, as Fullan (2007) writes one of the most important things when executing a change process in a complex environment is to make sure that moral purposes and understanding of the change process is met. As we can see in the first part of this result chapter the organization seems to have successfully stated the purpose of the change, but the respondents seems to have some challenges with understanding the change process. To cope with this Kotter (2012) suggests a step by step model and Fullan (2007) writes about components that you need to understand the change process, as he also have stated you need to create your own model because there is no single model that works in a complex environment I will try to highlight both of their theories and possibly merge them into one process.

How then could the sales company communicate the organizations visions and strategies more successfully to get a better understanding of the change?

As we know this question probably has as many answers as respondents, and therefore we will find some support from the theory chapter to be able to answer it. To successfully communicate a change you need the following key elements according to Kotter (2012). *Simplicity* by using an effective and simplified language and not hiding the message behind difficult words or terminology you also need to use metaphors to build up a verbal picture for people to understand your message. Another component you need is to *use multiple forums*, everything from meetings, newspapers, intranet, informal and formal channels have to be used to successfully mediate the change but equal important as to use multiple forums is *repetition*. This as all information is good to repeat several times to get people to process the information, it is also important for the leadership to lead by example, people in key roles need to work consistently with the vision in their way of work to promote others to follow and as he states the last key element is to encourage and use *two way communication* because it is always more effective than one way communication. By summarizing we can see that many of these steps that Kotter (2012) writes about seems to be met already except for two which are *repetition and two way communication*, as stated earlier there is only one main event in the organization when releasing the new vision. Therefore we will take these components with us and look into what Fullan (2007) writes regarding the same topic, according to him there is a couple of components that you need to fully understand a change process. Of these components there is two that I would like to highlight and those are to *understand that the goal is not to innovate the most*, this because a lot of innovations usually makes the process to superficial without depth and coherence. The second component is to *appreciate the implementation dip* which is a dip in performance and confidence when people and leaders in the organization meet a challenge that requires new skills and understandings. With support of the theories above I would suggest to look into how the company mediates the vision especially regarding repetition of the message, as this is supported by both sources. When drawing parallels to the implementation dip phase we could add to the repetition of the vision for example to arrange more workshops and schoolings, as these would support people in the change process by making them more secure and able to communicate the vision both internally and externally. By understanding the vision the organization would open up for more two way communication, as Fullan (2007) writes concerning to understand the vision the goal is not to innovate the most and by this I would like to emphasize that it seems like it could be a good idea to think on breaking down the vision to smaller tasks and goals by simplifying it and making it more understandable for every change agent involved.

8.2.2 Process suggestion

According to the answer above I will suggest how a change process could look like in the sales companies. After the organization has presented the vision and strategy of to where it is aiming the following years, the organization could start by arranging a second presentation event with for example a workshop where they go through the vision again and begins to divide the vision into phases to cope with in the first phase of the change. This to enable the possibility to focus on a smaller part of the new vision, when this has been done it could be a good idea to divide that part of the vision to even smaller targets and goals for the company and change agents to work with. By dividing the vision it would probably make the change process more clear and support the *understanding of the process* as well as helping build on the *connection phase* between the organization and the employee. Even though Fullan (2007) emphasize that you cannot build a step by step model in a complex change environment, but if you have to make one it is important that the organization creates its own process. I still think it is important to have some kind of step by step process to be able follow how the change is progressing, the process does not have to be carved in stone as we are talking about a complex changing environment but it could support as a tool of guidelines. Therefore by dividing the vision into targets and goals for every department and in the end possibly for every employee it will become easier to keep track on where the organization is in the change process together with making it possible to celebrate *short term wins* to keep up the momentum. In the first phase of the change process it could also be interesting to look into possible *barriers* that the organization may have. As Kotter (2012) states there is a couple of things that the organization might want to do to enable action and empower change agents and one of these components is to align systems to support the vision, for example KPI's and HR systems that the organization use have to promote the vision via performance goals, compensation and promotion. When looking at the component above and the respondents answers it seems like it could be interesting to think about what kind of KPI's and targets the sales company have, just to make sure that they support the change process in the most efficient way.

By adding a second workshop in the phase of understanding a change process the organization could focus more on the follow up part of a change process as well as on schoolings to support change agents and thereby mitigate the *implementation dip* phase, as this is a phase that change agents will go through during a change. Speaking about schoolings one idea could be to have additional web-based schoolings on the corporate schooling platform because they can be repeated when needed. A second workshop would also support the *repetition phase* and the *relationship building* part of the process, as Fullan (2007) writes when relationships are improved both individually and to the "soul at work" of the organization things will automatically get better along with the desire to work with the change process will increase. Concerning the *relationship building* part it could be a good idea to encourage change agents to work with projects more in teams because it would enable them to communicate more and develop new ideas for the change process. Workshops and gatherings arranged around the change process will automatically support the *two way communication* that usually results in a diversity of new ideas and solutions regarding how the vision could be executed in a specific market or sales company. As stated before by having more gatherings around the vision it would support to make structures aligned as well as making people more secure through trainings simultaneously as it builds up a stronger *sense of purpose* for the change, this with support of the theories concerning change processes.

