



# **The Essential Guide to Technology Change Management**

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# The Essential Guide to Technology Change Management

Change is rarely easy. Adopting new technology and making changes to existing technology is even more difficult. But successful businesses understand that technology constantly changes and in order to remain relevant they must change as well.

In 2015, [McKinsey & Company](#) likened organizational change to turning a ship. While the people at the bow can immediately see what's happening, those at the stern may not notice until the turn is well underway. And, the larger the ship, the longer it takes to turn.

Because people naturally resist change, one of the most difficult parts of transforming organizations is guiding people through change. Most change management methodologies were developed in the predigital era. But that doesn't mean they can't be used as models for managing changes in technology.

And systematically managing changes in technology is crucial for project success. McKinsey estimates that 70% of projects fail to meet their goals because of the inability to overcome employee resistance and the failure to obtain full buy-in from management.

This guide will help you plan your change in technology so you overcome employee resistance and maintain management buy-in. It includes an introduction to the change management concept and then provides an overview of the most common change management models used for implementing change in technology. You'll learn how to set the stage for change, motivate, and then iterate for continued success. Finally, we'll look at a few companies that failed and one that succeeded so you can learn from the experiences of others.

## What Is Technology Change Management?

Change management applies a structured approach to bring about change in an organization. Technology change management is the application of change management techniques and models to guide the implementation and adoption of technology. It identifies new technology and then implements it for improved productivity and profitability. Technology change management provides the structure and tools to reduce resistance, improve communication, and address the challenges inherent in major change.

Technology change management sets goals and then organizes the activities for implementation. One of the most crucial components of technology change management is helping people successfully adapt to change. Technology change management recognizes the difficulty and challenges in bringing about change and systematically reduces resistance and increases adoption.

Technology change management has its roots in organizational change management. This discipline came out of [research conducted by Lester Coch and John French Jr.](#) at the Harwood Manufacturing Company in the late 1940s. In order to keep up with innovations in clothing manufacturing, the company needed to frequently change how jobs were performed and move employees into different positions. Even with increased monetary allowances for transfers, as well as higher pay and bonuses, the employees still resisted new methods and assignments.

Coch and French discovered that the more skilled a worker was, the longer it took them to adapt to new ways of doing things. Inefficiency wasn't due to a learning curve, it was due to resistance to the change itself. The yearning to "do things the old way" was the real stumbling block.

In the 1960's and 1970's change management research focused on the individual and the characteristics of early adopters and change champions, and compared the change process to the grief process.

By the 1990s technology was penetrating companies of all sizes and the changes brought about by new technology made clear that technology required more than implementation, it required careful management of the change it created. Modern-day technology change management has its roots in the book *Leading Change* by John Kotter.

## Why Is Technology Change Management Necessary?

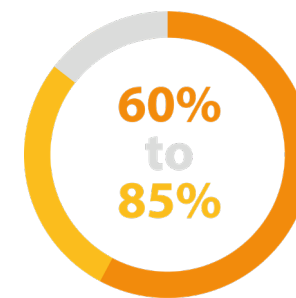
Technology changes rapidly. Gordon's Law projects that the number of transistors on a dense integrated circuit will double every two years. This projection was first made in 1965 and still holds true today.

This means that hardware and software are evolving rapidly. But people don't change as quickly.

According to Martec's Law, technology changes at an exponential rate. But people and culture change much more slowly, at a logarithmic rate. If not managed properly, this creates a large gap between the technology and the people.

If you aren't undergoing a digital transformation now you will be soon. According to [Harvard Business Review](#), the worldwide digital transformation market is expected to grow 20% to reach \$2 trillion USD by 2022.

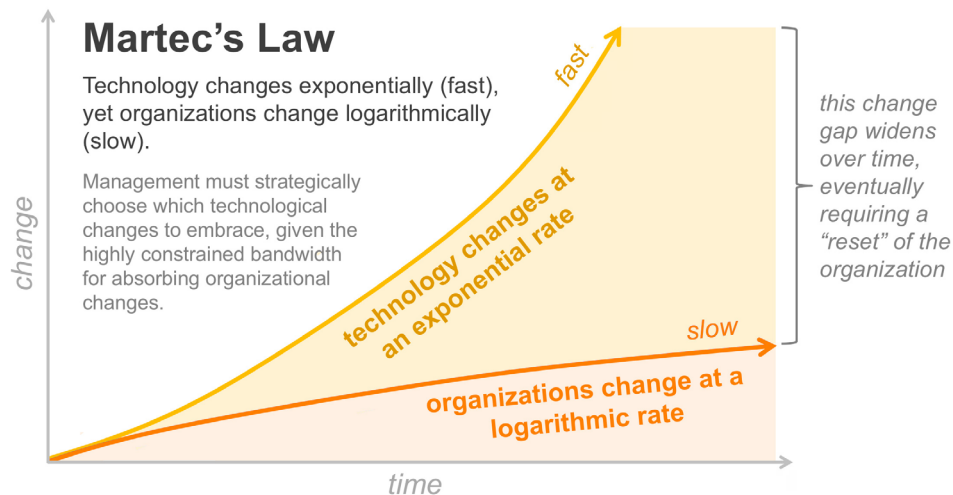
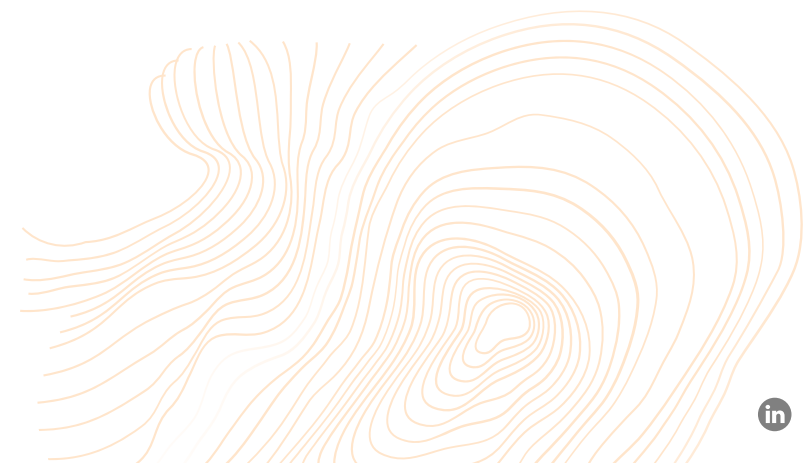
And failure rates are high. An estimated [60% to 85%](#) of digital transformation initiatives aren't realized.



