



Business Process Change Management The Four 'C's to Success

***Managing change across
Air Cargo Handling Operations***

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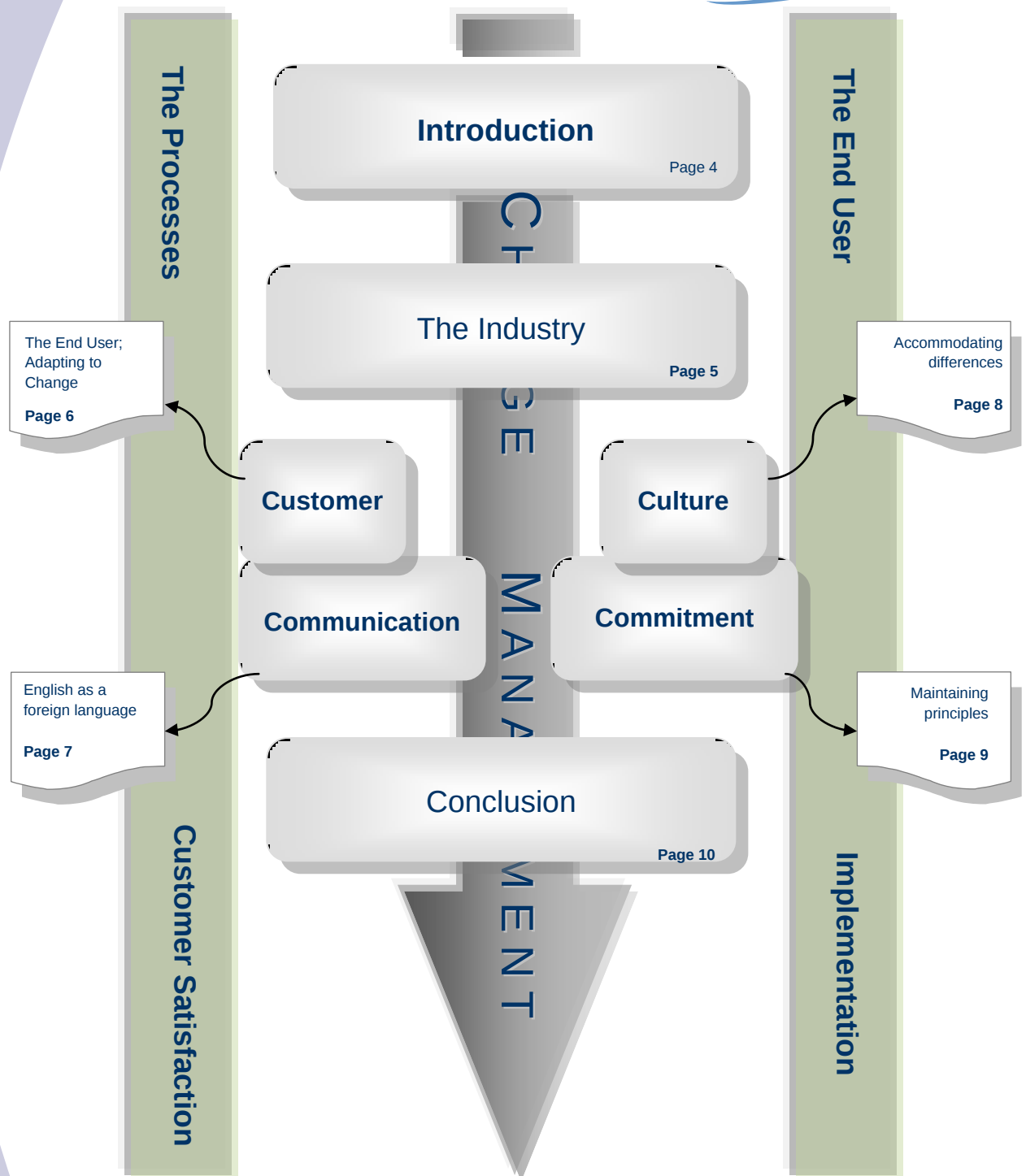
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Change Management Process



Introduction

Change Management covers a multitude of sins. Here, we attempt to give an overview of **our** experience of business process change, relevant mainly to the world of Air Cargo and specific to our industry; Air Cargo Handling Providers.

The implementation of any new IT system will impose changes in existing business processes with the operations. The team at HERMES has been involved in the process of change management with Customers since 2001 and, as a consequence, have gained valuable experience. Installations of the HERMES System will soon exceed 70 warehouses across the world with the HERMES cargo team having been personally involved in the majority of these implementations giving us a unique insight into how different companies in different countries address the major challenges of change imposed on day-to-day business by a new Cargo Management System (CMS).