In the third phase of the change process, we could again add a gathering or workshop, this could of course be made through other channels like webinars in Teams for example. In this phase the change agents and leaders have worked a while with the change process, therefore it will be in everyone's interest to know what they have accomplished along with what the next targets and goals will be in the change process. In this situation it seems to be a good idea to start focusing on *anchoring the change* and work on *coherence making*, as Lewin (Kaufmann & Kaufmann, 2015) and Kotter (2012) write regarding a change process the anchoring phase is the hardest phase to accomplish. According to Kotter (2012) when you want to anchor changes into the culture you need the following components, first you have to show and highlight result because new processes usually gets accepted and brought into the culture after they have proven that they are superior to old methods. The biggest changes in people's values and standards comes in the end of the transformation process, with this in mind if we compare to Fullan's (2007) writings he emphasizes that you will have to start a change process with focusing on setting the moral purposes. Another element for anchoring is discussions because without a lot of discussions and support people often do not want to admit the successes of the new process. Sometimes the only way to change culture is to change key people, as he states in the process to anchor changes it is crucial that new promotion processes support the change vision and new practices otherwise old habits and practices will reappear in the system. We can see that through Kotter's (2012) theories we get support for highlighting and celebrating both short term and bigger wins together with focusing on having multiple discussions and supplying the change agents with support for the change process.

Regarding Kotter's (2012) theories I cannot agree with his approach concerning that the biggest changes in peoples values come in the end of the process, therefore I would like to present Fullan's (2007) ideas to work with moral purposes of the change process in the beginning of the change when the vision is presented and divided up into smaller bits. In this phase of the process I would like to underline more Fullan's (2007) writings coping with as mentioned *coherence making* as well as *knowledge creation and sharing*. Due to the company is a complex environment with changes occurring continuously which makes it hard to point at when the organization is in a certain stage, it seems to be in order to focus on building a culture that is sharing knowledge between both individuals and departments. This to make sure that the company is not turning into a landscape of silos where people are keeping their "secrets" to themselves, knowledge sharing improves relationships and support teamwork activities. In this phase of the change process the company will also need to focus on coherence making. This means that when change agents have worked with the change a while and they have experienced different challenges with the change process they will also start to build up new patterns and start to seek coherence, some of these patterns could be worth retaining as they may be suitable for other projects. Next we will wrap up phase three, the organization besides of having a workshop also could benefit from having multiple smaller meetings such as web based meetings, they could focus on creating a knowledge creation and sharing culture along with coherence making. In this phase it is also important to celebrate both short term and bigger wins while presenting new targets and goals that change agents should focus on. According to the three phases described I think there is no need for more phases, this because phase number three can be repeated by adding more targets and goals to the change process when executing the vision.

8.2.3 Summary of process suggestion

In this chapter will summarize the three phases I have explained in the process suggestion above. Phase number one focuses on gathering change leaders and agents to a meeting or as suggested a workshop where the presented is broken down into smaller phases, steps and targets for the departments and employees. This to enable change agents and leaders in the sales company to work on the *understanding and purpose of the vision* together with the *connection phase* where they build on the connection between the organization and the employees. In this phase, possible *barriers* that do not support the change process, like for example KPI’s and performance goals are discussed and removed or transformed. These tasks will support the sales company to set up and follow the change process through targets and goals, as well as it enables the company to celebrate short term wins to keep up the momentum in the change.

In phase two, the process continues by encouraging to a second gathering that focuses on supporting change agents along with the follow up part of the process. By adding a second workshop it would support the *repetition, schooling and relationship building phase* of the process which strengthens the sense of purpose- and raises the desire to work for the change process. It would also make change agents more secure through training and encourage them to work in teams when executing projects. By working more in teams, it would enable the change agents to communicate. More communication in a change process between employees and between individuals and the organization will automatically result in a diversity of new ideas and solutions regarding how the vision should be executed.

Phase three of the process includes multiple gatherings, the majority of these probably through other channels like for example Teams. The focus in this phase have switched to *knowledge creation and sharing, coherence making and anchoring of the change*. The change agents have in this phase worked a while on the change process and are in need of a follow up as well as a celebration of short term- and bigger wins. At this stage it is also important to present new tasks and targets to continue the change process while having momentum. As stated earlier, in this phase sense-making, knowledge creation and sharing are some of the key features. By working with a knowledge creation and sharing culture, relationships will be improved and teamwork will be supported in the change process which helps the change agents to become more effective and secure when executing the process. When employees have worked some time with the change process they will start to build up patterns and work with the sense-making of the change. This step has to be supported as the patterns that are developed during this phase usually are worth retaining and can be reused in other projects. When adding new targets to the process it will encourage further discussions regarding how to execute the vision at the same time as these discussions support the sense-making phase. With this said, I think there is no need for more phases in the process, this because phase three can be repeated when adding more targets and goals to the process while the vision is executed.

9 Discussion

The main purpose of this thesis work was to research and find out how well the organization is communicating change processes from management to employees, especially with focus on district managers that are some steps away from management and closer to dealers and end customers. Furthermore I have focused on the internal strategies that are used in this process and how they could be improved. The purposes have been achieved by executing a questionnaire followed by an analysis of the answers which resulted in a process suggestion that emerged by taking in consideration challenges that the organization faces and compare these to theories concerning change management. To be able to execute the thesis work and understand the new visions along with building up the questionnaire I had to look into what factors are pushing the organization to change, therefore to support the questions raised and the questionnaire I have used Nordea’s report regarding how the sales environment for bricks and mortar stores are moving to more e-commerce based sales and how this will affect the organizations dealers.