**of digital transformations fail!**

[Source](#)

You can't slow change, but you can manage the rate to implement new technology and reap the benefits without creating employee fatigue and burnout. That's why technology change management is so necessary. It creates a culture that adapts to change, promotes employees to work together across the organization to implement change, and fine-tunes to continuously improve.



[Source](#)

## Six Key Change Management Methodologies

Traditional change management methodologies can be used to implement new technology or make a change in existing technology. Because every organization and every technology project is different, not every methodology is well-suited for every project.

However, by studying the most popular technology change management methodologies, you will find the best match for your situation.

In general, these methodologies take two different approaches to change management. They either focus on the organization or the individual. Individual change management focuses on the people and their emotional journeys, while organizational models emphasize how the organization will change.

Depending on your needs, you may find one methodology that meets all your requirements or you may combine elements of personal change management with organizational change management. Here are 6 methodologies to consider, four focus on technology change management in the organization, and two focus on change management for the individual.

### Organizational Change Management Models

Organizational change management models focus on company transformations that impact the entire organization. This can be a change in organizational hierarchies, introducing new processes, or implementing new technologies. These models give leaders the tools to manage those affected by the change and offer individuals a mechanism to prepare, manage, and reinforce changes. They focus on maintaining synergy between groups to ensure that the project ultimately meets company goals. Here are four of the most common frameworks:

#### 1. The McKinsey 7-S Framework

The McKinsey 7-S framework gets its name from the six factors that influence an organization's ability to change. These six factors work together as the Knights of

the Round Table along with the company's shared values (the seventh S) to guide how a company should change and how to make sure changes align with values.

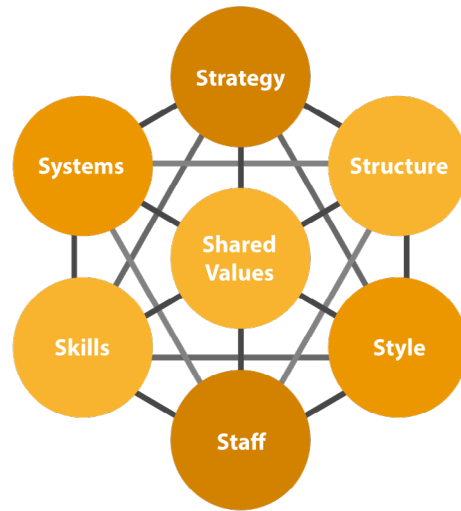
The framework links organizational and cultural elements together to create an easily digestible plan to adapt to change. They are divided into "hard Ss" that include Strategy, Structure, and Systems:

- Strategy defines what it is the company is trying to accomplish. Increasingly, this includes how the company evolves and adapts to an ever-changing business environment. When the framework was first developed, this was a fixed element. In today's environment, a strategy must be dynamic.
- Structure refers to how business units are organized and interact with one another. It defines authority relationships and is a powerful diagnostic tool for companies that are struggling to determine where appropriate responsibility lies.
- Systems are company processes and workflows. They may be manual or automated. Think of systems as how the actual work gets done, from human resources to risk management as well as the systems involved in creating and delivering your product.

And "soft Ss" that include Style, Staff, and Skills:

- Style is the company's culture. It includes the informal rules of conduct and includes how well the organization reacts to those that think differently.
- Staff represents all employees within an organization. It includes activities associated with growing and developing human assets such as recruitment, coaching, motivation, and reward systems.

- Skills are institutional and individual skills an organization has at its disposal. In planning for change, a company may realize they don't have the breadth or depth of skills to implement a change and will need to bring in outside assistance. In addition, individual skills necessary for adopting change are identified.



- Shared Values provide the interconnecting core for the other elements. They are the superordinate goals that don't change much over time. For example, for-profit organizations will always share profit-related values. Shared Values form the foundation of every organization.

This framework is helpful for focusing on coordination in the organization to identify disconnected elements and weaknesses that make technology changes difficult.

#### This model is best for...

Because the McKinsey 7-S framework is concerned with balance, it is an excellent tool for identifying gaps. Compare the desired position to the current position and uncover gaps. For example, the [Ithaca Beer Company used the 7-S framework](#) to assess their goals for growth and then identify technology that would be necessary to support scaling efforts.

## 2. Kotter's 8-Step Process for Leading Change

John Kotter introduced his eight-step model in the 1995 book, *Leading Change*. The 8-Step Process for Leading Change creates an environment that ensures everyone is on board the change. Kotter estimates that for change to be effective, at least 75% of management must buy into the change. So, the model focuses on building and supporting a desire for change. The eight steps in the process include:

- ◆ **Create a sense of urgency.** The first step is establishing dialogue and convincing employees of the importance of taking action over inaction. This sense of urgency will spark motivation and desire for change.
- ◆ **Build a core coalition.** Establish a coalition with key players, organization leaders, and stakeholders. Effective change must not only be managed, it must be led.
- ◆ **Form a strategic vision.** Formulating and documenting a clear vision will help everyone understand what the organization is trying to achieve. Ideas and solutions must be linked back to the core vision.
- ◆ **Communicate the vision.** Communicate the vision as frequently as possible. Don't hold special meetings, instead incorporate the vision at every chance. Communication should be two-way, so you can hear employee objections, concerns, and opinions and address them openly and honestly.
- ◆ **Remove obstacles.** Make sure organizational structure doesn't create a barrier to the change. Reorganize if necessary to align with the vision. Identify employees that resist change and help them transition.
- ◆ **Create short-term wins.** Set short-term, achievable goals. Teams feel a sense of accomplishment with small wins and this keeps motivation levels high.



◆ **Build on Change.** Every success is an opportunity to reflect on what went right and to succeed again. Those early small wins built credibility for you to continue with larger wins. The goal here is to create a continuous improvement environment.

◆ **Institute Change.** Continue to ensure that the change is reflected in every aspect of your company. Once change is part of the company culture, future changes will be much easier to undertake.



#### This model is best for...

Kotter's theory is effective when massive technology change will be undertaken. It was used with success by ACEA, a government-sponsored Italian multi-utility, to adopt new technology that completely changed how employees did their jobs. The goal was to improve service quality and financial position. Using Kotter's 8-Step Process for Leading Change, they successfully executed a digital transformation that impacted every level of the organization.