This Change Management document was prompted by our experience during these implementations, both positive and less so thus allowing us to pass on this knowledge and be able to offer 'lessons learned' support in many different cargo operations.

While Change Management Professionals may provide an academic in-depth analysis of Change, we hope to show a practical and useful approach for our industry.



HERMES' Four 'C's:

Our personal experience has shown that there are fundamentally four key areas which need to be kept at the forefront of our working practices in order to achieve a smooth, successful and productive implementation, with the required business improvement.

'Customer': The end-user – those who will determine the success or failure of the process change – who will be asked to move from something they are familiar with (whether they like it or not) to an uncharted territory for them.

Communication: Understanding that change can be time consuming and traumatic, it is vital that communication, both verbal and written, is clear, concise and to the point, with good clear guidelines for end users.

Culture: understanding both the local customs of behaviour and manners, and their business customs and expectations.

Commitment: dedication and drive from Senior Management, providing clear and consistent direction across the business throughout all process change phases.

The Industry

All processes in cargo operations around the world are fundamentally the same. Export cargo is accepted, loaded and dispatched to an aircraft while import freight is received from the aircraft, broken down and delivered to the customer as well as transfers, both by truck and internally, to other airlines for onward transportation. The main operational differences are determined by local customs' requirements, carrier variations, additional services offered to the industry and local management operational requirements.

The demands on ground handlers worldwide are immense and competition is fierce. Handlers are under constant pressure to reduce costs whilst maintaining or improving the quality offered to their airline customers. The complexity of some customer airlines' products and special handling requirements; restrictive local customs regulations etc, provide handlers with a major challenge to maintain expectations, keep operational costs under control and delivery contracted quality... Add to this that without the capability of handling all airline messaging requirements, automatically, staff are also required to understand their customer's in-house systems and, in some cases, also operate a separate accounting system.

The industry is currently in a phase of business process innovation to acquire the capability of addressing these key drivers whilst being flexible enough to adapt to all new customs and customer requirements in the future.

Managing this change successfully will be a major part of this effort.



Industry Notes

Discussions are taking place across the industry on how to encourage e-freight and ensure consistent Cargo 2000 messaging in line with carriers' expectations



HERMES is a complex and comprehensive solution encompassing e-freight and automatic messaging in line with all airline requirements and standards.

The 'Customer'

Change is fundamentally an unknown quantity holding fears for the majority of us. Cargo people, in most cases have been following the same business processes for many years and, even though in many cases they know that the process is not meeting all their operational and business needs, they feel secure and comfortable in their working methods and workarounds. Workarounds which could mean vital stages are missed.

The implementation of new business processes has a major impact on operations and staff. The planned introduction of such change can often feel undermining and can affect the confidence of those people being asked to learn a new set of skills, especially as this will usually involve new working practices.

Local management need to drive the change through their business but it is ultimately the end user who will determine whether a new process is successfully implemented, or how quickly it is productive and used to its full operational capability.

When an Air Cargo handler decides to revamp its operations, a business study process is required to understand and to ensure not only that requirements are recognised and covered, but also that the proposed changes are feasible for implementation and can be accepted by the end-user – The 'Customer'.



Industry Notes

A business process revamp is frequently triggered or followed by a new and modern Cargo Management System (CMS) implementation. While the new CMS may serve as an 'enforcer' of new processes, it **will** present an additional challenge to the end-users, magnifying the change in operations.



The HERMES Cargo Team looks to minimise the *pain of change*. Our team is always fully involved in each new implementation from Business Study, through to the training and, importantly, on the ground during any parallel or live implementation. The HERMES Implementation teams have very strong cargo backgrounds and are able to encourage and support the users on the ground as well as offering experience and advice to the local management team.

Communication

From the initial approach by the Management Team through implementation to the training team, communication is the cornerstone of any successful implementation of a new business process.

With processes streamlined /updated and, in most cases, new working practices implemented across the whole workplace. Often, the most difficult implementations are in part due to the lack of good communication internally filtering down to the end user, especially within the major operational areas where the most change will happen. ***The successful implementation of any new business process is, without argument, down to the acceptance of the-end user and not the desire of the management to implement.***

Following a successful evaluation stage of a new process, the handler should prepare the tools to brief all those staff who will be involved in the change; this should cover all timelines and expectations. This might also include a demonstration, operational briefing or overview of the plan explaining the reasoning behind that decision alongside a realistic projection of timescales and expected disruption to normal business. Again, different companies approach this important stage in different ways, but some of the most successful implementations have been determined at this very early stage.

The fact that the resulting benefits will involve a period of hard work and even disillusion amongst staff during the implementation stage, it should not be underestimated that good communication will **not** reduce the hard work, but **will** oil the change.

