

# CHANGE MANAGEMENT FOR PURCHASE TO PAY: BEST PRACTICES TO APPLY NOW

## EXECUTIVE SUMMARY

The benefits that organizations in any sector can realize after automating purchase-to-pay processes (P2P) can be spectacular. A P2P solution can:

- Deliver far more streamlined, efficient, productive and transparent purchasing, and invoice handling
- Increase the accuracy and speed of financial management processes
- Release working capital previously trapped in the supply chain
- Generate significant cost savings.

But to realize value and return on your investment, you must ensure a successful implementation of the P2P solution, with new processes embedded deeply within your organization's operations and culture, leveraging a carefully crafted change management plan. Without

an effective strategy for change management, based on a detailed impact analysis and driving end user buy-in throughout the business, it doesn't matter how carefully you follow best practice guides for using P2P, or which technologies you use. Without an effective change management plan your organization will simply not enjoy the full benefits of using P2P.

There is a common misconception that most change initiatives fail. In fact, any change initiative has a good chance of success, but it is very easy to fail, or for progress to fade away over time. Only a small majority (55%) of change management projects achieve their initial objectives; and only one in four can maintain momentum over the longer term, according to research from professional services company Willis Towers Watson.<sup>1</sup> Its analysis suggests attempts to drive change

are often undermined by a lack of active support from senior managers, in combination with a lack of the communication with employees that is needed to drive buy-in from end users.

How can you plan and execute the successful change management practices that are required if a P2P implementation is to deliver its benefit to the business in full? Read on.

## THIS WHITEPAPER EXAMINES BEST PRACTICES FOR:

- Creating and implementing an effective change management plan
- Enabling a business to start reaping the benefit of P2P as quickly as possible
- Maintaining momentum and sustaining benefits over the longer term.



## ENCOURAGE NEW WAYS OF THINKING

### WHY YOU NEED A CHANGE MANAGEMENT PLAN

Effective change management underpins any successful P2P implementation. With a lot of moving pieces, users from multiple departments, communication requirements and processes that affect operations across the entire enterprise, this is not a change you can make by simply flipping a switch. You need a methodical approach - a change management plan provides the structure to help the business transform and drive maximum benefit from the implementation.

Change management also embeds P2P into an organization's culture by providing an opportunity for employees to understand why change is necessary. End user buy-in is absolutely essential to the success of a P2P implementation, so change management must incorporate clear communication with end users to:

- Encourage new ways of thinking
- Make a compelling case for new technology
- Facilitate adoption of new processes and adaption to working differently.

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**BASWARE CONSULTANT:  
"WITH A GOOD CHANGE  
MANAGEMENT PLAN, THE  
IMPLEMENTATION WILL  
BE FASTER AND MORE  
EFFECTIVE - WHICH  
MEANS QUICKER ROI."**

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### KEY COMPONENTS OF A SUCCESSFUL CHANGE MANAGEMENT PLAN

Change management plans should be tailored and differ depending on company size, industry, culture, complexity, and other factors, but there are a handful of standard elements to include in your plan for success:

### 1. A CAPABLE, COHESIVE TEAM

The team in charge of designing and leading the change management plan should represent (or should consult closely with) key stakeholders. The composition of this team is determined by the specific circumstances facing each individual organization, but its members should include or consult:

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IMPORTANT TO HAVE  
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ESPECIALLY AMONG  
PROCESS OWNERS AND  
LEADERSHIP TEAMS."**

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- Members of senior management (CEOs & COOs) who should be positive, enthusiastic supporters of the project throughout the transition.