### 3. Lewin's Model

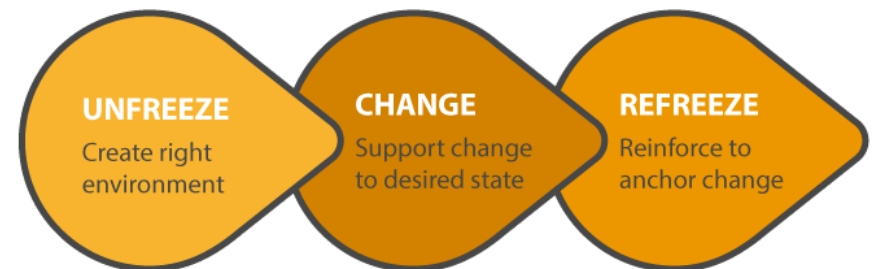
Kurt Lewin's change management model has been around since the 1950s and it is as relevant today as it was when first proposed. Lewin recognized that group forces impact the individual and can prevent a person from embracing change. In order to effect change, you literally have to shake things up or create a controlled crisis. Lewin likens the change process as the same process for turning an ice cube into an ice pyramid.

Essentially you unfreeze the ice cube, pour the water into a pyramid-shaped mold to change the shape, and then refreeze the mold. Lewin's Change Management Model uses the "unfreeze, change, refreeze" principle to manage transitions.

The first step is to "unfreeze" the status quo and uncover how and why things are done a certain way. This includes communicating why the current status quo cannot continue and challenges the beliefs and attitudes that support keeping things the same. In this stage, you acquire full support of the C-suite, management, and stakeholders. Messaging about the need for change and how the change aligns with the long-term vision is key to buy-in.

The second step is where change is implemented and evaluated. Information must flow freely so changes can be evaluated and iterated and leadership must continue to support the change process. Cross-departmental communication clarifies misunderstandings, dispels rumors, and answers questions as they arise. Support and education are vital. Adjusting to new technology takes time, and an incremental approach creates quick wins for implementation and overcomes resistance along the way.

The third step is refreezing, which sustains the change and makes it the new status quo. Without mechanisms to hold the change in place, old ways of doing things can be reestablished themselves. Continue with training, support, and rewards to make the change part of the company culture. And don't forget to celebrate successes.



### This model is best for...

Lewin's model is great if you value simplicity. It is relatively easy to implement and provides valuable insight into what needs to be changed and because it is a gradual process, you can build on successes to maintain momentum. When Chicago-based digital marketing powerhouse Mabbly needed to rethink its business, they used Lewin's Change Model to reorganize and undertake a cultural shift. Now, they are advocates for an [agile digital branding](#) process that incorporates the same elements of change management.

## Individual Change Management Models

Individual change management models focus on implementing change in an organization by focusing on how people react to change. They address the psychology behind natural resistance to change and support successful transitions. Individual change management models have roots in biology, psychology, and neuroscience. Thus, they address issues like change resistance, negative emotions, and rewarding employees. Popular individual change management models include:

### 1. The Prosci ADKAR Model

The Prosci ADKAR change management model was developed by Jeff Hiatt after studying change in over 700 different organizations. Hiatt observed that organizational change requires changes in the individuals within the organization. The model includes five sequential goals that must be met for an individual to achieve change. The goals address the different emotions people feel as they work through a change. These goals help both organizations and individuals anticipate these changes, making it a great guideline for managing employees. The ADKAR model goals are as follows:

**Awareness** is the stage where people are aware of the need for change. People learn not only what is changing, but why the change is necessary and the risks associated with not changing.

**Desire** means that the individual is willing to participate in and support the change. This may be one of the more difficult milestones to achieve.

Leadership must actively and visibly support change that creates a desire in the individual to be a part of something and to weigh the chances of personal achievements against the risk of personal penalty.

**Knowledge** means the individual has the necessary knowledge and skills to change. People need to know what to do during the transition and how to perform effectively after the change. Training and access to information are key to achieving this goal as well as having the time to acquire new skills and knowledge.

**Ability** happens when the individual can implement the skills, knowledge, and behavior to change. This is the stage where actual change occurs. The gap between knowledge and proficiency is closed and performance standards are achieved.

**Reinforcement** sustains the change. Making change is difficult and sustaining the change is even more difficult. But celebrations, accountability measures, and feedback help changes stick.



### This model is best for...

ADKAR allows you to manage highly disruptive projects by managing employee reactions to change. The greater the magnitude of change, the more important it is to manage how employees will be impacted by the change. When SURA Asset Management undertook a digital transformation, they employed the Prosci ADKAR model to manage the change by managing the change in their employees. Ultimately they expanded their client base and boosted customer loyalty and retention.



## 2. Bridges Transition

The Bridges Transition model was developed by William Bridges over 30 years ago. It focuses on the transition that an individual experiences during change. The model identifies three distinct stages an individual must pass through in order to come to terms with change. It aims to support people as they transition through change and as well as create organizational and individual resilience. The three stages are:

Ending, losing, and letting go is the stage that refers to focusing on the negative emotions of change and how these emotions manifest as fear. It stresses the importance of support channels to manage situations and driving desired behavior.

The neutral zone is the stage when the old ways are gone but the new ways aren't fully implemented and operational. The confusion and distress felt create the perfect seedbed for new growth. This stage is characterized by low productivity and morale which can risk the success of the change. Leaders should maintain support and momentum to continue with changes.

The new beginning is the transition to the new state, with the main goal being a reinforcement of the changes. This stage introduces new roles and new ways of doing things and is characterized by excitement, engagement, and greater energy to succeed.



### This model is best for...

The Bridges model was the perfect tool for Perspectives, a midwestern company that manages corporate employee assistance programs, to use during the COVID-19 pandemic. Their LEAD program guided customers, employees, and their families through the transition from “normal” to “life during and after a pandemic”. It has also been used by the [university-led researchers, judges, and community leaders](#) in Nogales, AZ to create positive change in abusive relationships.

