

Strategizing for Successful eSourcing Implementations

By Barbara Ardell, **Paladin Associates Inc.**
www.PaladinAssociatesInc.com

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Your company has wisely contracted for an eSourcing solution. You are relying on it to deliver process improvements and sorely needed cost savings. You've trained your people, but you recognize that the challenge has just begun. Internal adoption is key to your success.

The challenge you face is culture change. It is the biggest obstacle in any software deployment. Less than 15% of your user base will be "early adopters". The majority will take a "wait & see" approach, and 10% or so will be "foot draggers". There will be resistance because the implementation requires behavior changes for all involved.

Experience across numerous customers representing a variety of industries has identified some levers which can help to accelerate user adoption. These are:

- Goals and Measures – Creating a "pull" environment
- Organization – the right structure, roles and responsibilities
- Processes – documented best practices

Leadership creates a "pull" environment by establishing Goals & Measures and holding people accountable. Since everyone has more to do than they can possibly get done, they must set priorities. So how do they decide what gets done and what gets left undone? It is human nature to seek pleasure and avoid pain. Therefore, what gets measured by leadership gets done! That's why goals and measures are critical for internal adoption.

While goals and measures are important they must be supported by the proper Organization. This is not merely about structure – the boxes on the organization chart. You must also have clearly defined roles and responsibilities with the positions staffed appropriately. Key roles include:

Champion – He/she establishes and communicates goals and measures, provides necessary resources, breaks down barriers and holds people accountable.

Master User – This individual “puts the feet” on the implementation. Required skills include: Leadership, Change Management, Project Management, Sourcing & Communications. He/she is the liaison with the Champion and becomes the on-going center of eSourcing expertise. A strong Master User is a key indicator of success.

Super User – In larger organizations, the Master User can't do it all. The Super User is typically an on-site resource who teaches tools and tactics, models best practices, coaches other sourcing professionals, shares learnings within and across the organization, and identifies barriers and improvement opportunities.

Sourcing Professionals – The sourcing professionals do what they've always done – apply sourcing expertise to deliver cost savings, cycle time reductions and process improvements. However, they perform these tasks with the assistance of an eSourcing solution supported by new processes and best practices under the tutelage of the Master and Super Users.

The third lever for internal adoption is Processes. A quality tool called the P-D-C-A cycle (Plan-Do-Check-Act/Adjust) is useful for this purpose.

Plan includes: creating an implementation project plan, user training and spend analysis which enables sourcing pipeline development. There is a tendency to shortcut planning and jump to action. This typically results in significant frustration and rework.

Do refers to the actual implementation. This involves the application of processes, best practices, templates and checklists to conduct successful eSourcing events. Most eSourcing solutions provide templates and allow you to embed processes and best practices into the project management feature of the solution.

Check relates to tracking your progress. Are you achieving the goals established on both a program and project basis? Your goals must be supported by specific measures against which you track.

Act/Adjust focuses on continuous improvement. This includes periodic reviews where individuals share learnings with each other, identify improvement opportunities, and develop an action plan. The cycle then repeats.

Using the three levers: Goals & Measures, Organization and Processes, helps to embed eSourcing into your organization's culture. Ignoring these important considerations will impede your efforts thereby delaying the efficiencies and savings that are critical for survival in today's economic climate.

Barbara Ardell - **Paladin Associates Inc.**

Vice President

www.PaladinAssociatesInc.com

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