The handler's training team, and also the vendor (with new CMS implementations), is often placed on the 'front line'. They have a huge responsibility to provide the end-user, not only with the tools to understand how to get the best out of the business process, but also to ensure a smooth and beneficial transition for everyone.

From the outset Internal and external customers, the airlines and their customers, should be involved in the communication process. Through the sharing of information confidence and support can be maintained during the challenging change process.

In the case of a CMS implementation, the provider must also be part of the communication process whilst maintaining an awareness they are guests in the company during the implementation and need to adapt to the communication channels and direction defined by the local management.



Open and direct communication is paramount to ensure continued success ~ HERMES provides:

1. Presentations to help communicate the benefits of the solution.
2. Familiarisation activities so the 'change agents' feel comfortable and knowledgeable and enabled to communicate the change to others.

Culture

Every country is different. Every company is different. Every separate operation within each company is different. And, of course, every culture is different, in both its business operations and dialect. Nevertheless, being part of the 'global village' many changes to the business are imported to the organisation from other regions - it is therefore vital to spend sufficient time and energy to understand the changes required to make it fit to the local working environment and the people involved in the change.

Implementation and training courses and their delivery need to be adjusted to ensure that end-users are made to feel comfortable and that local expectations and practices are taken into account.

'Divided by a common language'

Often said of the British and Americans ~ both speaking English, but how often has one not understood the other? We can therefore begin to see how someone with English as a second language may struggle to understand, in this case, the British nuances.

Thankfully, most cargo terminology has become a common language worldwide so communication is slightly less complex, but additional time should be allowed to ensure all end-users are comfortable with the new process details.



HERMES ultimate aim is to integrate with the customer and instil confidence in each user so they can feel positive and excited about taking their new process knowledge back into their working environment, whilst feeling able to manage the challenges that a new process will put upon them and in order to reap the benefits on offer.

The initial Business Study will go a long way to ensure this is a viable outcome and lay the foundation for those involved in the implementation are able to work well together.

Commitment

Due to the large financial investment in introducing any change to an existing operation, let alone a new CMS system, senior management is typically heavily committed to the project and prepared to do everything possible to ensure success with as little disruption as possible.

Nevertheless, by far the most important group of people during any process change /implementation are the 'key users' or 'power users' who have been selected by their management to be the 'change agents' and actually bring the change into the workplace.

The key users are selected foremost for their knowledge and leadership to be able to manage the end users within the operation. Change carries with it many emotions and stresses and, with the 'threat' a new business process will impose on the working environment, they have a tough job dealing with their peer group during implementation. Key users need to believe in the process, be extremely motivated and committed in order to take the pressure when things go wrong during the implementation (which inevitably they will), while supporting and coaching their colleagues through this major change. It is extremely important that the key user group is fully supported by their operational management.

Operational management, or mid-management (shift managers, office managers etc.) are typically the 'weak' link in the chain of command as they often do not have a formal role or responsibility in the change process. If they decide to take a passive role, many end-users will follow their direct line-manager and act accordingly, making the process change very difficult and frustrating for everyone.

Senior management should take extra care to ensure that the mid-management of their organisation are committed to the change process.



The HERMES cargo team work very closely with the key user group throughout the implementation process and build very strong relationships on an individual level. The aim is to give the key users confidence during the difficult periods while continually increasing their knowledge of the new system – during the first training sessions by the local trainers to the end users and subsequently through the roll-out of the system.

Conclusion

Change is painful. There is no doubt that the skill in managing and driving change successfully at all levels is knowing and understanding your goals, and sharing these with your employees, and provider (if relevant), in a clear and consistent way throughout the change process.

Ultimately it is the cargo industry that benefits from all this investment and hard work with improved quality within the industry. The service to customers undoubtedly improves along with internal efficiencies and upgraded communications. Despite the pressure on costs, more operations around the world are becoming better placed to meet the ever changing challenges presented by an ever growing demand.



HERMES has always viewed each new engagement as a long term relationship and from the very start ensures that the key internal resources are available, not only to support a successful implementation but to react decisively if any major operational or technical problems occur in the following years.

Our involvement in so many new implementations over the years has been unique and we share some of this experience here in this document.

Contact HERMES

The HERMES solution has been created by industry experts who have first-hand experience of all ground handling processes allowing us to identify with your business and the challenges you face. At HERMES Logistics Technologies we are able to offer a comprehensive and practical solution to increasing your operational throughput without increasing your costs.

Speak to someone who understands YOUR business ...

Contact HERMES to request a consultation with one of our cargo experts to discuss your specific requirements.

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