## 3. Satir Change Model

The Satir Change Model was developed by Virginia Satir, a family therapist, as a way to help people recover from unexpected and often sudden change. At the heart of the model is the belief that things will always get better - they may often get worse before they get better - but they will get better. Individuals cross from one status quo to another as they move through the process. This model helps teams anticipate and better react to changes affecting team performance. It also helps organizations connect with employees and empathize with them according to where they are in the change process. The steps are:

**Late status quo** represents how things are done before the change is implemented. As the name suggests, this is business as usual. Things may or may not be working well, but the individual knows what to expect. They may even think that some things should be changed.

**Resistance** happens when a foreign element comes in and shatters the status quo. This foreign element can come from inside or outside the individual's organization. Resistance is the natural response to the proposed change and people will be

**Chaos** is the feeling individuals experience as the change happens. Individuals feel a mix of emotions ranging from anger, fear, and anxiety. This is considered the lowest stage of the process as team performance declines.

**Integration** happens as transformative ideas bubble up and individuals start to see the way forward. During this period, productivity improves, but anxiety and frustration may remain. Without support, it's easy to slip back into Chaos.

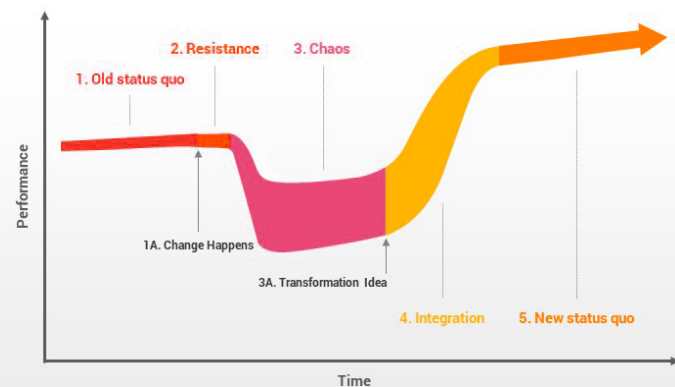
**New status quo** represents the stage where predictability and normalcy resumes. The new ways of doing things are second nature and higher levels of productivity are expected.

You'll notice that the line is not the same thickness throughout the curve. That's because performance may oscillate from day to day.

During the Chaos and Integration periods, these oscillations will be the greatest leading to extreme highs and lows. Once the new status quo is achieved, the oscillations will return to about the same level as before the change.

**This model is best for...**

This model is similar to the classical Kubler-Ross 5 Stages of Grief and is great for predicting individual reactions to changes. It is well-suited for managing the constant change associated with growing a software team. Django, a Python-based open-source web framework, uses the [Satir model to manage the continual change](#) associated with iterating and improving a software product.



## Virginia Satir's Change Model

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# Setting the Stage for Successful Technology Change Management

Introducing new processes has always been a challenge. And changes associated with technology introduce an additional level of complexity. Without acknowledging and preparing for change, brands can improperly allocate resources and squander time and effort in the process. So, take these steps to properly set the stage for technology changes.

## ◆ Ensure alignment

One of the most common reasons technology projects fail is the lack of executive commitment. From the highest levels, make sure management is in alignment. Otherwise, the project can quickly lose momentum. Failed projects lead to reduced support and investment for subsequent initiatives.

## ◆ Communicate clearly

Large organizations typically employ top-down communication structures that aren't well-suited for change management needs. In case you didn't notice, every change management model presented included communication as a key factor. Because changes impact both employees and customers, make sure you have clear two-way communication channels established before the change.

## ◆ Embrace agility

To survive in today's fast-paced digital era and keep competitors at bay, organizations need speed on their side. Any change management project requires an agile mindset to streamline innovation, accelerate adoption, and get to market faster. Agility embraces the iterative process where one positive change leads to the next.

## ◆ Address generational issues

When it comes to technology, there are gaps between those that pioneered technology and those who grew up with immersive internet and mobile experiences. Since digitally native generations communicate, interact, and think differently, it's essential to include both cohorts in leadership and on your change teams.

## ◆ Ensure staff relevancy

Along with digitization comes automation. And just the mention of automation strikes fear in the heart of many employees. Address any reductions in force openly to decrease anxiety associated with the change management project.

## ◆ Embrace a continuous improvement mindset

Remaining competitive is not only about introducing new technologies, it's about using current success as the foundation for future success. Brands must think ahead, plan for the next iteration or improvement, and invest in growing employees with new skills.

By understanding the potential communication, alignment, and adoption pitfalls, you'll set the stage for a successful technology change project. Now you're ready to tackle the technology change management process.

# Six Steps For Successful Technology Change Management

Introducing any technological change requires a systematic and pragmatic approach to establishing objectives, managing resistance, and reinforcing adoption. For many organizations, this means a change of mindset, which is one of the most challenging aspects of managing change. No matter what technology change management model you employ, you'll want to follow these six steps to successfully implementing your new technology.

## Step 1: Set a Goal

Before you introduce any new technology, you must clearly communicate the need for change. Start by defining your technology goals, and then outline how you will reach them.

Creating a well-articulated case does more than keep everyone informed - it can help you identify obstacles and assure that technology goals align with overall company goals. Organizations undergo a change in technology (whether adopting new technology or changing existing technology) for many reasons. The goal of the change may address:

- ◆ **Improved customer experience.** Today's customers demand intuitive and personalized experiences, and these are only possible at scale with digital transformation.
- ◆ **Streamlined back-end processes.** As businesses grow, they depend on complex and inefficient processes, which require a technology "reset" to ensure survival.
- ◆ **Alignment with changed environments.** Changes happen externally and internally, and businesses must update technology to better grow in new environments.

- ◆ **Future-proofing the business.** Businesses enact change to maintain a favorable position in their market, build resilience for the future, and better react to disruption.
- ◆ **Preparation for mergers and acquisitions.** As more players enter the arena, businesses in various industries must have the capacity to capitalize on strategic partnerships.
- ◆ **Capture new opportunities.** To survive in dynamic environments, businesses must be prepared to enter new markets and adopt new business models.

Once you set out your goals, you may discover additional inefficiencies. These can include inefficient sales processes, cumbersome workflows, or disconnected data. In this case, you'll have to address them before moving ahead with your goals.

## Step 2: Build a Team

Your change management team shouldn't be limited to a single department or focus on a specific type of individual. All types of individuals, from those who possess leadership skills, creative thinkers, and line employees, can push the change forward.