- Finance leadership (CPOs & CFOs) to offer strategic guidance, providing an explanation of why the changes being made are necessary, the benefits to the business and the personal wins everyone stands to gain
- Primary stakeholders from the accounts payable & procurement departments to explain the current state, address challenges they face and learn how to collaborate more effectively through the process
- End users because effective adoption can only be achieved with the acceptance and active cooperation – hopefully even enthusiastic advocacy – of the end users
- IT personnel to relay their understanding of where the technologies and processes associated with the new system sit within the bigger picture of the organization's IT estate. They will also be the first line of defence in addressing technical challenges that emerge during and after the implementation
- Human Resources who may be responsible for coordinating end user training and helping users adapt to an evolving work environment
- Compliance personnel to ensure the project does not expose the organization to unnecessary risk
- External stakeholders who may engage with the system (this may include suppliers, business partners or other external parties like trade unions).

## 2. A DETAILED IMPACT ANALYSIS

The eventual success of the change management project will depend to a great extent on an initial planning phase that incorporates stakeholder and impact analysis, and looks at the consequences of the changes that will take place in terms of its effects on processes, technology, and people. Producing a detailed impact analysis is the most critical step of enacting a change management initiative.

This analysis must be thorough and comprehensive, considering the likely influence of company culture on the success of the project. It may be tempting to try to complete it quickly, expending only minimal resources, but this would be a false economy. The impact analysis phase demands a significant investment in time and resources to ensure that every aspect in the transition to P2P has been investigated.

This analysis should account for how the changes will affect people, processes, customers, daily operations, suppliers, and more. It should answer questions like:

- What will change?
- How will that change affect this person/role?
- What will be the outcome of that change?
- How will that affect other aspects of the business?
- Where does the change pose risk?
- What will be the positive results?

## 3. A CLEAR COMMUNICATION PLAN

If a detailed impact analysis is the number one key success factor, clear communication is the second. Poor communication can undermine any change initiative. Following the detailed impact analysis, it's important to create a communication plan that defines:

- The information that needs to be communicated
- Who the audience(s) are and if they differ by communication type
- When certain information should be communicated
- The cadence and repetition of critical messages
- Communication types and platforms
- How the effectiveness of communication will be measured

At the core of this communication component are messages about the changes that will take place, why they need to take place, how people will be affected, when they can expect change and what will happen as a result of the change.

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**BASWARE CONSULTANT:**  
**"IT'S REALLY IMPORTANT THAT THE CHANGE MESSAGES ARE CONSISTENT AND VERY SPECIFIC ABOUT THE OBJECTIVES YOU'RE TRYING TO ACHIEVE. THE OBJECTIVES OF THE COMMUNICATION EFFORT SHOULD ALIGN WITH AND SUPPORT THE CHANGE. YOU SHOULD BE ABLE TO DEFINE IN A CONCRETE WAY WHAT WILL CHANGE. EVERY PERSON INVOLVED SHOULD UNDERSTAND HOW PROCESSES WILL BE DIFFERENT COMPARED TO TODAY."**

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Although implementation of P2P does not necessarily result in headcount reductions, it is likely that some end users will have concerns in relation to job security. Clear, sensitively delivered communication is key in explaining what is going to happen and managing transitional changes that do involve some headcount reductions. This is another reason to involve HR as a stakeholder in the process from the beginning.

As AP industry expert Judy Bicking noted in a Basware-sponsored webinar focused on automation of AP processes, if organizations are not transparent about what lies ahead, a fear of change “becomes real – and your efforts at change management become extremely difficult”.

#### 4. WELL-DEFINED OUTCOMES

Specific objectives and desired outcomes of the change management project need to be defined clearly at the outset. In a long and complex process that does not really have a clear end point, change management should continue beyond implementation of the P2P solution, there is a need to punctuate the project by acknowledging the completion of different phases within the change management plan.

Every activity that takes place as part of the change management plan should be aligned with the achievement of specific objectives and phases should be documented with notable milestones to gauge

## ENCOURAGE END USER ENGAGEMENT

progress and success. And this information needs to be communicated clearly and effectively to all relevant stakeholders – and to the individuals and teams within each part of the business that are affected directly by the changes to be made.

