Create more success with change management!
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Guus Krabbenborg - Partner Master Class
Introducing Partner Master Class
(Part of the UK kick-off, May 2011)

- Recognised Worldwide as the TOP PDC
- All personnel have built VAR/ISV Partners from scratch
- Live and breath your business pains
- Wide range of experience in all areas
- Proven Success in multiple countries across Europe and APAC
- Top Class Coaches
About Guus Krabbenborg

- Over 25 years experience in business applications
- Co-founder in 1994 of DBS Business Solutions, an international Dynamics CRM partner with 120 employees
- 1999 - commercial director at Navision in The Netherlands
- Since 2000 specialized in business training and coaching for Microsoft Dynamics partners around the globe
- Since 2005 Guus runs workshops for prospect companies looking for new CRM and ERP solutions
- Today he is co-owner of both Partner Master Class (PDC) and Quattro Business Solutions (Master VAR for WE)
- Guus writes blogs and books on CRM and ERP project success
The GAP
What brings Project Success?

a) Maximize the amount of customizations
b) Budget and time overrun
c) Inability to use future upgrades
d) Paying BREP for long years with only a small return
   or
e) Meeting customer’s business goals with limited or no customizations within budget and time

That wasn’t too hard, was it? 😊
GAP - Partner vs Prospect

• Your own message is...
  – This is how our Dynamics solution works!
  – Industry solution
  – Best practices
  – CfMD

• But your customer will tell you...
  • This is how we’re used to work for the last 10 years!
  • We’re unique - not standard!
  • Please proof us the flexibility of Microsoft Dynamics!
GAP - Operational vs Strategic level

• Operational level at the customer side
  – Solving short term issues
  – No insight in business strategy
  – Not really motivated to change
  – Create a never ending demand for modifications

• Strategic level at the customer side
  • Hate budget overruns!
  • Time to value is getting more and more important
  • Have learned from previous implementations
  • ‘There is an App for that’
  • See competitors that can deliver much faster
Implementing = Change!

But *what* are you changing?

The customer towards the software

or.....

The software towards the customer
Customizations
Standard vs Customizations?

• A small tale on a Microsoft Dynamics NAV project ..... 

– Two implementation partners on the shortlist 
– One offers vertical add-on’s - the other one customizations 
– Customer selects the customizations offer 
– That’s easy - no need to change their processes! 
– Next is a complex, long-lasting and very expensive implementation project 
– Then: the awareness that they’ve re-automated their history in a new system! 
– Finally: after 5 years they switch to the other NAV partner
The benefits of customizations

• For your customers
  – “We need it because we’re special!” 😊
  – No change process necessary
  – So no organizational pains
  – They can stay in their comfort zone!

• For you as a partner
  – The strong believe that selling customizations is a solid business model
  – Showing your technical expertise feels great!!
  – Creating a customer lock-in?
  – You can also stay in your comfort zone!
But after a while....

• For your prospects
  – Loss of flexibility
  – Problems with upgrades leads to increased TCO
  – Knowledge is a single point of failure (quality of support?)
  – Strong delay in modernizing internal business processes
  – Result: decreased value of their investments!

• For you as a partner
  – Higher complexity = higher risks
    • Problems to get your project delivered and accepted
    • Customers get resistance to pay their bills over time
  – Decrease of customer satisfaction leads to a loss of customers
  – Result: you leave money on the table!
Customizations can be dangerous!
Impact on your customer base

• Growing part of the installed base is on old versions
  – Puts your (and Microsoft’s!) position under risk
• Limited/No value from their costly BREP contracts!
  • Will lead to contract termination.
  • Opens the door for third party maintenance! (SAP’s TomorrowNow)
• No benefits from the ongoing MS innovation!
  • While innovation was one of their reasons to select Microsoft!
• Your position when customer starts all over again?
  • The grass at the neighbors .....
Our near future looks like this....

- **Subscription pricing**
  - Timely contracts will lead to “churn” (= loss of contracts)

- **More frequent new versions/roll-outs**
  - Today already a fact for Dynamics CRM, GP and NAV!

- **For you as a partner**
  - Higher complexity = higher risks
  - Though discussions on the increasing TCO
  - Less control over your customers
  - Revenue streams under risk
Standardization
Customizations vs Standard

- Customer focused vs Vertical focused
- Once vs Many
- Expensive vs Low(er) costs
- High project risks vs Proven solutions
- Difficult to sell vs “Seeing is believing”
- Documentation ? vs Documentation !
- Testing by customer vs Testing!
- Long lasting projects vs Short(er), predictable projects
- Single point of failure vs Broader set of knowledge
- Knowledge helpdesk? vs Helpdesk!
- Migration? vs Migration!
- Yesterday’s processes vs New/Best practices (future!)
Advantages of a vertical approach for your customers

• You’re a better sparring partner
• Add on’s are directly available (time issue!)
• A shorter implementation period (money issue!)
• Continuity in knowledge and add on’s (investment protection!)
• Less vulnerable because of breadth of vertical knowledge
• “Seeing is believing”
• Lower project risks
Advantages of a vertical approach for your company

• Distinction from other Dynamics partners
• Smaller marketing budget (or a better utilization!)
• A natural position on the long- or shortlist
• Lower project risks (fixed price is easier?)
• Efficient use of development capacity (1-to-many)
• A shorter implementation period (= money!)
• Higher fees for consultancy (due to vertical knowledge)
• More profit!
Advantages of a vertical approach ➔ for Microsoft

• Better spread of partners in the market (lead distribution, growth!)
• Less competition between Microsoft partners (fight the real enemies!)
• Competition on value in stead of price (less discounts!)
• Higher score rates for partners
• Partners are more profitable
• By result: Microsoft makes more profit!
Levels of complexity
SAP’s CEO Bill McDermott on complexity

- “Complexity in all its forms has emerged as the most intractable CEO issue of our time”
- “Can we try something new? No. Can we rethink a few corporate policies? No. Can we get outside our comfort zone and go for growth? No.”
- “No” has become the most popular word in most organizations
- “Can we dream again? Yes. Can we innovate? Yes. Can we grow? Yes. *But only if we run simple*.....”