When the work with this thesis started the purpose was to research the communication and change processes both internally and externally. After a further analysis of the answers had been made, we noticed that many of the challenges the organization face with communicating changes externally had its origin in internal challenges. Therefore, after some discussions we decided to limit the thesis to focus only on internal matters as well as the importance to investigate what kind of challenges we had with the internal communication. Through these findings and the theories, I have suggested a process regarding how the sales company could communicate its change processes. Other things that I would like to suggest for the organization to think about is the possibility to arrange so that schoolings and projects they communicate externally for dealers are executed in teams of for example two district managers, this because the focus group is district managers. When working in pairs you will have more strength and weight in the message mediated compared to working alone, this action would also support relationship building for the individuals and to the company as well as communication and knowledge creation and sharing.

9.1 Further research

For further research I would suggest to focus on a couple of topics, one of these would be to research more what kind of development would need to be done internally to update employees work roles to become more aligned with the new vision in the organization, especially for the district managers who have been one of the focus groups in this thesis work. At the moment I know that the organization has an ongoing development process to map out how they should change or add some work roles in the sales company to be more aligned with the new visions and trends, it would also be interesting to investigate how the company aligns these with the new vision and what kind of barriers they will have to remove or transform to make these roles as efficient as possible. Secondly, I think it could be interesting to research further how the organization should develop its external communication processes between supplier and dealer, as this is one of the topics that emerged during the thesis process. In the questionnaire and answers section of this thesis there is already a head start for the research, where we can find numerous suggestions of how the organization and dealers should change to cope with the future as well as what the organization could think about when developing its cooperation with dealers.

10 References

Aronsson G., Hellgren J., Isaksson K., Johansson G., Sverke M., Torbiörn I. 2012. *Arbets- & Organisationspsykologi*. Stockholm. Natur & Kultur.

Blomkvist P., Hallin A. 2014. *Metod för teknologer*. Lund. Studentlitteratur.

Fullan M. 2007. *Leading in a culture of change*. United states of America. Jossey-Bass a Wiley Imprint.

Hallin A., Olsson A., Widström M. 2019. *Förändringsledning*. Lund. Studentlitteratur.

Kaufmann G., Kaufmann A. 2015. *Psykologi I Organisation och Ledning*. Lund. Studentlitteratur.

Kotter J. P., 2012. *Leading Change*. United States of America. Harvard Business Review Press.

Kotter J., *8-STEP PROCESS,* [recovered: 10.3.2020]

https://www.kotterinc.com/8-steps-process-for-leading-change/

Miller J., 15.7.2019. *Is There a Future for Brick-and-Mortar Retail?*, Insights association, [recovered: 8.1.2020]
https://www.insightsassociation.org/article/there-future-brick-and-mortar-retail

Ovin D., 21.5.2019. *E-commerce growth: Technology plus the demographic force of nature, E-commerce: The show most go on*, Nordea on your mind, Nordea markets division.

Pavlova V., 9.2.2019. *The Amazon Effect: How Amazon Is Disrupting European E-commerce,* Forbes [recovered: 8.1.2020]
https://www.forbes.com/sites/victoriapavlova/2019/02/09/the-amazon-effect-how-amazon-is-disrupting-european-e-commerce/

Roberts T., 19.7.2019. *What is Omnichannel Commerce? Definition, Benefits and Trends*, Bloomreach [recovered: 9.2.2020]
https://www.bloomreach.com/en/blog/2019/07/omnichannel-commerce-for-business.html

Shobhit S., 14.9.2018. *Amazon Effect,* Investopedia [recovered: 8.1.2020]
https://www.investopedia.com/terms/a/amazon-effect.asp

11 Appendix 1

Questionnaire for master thesis work Management

Years working for the organization:

Education:

Expertise:

Age:

1. **Where will the organization be in 5 years (Sales channels, Brands)?**

2. **In which way will the market change in the coming 5 years?**

3. **How shall we handle E-Commerce**

- In what way will the organization have to change to cope with the development?

- In what way should our dealers change to cope with the future?

4. **How is a good change leader/manager?**

- Which strategy do you prefer to use as change managers?
- What kind of tools does a change manager need?
- How do we communicate our change processes and visions out to our company, and make sure that these visons reach our sales reps and dealers?
- In what way do we successfully manage to mobilize enough change agents (employees) to make it possible to implement a change?
- How do we motivate our change agents?

- In what way do we successfully institute or anchor new processes that has been developed during a change process?

- In what way are we measuring a successful change?

- Are you getting enough input during a change? (what do we want to accomplish? profitability or volume/retail?)

5. **How successful have we been to implement our change processes in the company?**

- Please give an example

6. **How can we become even better change leaders?**

- What do we do well?

- What could we do better?

- If you would change one thing in our company that would help us in becoming better change leaders, what would it be?

7. **In what way can we support our dealers to change in a preferable direction?**

- How can we motivate our dealers?

- In what way can we develop our cooperation with dealers and make our dealers more loyal to the organization?

8. **What is important for us to consider during a change process, due to our independent dealer chain?**

12 Appendix 2

Questionnaire for master thesis work

Years working for the organization:

Education:

Expertise:

Age:

1. **Where will the organization be in 5 years (Sales channels, Brands)?**

2. **In which way will the market change in the coming 5 years?**

3. **How shall we handle E-Commerce**

   - In what way will the organization have to change to cope with the development?

   - In what way should our dealers change to cope with the future?

4. **What makes a good change agent?** (A change agent is a person from inside the organization who helps the organization transform itself by focusing on different tasks, e.g. organizational effectiveness and development)

   - Do you see yourself as a change agent?
     - Please specify in what way?
   - Which strategy do you prefer to use as a change agent ?
   - How do you communicate our change processes and visions out to your dealers?
   - Do you feel that you get enough of schooling/training?
     - Please specify in what way?