When building your team, look for individuals that:

- ◆ **Embrace change.** Individuals that have experience with change management know what to expect, the pitfalls to avoid, and how to inspire a team. These people can help guide the team in the right direction.
- ◆ **Represent different company areas.** Look for leaders in all departments and rungs of the corporate ladder. Include individuals across product, sales, marketing, HR, and support roles to keep teams connected and promote diversity of ideas.

### ◆ Have specialized knowledge.

Some individuals may have an in-depth understanding of how a process or department functions. Not only do they provide valuable insight, but they are also a conduit for providing information to their circles.

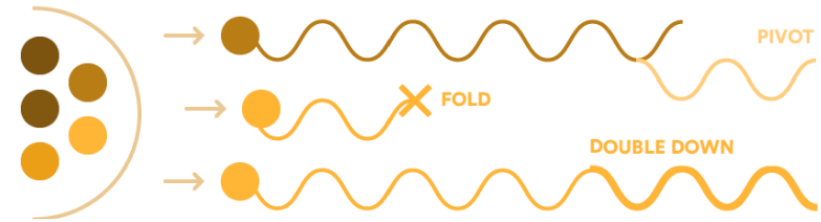
No matter how large the organization, managing change happens at a team level. Encourage teams to combat resistance and address conflicts on their own. Look for team members that work well together during uncertainty and recover from setbacks quickly.

### Step 3. Define a Strategy

Leaders have reservations about large, transformative changes with good reason. But real leaders do not ignore the need for major changes in technology. They implement using a strategy that emphasizes an iterative process to reduce risk and sunk cost while maximizing the possibilities for success.



The minimum viable product (MVP) strategy takes an incremental approach to generating value, gathering feedback, and readjusting priorities to reach the desired results. Along the way, you may decide to further invest in your idea, change course based on feedback and results, or abandon it altogether. Download a [comprehensive guide to the MVP approach](#) to learn more about this strategy.



When using the MVP strategy you will:

- Outline your project requirements and deliverables early on. Address real company problems, not just nice-to-haves.
- Realize that not everything must be implemented. Prioritize solutions and match them with your company's capabilities.
- Build out a project according to your goals and company vision. Execute a soft launch and release your solution to a small audience while collecting feedback.
- Utilize feedback and lessons learned in the next iteration of the project.

This is the optimal approach to reduce risk, maximize resources, and speed up time to market when your project incorporates transformative technology solutions.

### Step 4. Implementation

The implementation stage is where all the efforts in the organization come together to implement the project. During this step, leaders must continue addressing organizational barriers. These may come in the form of:

### ◆ Deep resistance

While some people are more resistant to change than others, everyone is different - that's why we call them individuals. Be keenly aware of those strong resisters and be prepared to step in with additional personal change management strategies if necessary.

### ◆ Ineffective communications

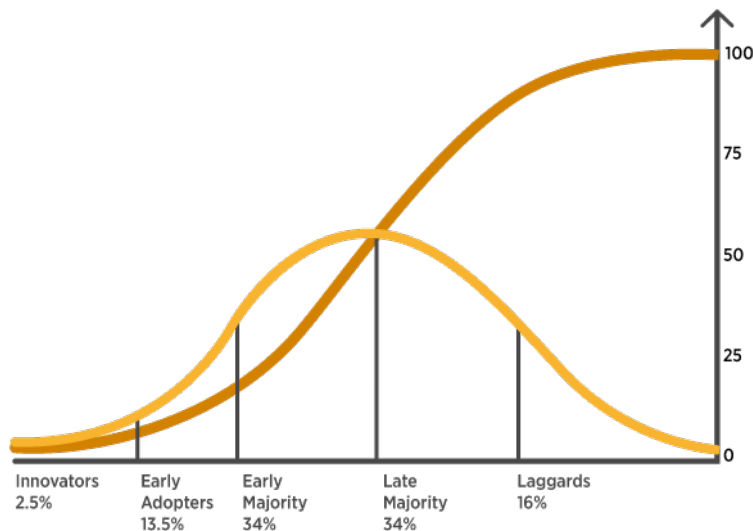
How change is perceived also depends on how it is communicated. Your standard channels of communication may be top-down and one-way. For change communications, make sure a feedback loop is included and that benefits aren't oversold and challenges belittled.

### ◆ Organizational culture

Senior management may espouse a set of values regarding corporate culture, but the real culture is what is perceived by the employees. For example, management may say they promote teamwork, but if employees at lower levels don't trust each other or management, collaboration is difficult. Make sure the culture you think you have is the culture that is actually in place.

## Step 5. Facilitate Adoption

Managing resistance and facilitating adoption is key to successful technology change management. Resistance occurs for many reasons, but the root cause can range from familiarity with existing processes to fear of the unknown. Yet, anticipating these emotions can help organizations plan for, educate, and drive successful adoption internally and externally.



Remember that employees will not adopt technology uniformly. According to the [Diffusion of Innovations Theory](#) developed by sociologist Everett Rogers, new ideas in a social system aren't adopted simultaneously. Adoption falls on a bell curve and the populations can be broken down into innovators, early adopters, early majority, late majority, and laggards.

### Internal adoption

- Offer regular training for employees. Start with a documentation portal, presentations, and videos. Host meetings and interactive training sessions.
- Create a system of bonuses for those who embrace change first. New compensation structures or company perks help reinforce behaviors and foster friendly competition.
- Collect employee feedback at every opportunity. Engaged employees are more likely to remain invested and take ownership of change projects.
- Focus on customer-facing roles such as sales, support, and success teams. These employees can enthusiastically promote new initiatives to customers.
- Adoption should be an ongoing process, so appoint an individual responsible for internal adoption and measure the success of your efforts.

### Customer adoption

- Offer access to new products or introduce a new promotion program that encourages customers to embrace change.
- Educate customers on the new way of doing things. Create new content such as website content, events, case studies, or demonstrations.

