

## ***Change Management at Chapters.Indigo: A Case Study***

### **Business Case for Change Management**

IT projects are notorious for poor implementation results. Research on the effectiveness of ERP implementations shows that of all companies with \$500MM+ revenues, only 10% of the ERP projects are completed on time, within budget and as planned. Deloitte & Touche's annual survey of CIO's demonstrates that approximately 60% of the barriers to IT implementation success are not technical issues and instead are change management issues – i.e., the lack of acceptance or inability to use the new system by employees.

### **Change Management Situation**

An ERP implementation at Chapters-Indigo

### **Business Challenge**

Change employee skills, tasks and behaviours so that employees were familiar with and adept at using new Supply Chain processes and a new ERP system.

### **Background**

Chapters-Indigo, Canada's largest retail book chain, with departments in Music/DVD and Gift, decided to convert five of its legacy systems to one ERP. The system they chose was SAP, the largest global ERP seller. The \$13MM project, with a full-time project team of over 50 external consultants and full-time employees, took over 18 months to design and implement. The business case for the project was increased sales as a result of a dramatically more efficient inventory mix, centralized forecasting & replenishment and reduced internal IT hours on legacy systems. Over 1,000 employees inside the company would be using the new system.

With this in mind, Indigo created the Change Management stream of activities in their SAP project.

### **Mandate**

Tammy Sturge of HR Transformations took on the role of Change Management Leader on the Indigo SAP implementation. Sturge began by developing a 18-month change management plan that covered four areas:

- o Training (of the project team, subject matter experts and employees who'd be using the system ultimately)
- o Knowledge Transfer (from the external consultants to the employees who would be responsible for the ongoing maintenance of the system and processes)
- o Communication (of the project activities to the general employee population and specific affected employee groups)
- o Organisation Design (including the new tasks and roles that resulted from the new system)

In addition, Sturge was responsible for the team effectiveness of the actual project team. She was a member of the three person PMO who reported to the Executive Sponsor, and led a change management team of six employees.

Victor Dirisio, Indigo's SVP of Product Supply and the project's Executive Sponsor: "I would jump at the chance to work with Tammy again."