- Are you experiencing that you have the right tools?
    - What kind of tools do you need?
- Are you experiencing that you have enough freedom to be effective in a change process?
- Are you getting enough of support?
    - What kind of support do you need?
- How do we successfully institute changes to our dealers?

5. **How successful have we been to implement our change processes in the company?**
    - Please give an example?
6. **How can we become even better change leaders?**
    - What do we do well?
    - What could we do better?
    - If you would change one thing in our company that would help us in becoming better change leaders, what would it be?
7. **In what way can we support our dealers to change in a preferable direction?**
    - How can we motivate our dealers?
    - In what way can we develop our cooperation with dealers and make our dealers more loyal to the organization? (within legal boundaries)
8. **What is important for us to consider during a change process, due to our independent dealer chain?**

13 Appendix 3

1. Where will the organization be in 5 years (Sales channels, Brands)?

-The organization will always be a leading brand, we will have a rebalancing of the distribution channels. Dealer network will always be predominant with e-commerce and retail / specialty retail in addition.

- In our new strategy we have aimed to drive segments defined from a target group perspective, basically split in Residential and Professional. Each of the target groups have different needs, ways to buy their products and services, hence we will need to mirror and expand the channels in a way that we can truly reach out to these end customers. For us specifically, this means we should diversify our channel approach; meaning away from 1 dimensional dealer, retail or other channel, but more see where each channel complements that other, more integrated than in the past. A residential customer might buy an Automower online, but needs servicing and installation, something which could be offered by dealers or other 3rd parties. Therefore, our channel landscape will become much more diverse and more closely working together. In terms of Brands, I believe more in a couple of powerful brands then having Brands on the side which have less differentiating elements and build complexity through the supply chain. Core brands is the strategy forward for me.

-The company has continued to execute on its profitable growth trajectory. The foundation for continued profitable growth consists of an increased focus on our main brands, high growth segments and a winning core, and a culture of strong efficiency programs to fund strategic initiatives, as well as increased capabilities to secure market and technology leadership. Key focus areas and key success factors for the coming years are: Customer experience, Winning core, Services and solutions, Robotics and battery. All based on Operational and Commercial Excellence. The Group has delivered on its financial targets:

- Annual net sales growth of 4-5 %, defined as 2 percentage points above market growth (historically 2-3 %).

- An operating margin above 10 %.

- Operating working capital in relation to net sales of a maximum of 25 %.

- We will be operating solely under the current brand and in an omni channel landscape ((Brand) Division)

-Probably in a couple of different Retail/DIY channels, but with the weight distributed on the traditional dealer network. The brand will still be considered as a premium brand.

-Dealer channel + Consumer channels for the organization

-E-Commerce

-Hopefully we will still have the dealer channel, and this with more focus on service and with smaller shops/showrooms. Naturally we will have a strong e-commerce by then, but the local presence will be very important. Our brand is very important for our dealers. We will have to help our dealers to create and maintain activity in their stores.

-As I see it the company will still be a strong or even stronger brand in the future with a lot innovative products and solutions. Probably we will a little fewer dealers but they will be bigger by turnover, and e-commerce will have taken big steps forward. In 5-years our leasing, rental and financial services will also have taken a big leap forward.

-In five years I think there will be less brands on the market, and more focus on a couple brands "less is more".

-We will probably have new sales channels, maybe not for all products but more divided between different channels who sells what. E.g. one store or retailer sells only battery products and another only products and services for Professional customers.

-There will be fewer dealers in the dealer channel but the dealers will be bigger by turnover. The distribution will expand to retailers and pure online stores.

2. In which way will the market change in the coming 5 years?

- There will be several touch points in the purchase journey from the consumer
- Consumer behaviors following Servitization, Robotization and Digitalization. Customer preferences / distribution / retail landscape are

changing. We are capitalizing on that trend and are launching new ways to buy, rent or use our products.

- The largest external developments I see are related to the way that customers behave, mostly facilitated by digital/online, increased transparency of what is on offer, and main macro-trends such as urbanization, economies of cities (instead of economies of state/countries), the need for immediate fulfillment (zero patience economy). That being said, the current COVID-19 situation will accelerate a couple of these trends, while on the other side the ability (mostly investments related) to further grow macro-economically is insecure. For our industry, trends such as sustainability, banning of chemicals, labor scarcity (but see COVID-19 impact), sharing economy, and power source shifts (petrol to battery) are the major forces.

- The weight of e-commerce,

- Sales shift : Products to Solutions,

- Technology shift : Petrol to battery

- The Sharing economy : New consumer behaviors

- Our new and young PGE (Pro Grade Experts) customers will most probably prefer e -commerce solutions.

- Less sales thru conventional dealer stores.

- It will become more and more important for dealers to offer services and knowledge, which will become a bigger part of their profits.

- The sales of robotic mowers and battery will increase considerably.

- There will be more digital solutions and services.

- Increase of rental services in the future.

- Hard to tell, but I think we will become more and more convinced of that we as people are lazy, and therefore buy more online at the same time as the dealer channel will become more important with providing services like PDI

(Pre Delivery Inspection) on click and collect products at the same time as they can offer e.g. service contracts.

- Better, more elegant and bigger stores with focus on experiences.

- Possible more cooperation with retailers that would have e.g. SIS (Shop In Shop) solutions or an own department. And of course rental, leasing and financial services.

- Different kind of sales channels. The customers will become more demanding regarding solutions, services, deliveries, this because we are living in a zero patience world. E.g. when launching a new product we have to be able to sell and deliver it from stores and online-stores the same day. We will also have to become more available for customers and flexible regarding working with other businesses.