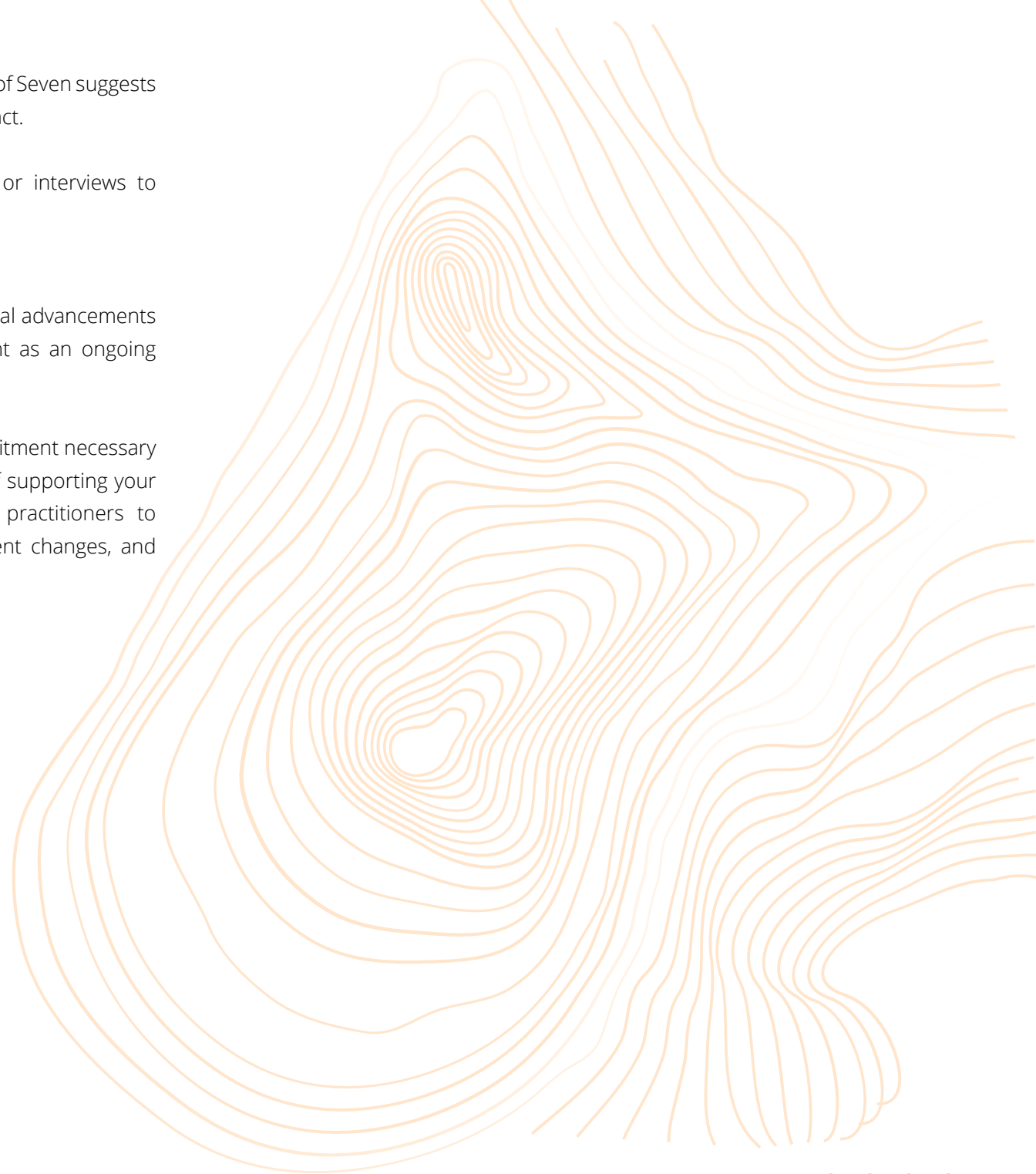


- Reinforce your message with ample repetition. The famous Rule of Seven suggests customers need to hear a message multiple times before they act.
- Collect customer feedback through surveys, questionnaires, or interviews to measure technology adoption.

### **Step 6. Improve Continuously**

To meet growing customer demands and keep up with technological advancements and market trends, organizations must view change management as an ongoing activity.

Thus, ensure everyone in your organization understands the commitment necessary to succeed with change efforts. Be on the lookout for new ways of supporting your leaders, employees, customers, and partners. Instruct change practitioners to maintain communication channels and collect feedback, implement changes, and iterate until desired results are reached.



# Technology Change Management Failures and Successes

As Eleanor Roosevelt famously said, “Learn from the mistakes of others. You can’t live long enough to make them all yourself.” There’s much to be learned from the success of others and even more to be learned from their failures. Here’s a snapshot of a few technology change initiatives that failed and one that achieved marked success.

## BORDERS®

### Failure to Follow Through With New Technology

Borders, a global book retailer, failed to recognize the impact of new technology on their business and quietly closed in 2011. Borders started in the early 1970s when Tom and Louis Borders operated an independent used book store in Ann Arbor, Michigan. The Borders opened additional book stores in Michigan, Georgia, and Indiana and developed a sophisticated system for tracking bookstore sales and inventory. Borders was an innovator, opening the first book superstore and they were the first to offer coffee in a bookstore.

Borders was acquired by Kmart Corporation in 1991 and seemed a natural addition to their Waldenbooks brand. Kmart spun off the Borders-Waldenbrooks brand in 1995 with an offering that took the brand public.

Beginning in 1997, the brand began an international expansion, opening book stores globally. At one point it was the second-largest bookseller in the US. They also saw the rise of digital media and invested in the sale of DVDs and CDs but they failed to see how digital books and digital selling would change their industry.

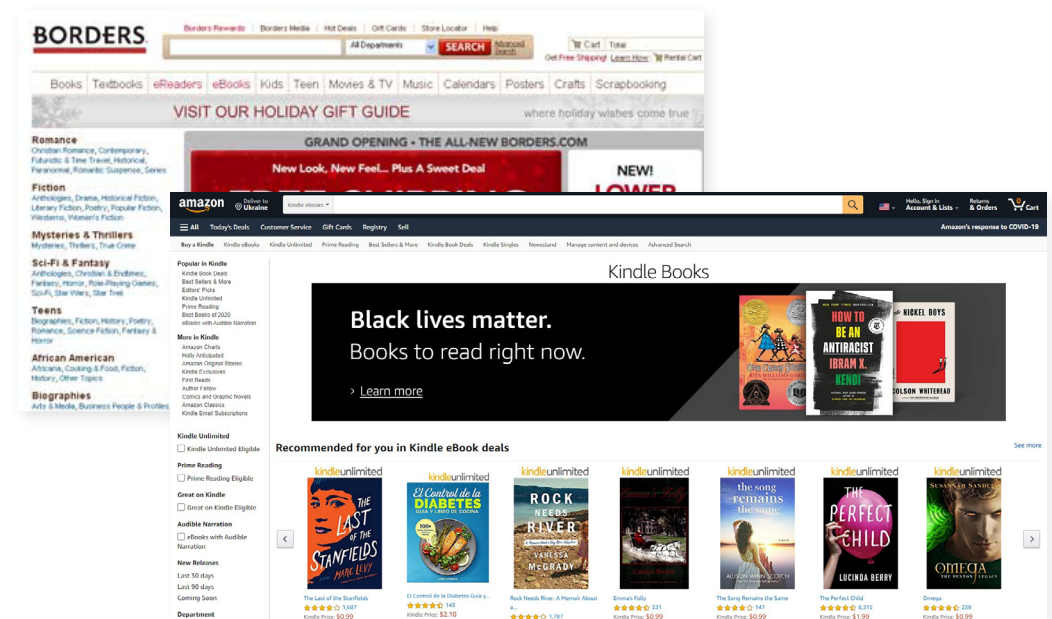
In 2001, they dipped their toes in the water of eCommerce but were not successful. Instead of iterating their website and improving their digital buying experience, they simply outsourced their digital channel to Amazon. They literally handed the keys to the store to their competitor.