Posted in SAP Business Trends, Jun 23rd, 2014
Changing the customer?
Implementing Dynamics NAV = Change!

- Change the software towards the branch

  AND....

- Change the customer towards the branch software!
Is change easy?

- Human nature is averse of change!
- It needs a motivation, urgent reason, vision
- We all know many examples of changes that came too late!
- Importance of exemplary behavior!
Importance of Change Management

• Biggest problems ERP project teams are facing:
  – Lack of employee buy-in (38%)
  – Lack of project resources (19%)
  – Lack of project budget (10%)
→ Survey of Panorama Consulting

• Companies that adopt a change management strategy are 6 times more likely to achieve the required results and business benefits
→ Survey of Prosci
Your current change tools

• The Microsoft Sure Step Methodology
• Focused on functionality and technique!
• Limited support for organizational change!
• Limited support for management awareness!
Change workshop
Timing of the workshop

• **Shortlist phase**
  – Paid activity because it is solution independent
  – Shows your involvement in achieving project success!
  – Helps you to make the difference!

• **Step 1 of your implementation**
  – Paid activity
  – Prepare the (middle-) management for the change process

• **Use parts of content for your kick-off meeting**
Target audience

- Depends on company size and project scope
- Board of Directors and Business owner(s)
- Middle management
- More is better! 😊
Why projects fail

We know why projects fail. We know how to prevent their failure. So why do they still fail?

Cobb's Paradox (1989)
Exercise

- Create groups
- Analyze your current situation
- What went well?
- What went wrong?
- Please don’t forget your own contribution! 😊
- What are the lesson’s learned?
What is ERP/CRM?

- A CD with software?
- A project?
- One version of the truth?
- Better processes?
- Better *internal* cooperation?
- Better *external* cooperation?
- An attitude?
Benefits of ERP/CRM?

- More sales?
- Happier customers?
- Less mistakes?
- Less frustration?
- Work smarter?
- More professionalism?
- More profit?
And who benefits from that?

- Michael, the CEO? 😊
- Your direct manager?
- Your colleagues?
- Other departments?
- The board?
- The shareholders?
- You yourself?
What determines success?

- Microsoft Dynamics NAV of course!
- The implementation partner <name>
- The <Prospect> organization
- Coincidence?
- Others, like......
Who determines success?

- The board
- Harry, the IT manager of course.... 😊
- The IT department
- Other departments
- The individual employees
- All together?
- Other, like....
Your new system is for tomorrow!

Tomorrow you’ll have a plant in Italy, everybody communicates with vendors and customers over the web and all employees use an iPad

- Link to your strategy
- Avoid holding yesterday’s habits in tomorrow’s processes!
What is driving your organization to change?
The Importance of a Change Vision
What a Vision Does

- It simplifies things; beats out micro-management
- Motivates people to take action
- Helps co-ordinate the individual actions of many
- Clears out clutter – clean out projects not in support of the vision
- Provides a “cause” to fight for
Risk management

- ERP implementation is Open heart surgery!
- Would you like to combine this with an appendix operation?
- Maybe we’ll do the prosthesis some other time!?

→ Small steps give better results!
→ But how are you going to ‘sell’ this message?
Failure & No decision

- Create groups
- Define all the cost and impacts of project failure for your company and their individuals
- Do the same for a No decision decision
- Short presentations
Preparedness to change...

- Changes never go naturally
- What's in it for me?
- Emphasize the urgency
- Education and communication
- Exemplary behavior (!)
- Necessity of customizations
Make your choice please...

Au

Wauw
Partner case

• German Dynamics NAV partner Tegos joined our PMC training program
• They added this content to their internal SureStep approach
• We’ve trained their project managers
• And we’ve assisted Tegos in their first change workshop for a prospect
Partner feedback

Tegos on PMC’s Change workshop:

“The most helpful PMC workshop for us was the one about Change Management. Since this workshop we’ve completely changed the way we address the change topic before and during our ERP projects. The results are amazing!”

Ingo Kailuweit - Member of the Executive Board
Market and sell the concept - not just the product
- Staying close to the standard means easier future upgrades, lower TCO, etc

Build internal Change Management skills
- Who is delivering this content? When in the sales cycle? How?

Consider expanding your methodology
Change first! Customize only when necessary
- Mind you - this has an impact on your delivery organization!

Motivate your sales to sell standard plus change
- Pay (extra) for selling standard solutions. Discourage selling modifications!
Get yourself a change methodology asap!
The full content will be available to all QBS partners on the membership levels *Advanced* and *Extended* at no extra cost
Other partners can acquire this content - please ask for a quotation (give me your business card please)
We will provide TTT session to help you implement Today available in English, German & Dutch
Contact us for next steps
Don’t miss the change boat!
Enjoy DIRECTIONS 2015!

Feel free to take a business card!

Visit my other session Tuesday at 16:45 - *Change or Disappear! Is your company able to cope with ERP Disruption?* Stamnitz Saal

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