- There will be more and more sales thru online-stores and dealers will in this phase offer more services and other products that add value.

3. How shall we handle E-Commerce

3.1 In what way will the organization have to change to cope with the development?

- Develop our own ecommerce platform

- Develop partnerships with “market places”

- Encourage our resellers to digitize their business

- Promote more solutions and more services

- Improve the supply chain (Integrated model)

- For me, the question goes even beyond eCommerce which feels like the ‘shop’ or pure online purchasing element. The way to go is to have an online presence, pre, at, and post-purchase. Through digital being able to know much more about the target groups, and an individual customer specifically. Providing (real-time) advise, product & service recommendations, driving our ability to differentiate ourselves versus competition on new elements (not necessarily the product/finished good, but owning the customer experience throughout our joint lifecycle)

- Reward quality from dealers/partners and less quality requirements. Investments in front and back end systems to manage increased volumes.

- Follow up our requirements regarding PDI and registration of products to make sure that they are made. require our dealers to handle reclamations more efficient to make sure that our customers get the best possible experience of our products. All this is already requirements in our dealer contract but at the moment dealers do not comply with it and we are looking thru our fingers.

- If they would do everything by the book they would have to raise the prices on our products, and the difference between e-commerce and dealer stores would reduce which means that these two marketplaces would live more in symbiosis with each other.

- A common online-store platform for all that is updated thru our systems (This would be voluntary for those that already have a web-shop) where dealers can make their own pricing. For this service we could charge our dealers.

- Sales thru the online-store would be redirected to the closest dealer store.

- The most ideal situation would be if we could keep the price point so we could make some money without starting a price war. We have extremely good and unique products like e.g. Automower.

- Develop our own E-commerce solution possible together with our dealers. Our RRP (Recommended Retail Price) should be the same in whole Europe or at least in the Nordics, this to reduce our internal competition. We will have to respond faster on customers' needs, and become better on forecasting and be able to make faster deliveries.

- Possible offer our customers an e-commerce solution and consultation regarding this.

- We have to take more control of our current campaigns, products, financing and pricing.

- The company should make an own online-store from where the closest dealer gets kickback when a product is collected from their store.

3.2 In what way should our dealers change to cope with the future?

- Leaning more towards service and less over the counter sales

- Our split is changing and we are having today a multi-channel distribution. This development is partly driven by our conscious decision to exit selected segments of wheeled products (previously mainly being sold in traditional retail and to a large extent in the NA market) but also following growth of e-commerce. Of the total market globally Retail carries roughly 50 % of total sales. The North American market is to a higher degree a retail channel distribution market (approx. 60 %), whereas in the European market the dealer channel accounts for up to some 50 % (52 % in 2017)) of the market. During the last few years e-commerce (today +10 % and is expected to reach up to 20 % within 5 years) has taken some share of both channels. Dealers to become more diversified (e.g. expand Pro sales organization) and be an integrated part of distribution and service setup across traditional dealers, pro sales, e-com and retail.

- We have an obligation to guide our dealers into this new future state. Highlighting the role they will have, which is a different role than they had in the past. A dealer that is successful in the future, will need to have a different business model and required capabilities. Example: there is limited value add of selling a box with a FG in there for a dealer when larger (online) players are able to do this more efficient and providing lower prices. The value add of a dealer needs to come from somewhere else; close proximity to the customer, knowing the customer, service-mindset, one-stop-shop beyond the hardware. Very black and white but: instead of waiting for customers to enter the dealer shop, the dealer needs to go out, justify his/her role, and attract business through various channels and approaches. Increased focus also on Professional business.

- Encourage our resellers to digitize their business

- Improve the supply chain

- Reduce their structural costs to finance the transition of their economic model

- Bigger focus on After Sales activities, additional services, product support and knowledge. Give customers a 120% experience and the price will be a secondary issue.

- Possibility to give customer support thru a web platform e.g. a chatbot.

- Better maintenance of customer registers

- Homedelivery of products

- Hopefully our dealers will work more with solution selling, like e.g. service contracts, financing, finished solutions for different customer segments.

- In my opinion they should first and foremost focus on content, appearance and that information is up to date, secondly they should think about accessibility and availability. Were after they will have to come up with new ways of reaching customers. The dealers online-store should be as a display window for their operation, at the same time as they try to be unique and keep their customers close with it. It is hard to get out of a comfort zone, but this is something they will have to start doing more by actively trying new things. Getting more into solution sales will be crucial.

- Invest in how the store looks both on the in- and the outside. Changing location of the store to a place where there is more people e.g. a mall. Understand how big impact the shop 2.0 solution have, and then of course taking care of it after it have been built.

4. How is a good change leader/manager? (Managers)

4.1 Which strategy do you prefer to use as change managers?

- Take in consideration the mega trends, define a vision, share/ Communicate, secure “understanding of contribution expected” / engage employees & Partners
- Preferably, I like to have the change managers involved in the development/refinement of a strategy. However, that is only possible to a certain extend. One should not create a corporate strategy in an ivory tower

with just a couple of sr. executives obviously, but one can also not involve the entire organization. Once developed, task is to properly 'tell the story' and give everyone in the organization the opportunity to reflect what they personally in their role can do to contribute to the successful roll-out of the work ahead. That means from CEO to people in our factories, from Marketing to Logistics, everybody. That way we embed the strategy in the DNA of our people, not telling them what they should do, but highlight where we want to go and, important, give people the mandate and self-leadership to get us there in a synchronized way. Have teams, sub-teams, set their goals that eventually role up to the corporate wide vision and targets that we have. Accountability on every level in the org.