Amazon and Barnes & Noble saw the potential for an eBook reader to revolutionize how people consumed books. Like the iPod changed music, the Kindle and Nook changed book reading forever. By the time Borders released the Kobo, it was too late.

Borders saw the potential for technology to change the bookselling business, but they were slow to react and customers left in droves. The company took on massive debt for international expansion, which led to limited resources for a full digital transformation.

What could Borders have done differently? Had they treated their initial web presence as an MVP, they might have been able to iterate and create a better user experience. Instead, they outsourced the channel to a company that was a direct competitor. And the same company that saw the power of technology to create intelligent sales and inventory management systems didn’t see the power of technology to change how books were read.

Instead, they went from visionaries and industry leaders to laggards to bankruptcy.





## Failure to Include All Stakeholders

In 1989, the National Society for French Railroads (SNCF) sought to replicate the success of US airlines in utilizing technology for booking flights. Instead of creating a system from the ground up, SNCF decided to purchase and modify Sabre, a reservation technology from American Airlines. They envisioned Système Offrant à la Clientèle des Réservations d'Affaires et de Tourisme en Europe (SOCRATE), as a way to [maximize revenue, implement a marketing philosophy based on yield management techniques](#), and build a user-base to support expansion.

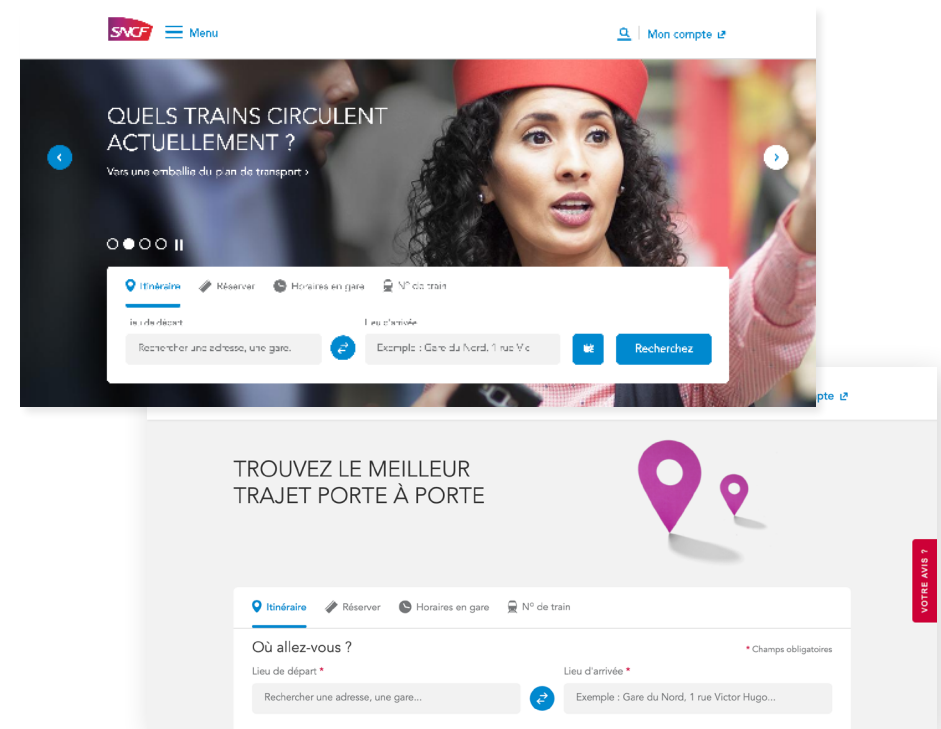
Before implementation, management consulted select stakeholders but a fast launch was prioritized over gaining input. When the new system was launched in April of 1993, chaos ensued in the rail stations and the offices.

Everyone rejected the new tool, complete with its ticketing, pricing, and selling philosophy. The user interface was based on airline ticket booking logic and geared for travel agents, not rail passengers. As a result, it now took customers much longer to buy a ticket. Staff training was inadequate, and they couldn't use the system either. Poor implementation led to everything from system crashes, double bookings, and printing problems.

Customers had no choice but to wait in lines for hours on end. Some received tickets to non-existent trains while other trains ran empty. SNCF was faced with strikes by worker's unions and lawsuits by consumer groups. Everything from poor leadership, technical malfunctions, user resistance, and political pressure were blamed for the incident.

Much of this chaos could have been avoided if management was willing to perform adequate research and consult with stakeholders from management teams, their staff, and customers.

Had they followed the lead of British Rail, they would have developed a new product from the ground up. Since their existing system had the capacity to handle the existing level of bookings, the creation of an MVP with a soft launch to a select pool of users would have led to an iterative approach that would have prevented the problem. Deregulated airlines in the US are not railroads in France and the software chosen wasn't well suited to the task at hand and the lack of an iterative process only exacerbated the problem.