### CHOICE OF COMMUNICATIONS TOOLS

There are many different communications vehicles that organizations can leverage from digital tools like the company intranet, messaging or collaboration apps, internal social platforms and emails to more traditional methods like face-to-face meetings, town hall gatherings, posters/printed materials and beyond. In most organizations a mix of different tools will be needed to reach all necessary audiences; the decision as to which tools to use should be based on three key factors:

- the organization's culture, which will help to determine the most appropriate communication methods to use when addressing different audiences and how to find an appropriate balance between face-to-face and other communication methods
- the complexity of the changes underway, which may make it necessary to extend communication requirements, repeat certain messages and offer more training
- the need to facilitate Q&A sessions to promote openness and transparency, which significantly increases the chances of user acceptance of the changes that are underway.

Trending technology can play an absolutely crucial role in communications relating to change management. In addition to enabling swift communication via various electronic methods, it can offer alternative methods of effectively communicating information to employees and soliciting action, such as through gamification. This approach can be used in different ways, such as rewarding employees who take part in an online quiz about the changes and the P2P project; or tracking employee activity in order to reward excellent results or productivity in pursuit of a specific goal related to the P2P project. These activities also help to stimulate discussion and healthy competition among employees, ultimately encouraging them to participate in the activities that drive the desired outcomes (e.g. – like using the e-procurement solution for every single order needed to do his or her job – driving compliance to contracts).

Encouraging end user engagement with the planning and project roll-out adds value by involving users in the process. Basware customer GKN Driveline discussed their approach in a webinar, describing a change management process designed to transform what had been an extremely paper-based AP function into a digital environment. This culminated in end users within the finance function working alongside other parts of the business. They worked alongside colleagues in engineering, health and safety and HR, to help explain how the change that had taken place in the AP department was leading positive change across the whole business. In addition to helping to spread the benefit that the new system delivered further across the business and explaining the outcome, this had a positive impact on these individuals themselves. As Heather Weis, manager of Finance Shared Services at GKN Driveline, explained. “It develops their confidence; it develops them as a more engaged person in the organization.”

If there is not a clear line that can be drawn between what is being done and why people are doing it, people will lose focus and disengage. Celebrating small wins and hitting project milestones is one way to keep everyone on track.



## 5. EFFECTIVE TRAINING

Training requirements and delivery need to be defined and planned as early as possible. The impact analysis can be used to identify the necessary training and timing, processes for testing the effectiveness of training and on-going training requirements that will happen at later phases in the project.

Another method for ensuring effectiveness is training power users in various areas of the business and having them champion the solution to their colleagues. These users become system experts and can share their knowledge with others as they work their way through training sessions. For phases that will require more cooperation across teams, it may be appropriate to have team building activities and small group training to encourage cross-functional collaboration.

### VALUABLE LESSONS LEARNED

For more than 30 years Basware has been helping businesses of every kind in countries all over the world to improve financial management processes. We have

extensive expertise in implementing P2P projects and supporting clients as they undertake the change management plans that underpin those projects. We asked a group of our consultants to share some important lessons they have learned about making change management a success. Here's their advice:

### 1. START EARLY

Change management planning must begin at the start of the P2P project.

**BASWARE CONSULTANT:  
"IT WILL TAKE TIME.  
SOME ORGANIZATIONS  
UNDERESTIMATE THE  
TIME AND EFFORT  
REQUIRED, BECAUSE  
EITHER THE PROJECT  
TEAMS OR LEADERSHIP  
DON'T UNDERSTAND  
THE IMPACT OF THE  
CHANGE ON EMPLOYEES,  
STAKEHOLDERS, OR  
PROCESSES."**

Stakeholder analysis and impact assessment are time-consuming but crucial processes: an organization needs a clear understanding of exactly what is going to change, because this will inform planning of the communications and training that will support the change process.

### 2. TAKE A STEP-BY-STEP, TAILORED APPROACH

In most organizations there are so many moving parts and organizational idiosyncrasies to consider that only a carefully tailored, phased approach is appropriate. Every organization is different and so every organization requires a unique strategy.