- Take people by the hand and lead them thru the change

4.2 What kind of tools does a change manager need?

- It is not only tools, it is clear understanding of mega trends to be able to identify Risk / Opportunities & Challenges.
- Assessment with team Leaders and Experts
- Tools : Create content (videos/PPT) and methodology to engage employees
- Proper communication material, storytelling booklet, and clear set of financial and non-financial targets. Also an overview of the identified initiatives. A change manager needs to have practical tools as well, from standard flash reports showcasing what has been done and what is scheduled to be undertaken, as well as rhythm of alignment / update meetings.

4.3 How do we communicate our change processes and visions out to our company, and make sure that these visons reach our district managers and dealers?

- Strategy is broken down to tactics and daily tasks
- Dedicated platform with contents (Videos, presentations…)
- Workshop with management & employees
- Regular follow up
- As mentioned, a solid communication pack including storyline helps. As we do within the Division, similar setups (although less detailed) can be held with external parties, such as dealers. Clear argumentation on why we are going into the direction we are going, and define a trading partners' role in this journey we are on together. Also be clear that it will not be easy (cliché, but

change is not easy) but essential. Sales reps are onboarded in similar way as I mentioned above, through workshops and have them also take that self-leadership role, what can they do to contribute?

4.4 In what way do we successfully manage to mobilize enough change agents (employees) to make it possible to implement a change?

- Allowing time and financial rewards
- Via workshop to secure "understanding of contribution expected" to engage them
- Regular follow up
- Most important is to do regular temperature checks on whether people are committed and motivated to lead the change. Showcasing early successes, even if small, will help to get more change agents pro-active, and wanting to be part of the success. Learn from each other

4.5 How do we motivate our change agents?

- Deployment, time and recognition
- Regular Follow up and celebrate improvements & successes

4.6 In what way do we successfully institute or anchor new processes that has been developed during a change process?

- Proper hand over from projects to the line organization
- Regular Follow up
- Testimonials
- Very much depends on what type of processes. When we talk for instance new ways of reaching customers (more business development than order taking, reaching out directly to large Pro customers) along with the process change goes the need for capability development. 1:1 match needed. Highlighting a new process without training your people continuously (so not one-off trainings) might be required to get your people there**.**

4.7 In what way are we measuring a successful change?

- Normally by following new set of KPI's
- Targets vs achievement
- Measurement of employees satisfactions

- There are multiple ways, from hard-core financial targets, to non-financial. I am always more interested in KPIs that show activities, instead of necessarily the output it generates. Example: % sales growth in Pro business is nice, but what has led us there, and more importantly, what are the levers I as management can turn to get us there. Therefore # of active leads, % probability of closing a lead, number of visits, etc. would be more insightful within a sales organization then just sales turnover. On a higher level, we need to measure items such as Net Promotor Score, energy levels and trust/satisfaction with strategy communication.

4.8 Are you getting enough input during a change? (what do we want to accomplish? profitability or volume/retail?)

- Yes but the vision target needs to be broken down and allow time to get there
- Targets & Regular follow up have to be part of project
- Change management is situational and need to be adopted to the type of change and circumstances. As rule of thumb: People like change but does not like to be changed. Consequently successful change management involves the key stakeholder. To what extent change process is successful not is determined by the change ambition / targets set (and followed up against). Ideally a change initiative can articulate the Why (the reason for change, propose), the What (ambitions, where to play, focus) and the How (roadmap, resources, plans). When possible (depending on the nature of change) management benefits to be clear on the What but open on the How, allowing the various stakeholders to take responsibility to develop and execute the plans that will bring the intended change.
- For me personally, yes, but in my role I am close to the corporate strategy and change management. Referring to earlier, key is that people recognize themselves in the strategy or new process, and then overall corporate targets might not be the main motivator. Performance measurement should cascade from top level targets down to applicable tactics and KPIs in the relevant functions.

4. What makes a good change agent? (District Managers)

4.1 Do you see yourself as a change agent, please specify in what way?

- I try to point out opportunities and errors I see.
- I want to change old habits to become more effective and time efficient, and I also want to make the organization and our dealers operations more prepared for future challenges and requirements.
- It is one of my main tasks today to mediate our vision and how we want our dealers to work.
- I want to find and develop new solutions, as well as show and be an example. I also have a need to do and try new things. At the same time it is important to try to learn and understand new things and changes in a fast pace.
- I try to get rid of my own thoughts that consists of "we have always done like this", and try to focus on relevant tasks.
- We should try to focus more on being change agents, learn to be a change agent and gather data. At the moment we are doing to many things so we are not able to focus on anything properly.

4.2 Which strategy do you prefer to use as a change agent?

- Frequent customer visits to be able follow up and take small steps forward.
- Efficiency and simplicity
- Personal customer visits and actively work with tasks under longer periods.
- In my opinion, I think it works best when you can refer to concrete examples, solutions and targets. In my opinion it is easier for the customers to understand why we are doing a certain thing to get to a specific target. E.g. a customer said to me recently, why should they sell our care solution when they only make 5€ on the deal.

- To do one thing properly and put other tasks to side meanwhile. All district managers schooling, knowledge and interest are not on the same level when it comes to change management.