## Success Through Incremental Implementation

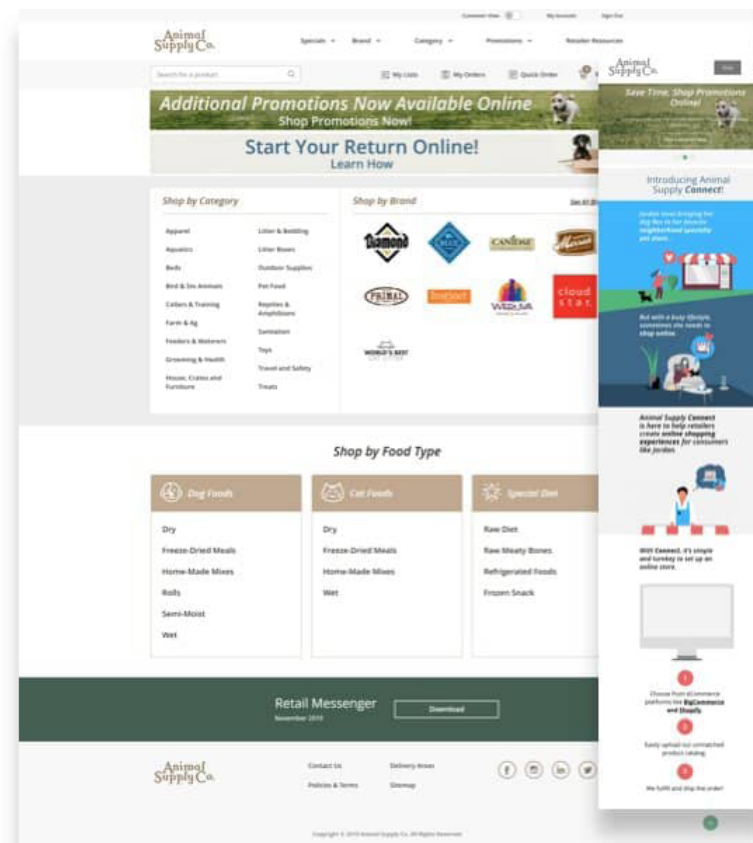
Animal Supply Company (ASC) is one of the largest wholesalers and distributors of pet food and supplies in the US. The company had a strong record of growth through acquisition. They operate 23 distribution centers that support 11,000 retailers with 15,000 locations. This growth strategy led to success, but it also created an inoperable system of disparate ERPs, WMS solutions, websites, and shipping operations. They needed a change in technology that would allow them to eliminate data silos and create unified management dashboards. This was a major digital transformation for the company, so to minimize risk and maximize success, ASC used the MVP approach. This allowed ASC to test results as they went along, and build upon solutions with feedback from staff, retail partners, and customers.

During this process, ASC continuously communicated with all stakeholders the importance of changes. They also addressed any resistance at the core. This boosted employee engagement and created excitement for the change internally and externally. Once customers experienced the improvements such as easy ordering and customized promotions that were automatically applied to their orders, adoption grew.

Once ASC garnered sufficient support for the initial MVP, they embarked on their next iteration. They implemented [OroCommerce](#) B2B eCommerce platform features to offer an API-connected mobile app for wireless ordering. Next, they implemented B2B2C capabilities, offering retailers the ability to expand to new business models. And, since ASC also operates with shipping and 3PL partners across numerous warehouses, they could streamline fulfillment, too.

All this prompted ASC to move 10% of their sales to digital channels, boosting overall sales by 19% within the year.

Then, as the COVID-19 pandemic hit, their digital systems were prepared to handle remote working including sales and customer support. As a result, ASC experienced double-digit growth in 2020 without performance or productivity issues.



## Conclusion

Adopting new processes and new technologies represents a fundamental shift for any organization. Change affects everyone, from leaders to IT teams, to front-line employees, to stakeholders, and to customers. Implementing and adopting new technology requires change management techniques for planning and communicating change as well as methods for overcoming resistance and making changes stick.

By understanding the technology change management process and proven change models you'll be armed with the knowledge to craft a change management plan that increases your ability to succeed.



## About Oro Inc.

Oro Inc. is a software company that strives to give B2B commerce companies the freedom to evolve and grow their businesses. It is the company behind OroCRM, OroCommerce, OroMarketplace, and OroPlatform products that enable B2B companies to embrace the complexity of their businesses to scale and continuously improve.



An out-of-the-box B2B eCommerce solution that can handle B2C, B2B, B2B2C, multichannel, or marketplace selling, able to deploy as traditional or headless eCommerce.



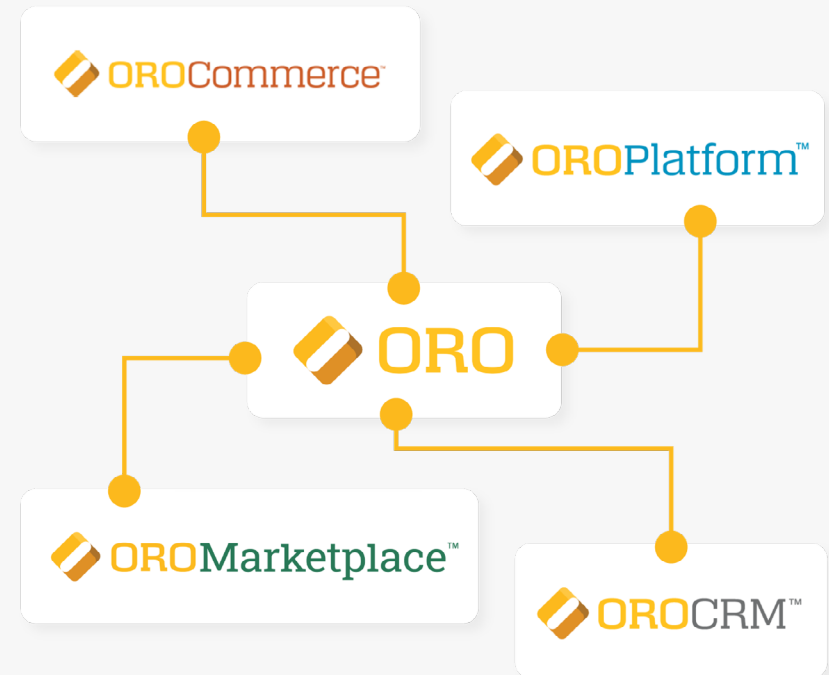
An open-source architecture with the robustness and flexibility to ensure reliability, customizations, and faster time to market.



A growing ecosystem of technology partners, system integrators, developers, and 24/7 support to help every step of the way during your transformation.



A "deploy anywhere" approach gives you the freedom to run on OroCloud, on any third-party private or public cloud, as well as on-premise.



**Talk to Oro today to discuss your technology needs.**

**Contact Oro**