### 3. GET TOP LEADERS TO CHAMPION THE PROJECT

Senior leaders must understand and actively support the full extent and implications of the changes that will take place within the organization. The direct involvement of a senior figure in the organization, such as the CEO, CFO or CPO, with visible support from the board, will go a long way to convincing end users and other

stakeholders to dedicate the time, thought and energy needed to accept and add momentum to transforming the business with P2P automation.

#### 4. REALIZE THIS IS A JOURNEY - NOT A DESTINATION

There is no clear finish line to change management. It is an ongoing process that requires regular monitoring and reviewing well beyond the point when the organization starts using the P2P solution. This is why it is important to develop and communicate a phased plan and celebrate the small wins. People involved in the changing process need to be prepared for the long haul but also feel like the journey is headed in a positive direction.

It is a good idea to assign ownership of the change management process to a key individual who will continue to promote and guide it after the P2P solution is live. Ideally this person will have a close link with the end users because they will be the first people to notice if something is not working quite as it should and will be in a position to come up with ideas to improve the way the business uses P2P. You should be prepared to allocate budget and other resources to further training and support that is needed to solidify the changes it has brought into the organization's operations and culture.

#### 5. CONTINUALLY MONITOR SUCCESS

With your clearly defined desired outcomes and milestones you should have obvious points to evaluate progress and success. Tracking metrics like spend under management, e-invoicing rates, payment times, automatic invoice matching rates and overall savings

show you the value the solution is bringing and the benefits the business is realizing. Just like with forthcoming changes, it's important to communicate and celebrate the success. Let people know how their efforts and commitment to change are positively impacting the business - reinforce that it has been worth it.

#### THE VALUE OF A CONSULTATIVE PARTNER

There is no substitute for an internal resource when it comes to change management, but many businesses benefit from the additional support and expertise that external consultants can offer. These experts offer valuable advice and guidance to help organizations take a strategic approach to change management and P2P implementation, apply best practices, and to select the best tools to help the organization manage the change process and P2P implementation.

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#### BASWARE CONSULTANT: "A CHANGE MANAGEMENT EXPERT CAN PROVIDE GUIDANCE ON THE CHANGE MANAGEMENT PROCESS, AS WELL AS ACTIVITIES AND TOOLS THAT HAVE BEEN USED BY OTHER ORGANIZATIONS."

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Working with external experts helps companies extend their reach and effectiveness if there is not capacity to run the project using solely internal resources. And, external experts

provide the opportunity for internal resources to learn about change management best practices and build competencies to be applied in future projects.

#### WHEN CHOOSING AN EXTERNAL PARTNER, YOU SHOULD LOOK FOR:

- a proven track record of consulting for organizations of different types, sizes and industries and tenure in the P2P industry
- a team that can easily facilitate conversations and technical discussions with others involved in the implementation process - solution consultants, product management, customer care, customer success, etc.
- consulting services offered by your solution provider, as they are closest to the project and others involved.

#### CONCLUSION

P2P can deliver huge cost savings, efficiency, and productivity improvements to help companies fuel growth and create a competitive advantage, but reaching the point when an organization is able to achieve these goals is completely dependent on how effectively the solution is rolled out and everyone's commitment to transformation. By taking a strategic approach to change management and investing in the planning and resources needed, a business can help ensure a successful implementation and profitable future.

#### LEARN MORE

Basware's experienced team of business consultants are ready to help. **Reach out - let's change together!**

<sup>1</sup> <https://www.towerswatson.com/en/Insights/IC-Types/Survey-Research/Results/2013/12/2013-2014-change-and-communication-roi-study>

#### ABOUT BASWARE

Basware is the global leader in providing purchase-to-pay solutions, e-invoicing and innovative financing services. Basware's commerce and financing network connects businesses around the globe. As the largest open business network in the world, Basware provides scale and reach for organizations of all sizes, enabling them to grow their business and unlock value across their operations by simplifying and streamlining financial processes. Small and large companies around the world achieve significant cost savings, more flexible payment terms, greater efficiencies and closer relationships with their suppliers.

Find out more at:

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