4.3 How do you communicate our change processes and visions out to your dealers?

- That kind of information they get from dealer conferences, and then we have discussions around the topic during visits.
- In my daily work with dealers.
- I work closely to our dealers and try to understand how they work and at time to time communicate our visions on how we would like them to work.
- I usually have F2F meetings where I show examples and communicate successful projects and visions to our customers.
- I try to communicate WHY we have set-up different goals and targets.
- I use all channels available like F2F, email, phone calls and Teams.
- It depends a lot on the time of the year and which season, and on how much time and focus the task needs.
- On dealer conferences and during DBP (Dealer Business Program) projects, but these measures only reaches a fraction of the dealers.

4.4 Do you feel that you get enough of schooling/training? Please specify in what way?

- Yes and No, No, Yes and No, No
- Well, Sometimes it feels scarce but it can depend on that I am new in the organization.
- We have not had any.
- We have an enormous flow of information in the organization, therefore it can be hard to assimilate all of the information. At the moment you will have to search for a lot of different kind of information yourself.

- We should maybe decide more together regarding our guidelines how we handle challenges. We also need to update our own knowledge when necessary and when possible.

- We need more relevant schooling and also product schooling.

- We need external schooling, e.g. economy, social media marketing and tax questions.

4.5 Are you experiencing that you have the right tools? What kind of tools do you need?

- Often you have the tools sales wise but lack the ability to deliver. It is very frustrating when you can sell but not deliver.

- We need concrete tools like for e.g. marketing. A schooling in digital marketing would help a lot in my current position.

- Not sure

- We should when needed work more in teams, this to get more support when working in the field.

- Why are not our After Sales personnel sometimes in the field meeting up with customers.

- When necessary work more cross borders.

- External schooling e.g. economy, social media marketing and tax questions.

4.6 Are you experiencing that you have enough freedom to be effective in a change process?

- Often, No, Yes, No

- Mostly I think, sometimes it would be good with more time to meet expectations. Better planning and preparations when it comes to e.g. PSO:s and now and then I would wish for more flexibility and less bureaucracy.

4.7 Are you getting enough of support?

- Often, No, Yes, No

- Varies pretty much , sometimes you get enough and sometimes you do not. The first reaction on our new set-up has already shown some positive results.

4.8 What kind of support do you need?

- In some cases I would need more knowledge before presenting anything to the dealers, this because things move very quickly sometimes.

- More freedom to make decisions.

    - All ideas are overturned at the next management level and does not move forth from there.

- Depends on what kind of information we want to share with our dealers.

- Work more in groups , different areas of responsibility, more planning and decision making together.

- More feedback, what has went well and what can we improve etc.

- External schooling from the company.

4.9 How do we successfully institute changes to our dealers?

- Close cooperation with our dealers.

- If our tools are in good condition it becomes easier.

    - Our dealers have to be helped more. E.g. where to find? what does it cost? and who does what?

- I think it would become easier if there was some kind of reward system for our dealers.

- Listen to our dealers, show results and solutions for their problems, be loyal and work with them and not against.

- Concrete solutions that our dealers actually can achieve. Set-up concrete and realistic targets, make business plans.

- Between 1-2 persons that would have as focus and target to implement a project in the country they work.

5. How successful have we been to implement our change processes in the company?

- Honestly, I do not know if we are the benchmark, although we do great things in innovation, sustainability, and at least highlighting what is required to change. The actual change, needs to be a continuous burning fire, and we tend to de-focus over time, more driven by short/mid-term goals than the 'holy grail' at the end. One will only achieve reaching for the holy grail if also KPI/measurements are beyond the short term, and management / shareholder / stakeholders show longer term commitment (where it might be that results as measured by profitability are first going own).

- However, there are also great success stories; Automower advancements, Professional Business Development, Autonomous Systems, Customer Focused Selling program, etc.

5.1 Please give an example?

- Successful over the past 330 years I would say

- West South Europe region "Shape 25" strategy communication and ongoing implementation.

- Communication / Workshop / Follow up / Collaboration / 3 years plan…

- Change implementation varies, of course. Successful change: the 2020 Strategy roll-out and execution. Successful partly due to clear approach to change and communication

- Many dealers have successfully completed the SBD (Service Business Development) schooling.

- I have managed to get three of my dealers to update their stores to Shop 2.0 which increases sales.

- Our “Commitment document” I think is a good example on how we have successfully managed to inform our dealers how we would like to work with them.

- Our previous DBP (Dealer Business Program) schooling is a good example, where we invited external partners to the schooling and made different kind of tasks in teams. Our dealer council is also a good tool.

- Our DBP Schooling was a good start.

6. How can we become even better change leaders?

6.1 What do we do well?

- Setting the vision

- Vision & communication & engagement

- Onboarding people through proper involvement

- Clear communication

- Show top management commitment

- Give space for self-leadership / autonomous decision making throughout the different layers in our organization.

- Having developed the change internally (without too much external support) can give a head start in implementation

- Focusing on our strengths, celebrating wins

- We are good at making PSO:s together with our dealers.

- I think we are getting better and better by trying new things, challenging old ways of working by implementing new ways and then changing again tactics if there is a need for us to meet a certain target or budget.

- We are doing a good job when it comes to inform about our future prospects in different channels, also in social media.

6.2 What could we do better?

- Follow up, we tend to move to next subject before securing proper change is there to stay and not only in the short term

- Secure investment plan to support the strategy

- Steer less on short(er) term KPI, especially since large changes will involve new KPIs and some delay in getting results in. Do not give up to easily

- Famous saying is ‘Culture eats Strategy for breakfast everytime’ , and it is true. Even more emphasize the importance of having shared values, have a vision across different countries/cultures acknowledging there are differences or different ways to get to the same end state, allowing for some ‘freedom’

- There is a lot of discussions regarding the topic “on demand” in these e-commerce times, I think this is something we have to become better on when approaching our dealers. With other words fast deliveries and short lead-times.

- It seems like it is a relatively new thing for the company. We have a lot to work with and big visions, but I do not think there have been enough of time and resources to implement them.

- Focus on availability of our products and only make product launches for products that actually will reach the market.

6.3 If you would change one thing in our company that would help us in becoming better change leaders, what would it be?

- Considered better synergizes between division to reinforce our strengths and our unique position

- Be clear on the what and open on the how, whenever possible. This require communication and empowering of ownership of execution

- Give even more space for self-leadership, acknowledge the fact that we have a lot of knowledge throughout the organization, close to the markets, and telling people what to do is old-school change management. Tell them where we would like to go, what we intend to stop doing, but give the assignment on how to do it to organizational layers/people that are close to these relevant hot spots / topics

- Less bureaucracy.

- That we somehow would be able to steer the price point of our products so that everyone could sell our products with a good margin. Today the prices of our products are being forced to such a low level that they are close to low price brands which hurts our premium brand. We have to value our brand more and also be able to charge for it.

- Clearer bureaucracy and playing rules, more working together as teams instead of against.

- To be more flexible when the situation demands it.

7. In what way can we support our dealers to change in a preferable direction

7.1 How can we motivate our dealers?

- Training and financial motivation. The rest is passion and holding their hands being a trusted partner

- Via a real New Business Model who can warranty Financial performance to conduct the changes needed.

- Dealers are motivated and would need to be motivated. But the way we approach them might be demotivating. If we can show them how to make good business, they will go for it! People like change but does not like to be changed

- Guide them, beyond this year, offer them an outlook of what their business model could look like in 2-3 years from now, define together what is needed to capture the upset, and co-invest.

- Successes have to be rewarded.

- Mandatory purchase quantities to a minimum. For every dealer at least all level two dealers it should be mandatory to have the same amount of products on display. E.g. 5 pcs Automower, 5 pcs Rider and 10 pcs of battery etc. Bonuses should follow different monetary levels, e.g. 75 000€ 1%, 115 000€ 2% and then with a significant increase in bonus if the dealer have been able to increase his purchases from the year before. sales of our brand have to be made more attractive then sales of a competitor product to make sure that the salesforce automatically begins to offer our products. PSO:s are good but we need to push more accessories such as clothes, because it is not attractive to order accessories at the moment thru our PSO.

- If we would reward the dealers salespeople directly we would instantly be ahead of our competitors.

- Profitability is the key word, the prices are forced down due to the competition from web shops. More and more of our dealers have weaker profitability then before.

- Listen to our dealers, show that we are working with x amount of things, solutions and issues. Be more loyal to our dealers, get them to work more together then against each other. We can be more flexible.

- We could pay bonuses for how much our dealers have developed instead of for how many products they have sold in quantity.

7.2 In what way can we develop our cooperation with dealers and make our dealers more loyal to the organization? (within legal boundaries)

- Via a real New Dealer Business Model from our company

- By helping the individual dealer do good business. If the dealer make money, we make money. If we can provide him/her with insight (the Why and the What) that make sense to the dealer (not to us) as well as tools for the How they will be loyal, since it serves the dealer interest. But we should also be prepared to exit dealers that we do not see as long-term successful.

- The company distinguishes itself in the market place by being not as much top-down / directive to our dealers than some other players. We tend to go for the collaborative approach. Also Johan's Dealer Business Development initiative is a great example of that. Jointly create the business, proper support, fact-based, but also highlighting what could happen to dealers if there is no succession plan, if we remain stuck in old-fashioned business models and tactics where dealers are waiting for customers to come in. Onboard the digital journey, differentiate through more premium customer experiences (in store, service, loyalty, …).

- Reward dealers that works exclusively with the company.

- Be honest, loyal and flexible, show that we help and want to solve our dealers problems together.

- Try to change the negative to a positive. Faster response time, e.g. help them more with campaign planning and support these in a better way. Automower trade in campaign was a good example which gave clear results.

8. What is important for us to consider during a change process, due to our independent dealer chain?

- They have alternatives and are not part of our org. They are individuals and will not change at the same speed.

- Consider and understand better the current Dealer P&L !

- Probably that different customer segments require different sales and service support. Therefore our dealer network need to become much more differentiated based the dealer's identified market / costumer segment and become an integrated part of the required (if required) distribution and service setup.

- It will be important to go beyond the 'words' of "the market is changing, therefore we need to change, nothing will ever be the same again". Highlight the specifics of what will be different and offer solutions that takes away dealer uncertainty. Follow-up with solid programs to support dealers, highlight their role in this integrated channel setup, showcasing that there might be large (online) players that are becoming more and more dominant, a dealer (a winning dealer of the future) will however have a role to play, in a profitable segment, which continues to be important (grass will always grow and needs to be cut, trees need to be maintained, etc.).

- To be fair to our dealers. Often we forget that our dealers are also our customers and they have to be treated well. If we want change, we have to plan these changes to be easily achievably. Not use the approach that we go there and start demanding non-reachable targets in a short time frame.

- That our service focused dealers are important for the future of our company, and we have to highlight and support these dealers to power our business forward in the future.

- There is always a risk that some dealers do not want to do business with us in the future.

- There is absolutely a possibility that some dealers will jump of our train.

- Dealers usually also have other big suppliers and it is important to also take these suppliers requirements and investments in consideration. For some dealers this brand may only be 10% of their turnover.