Shipping & Logistics Case Study: and a Note on 'Siloism'

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I was fortunate to begin working with a shipping and logistics conglomerate looking to perform a digital transformation and launch the first shipping line in the UK, in 40 years. This incredible ambition was spearheaded by an influential leader, "DA", who was looking to shake things up in his industry.

Our first meeting was brief, but powerful. I immediately felt the sense of purpose DA brought to the meeting. He had a clear set of business goals in sight, but there were a number of challenges to be overcome, in particular on the systems side of the business. I've written on the topic of business systems and presented many times on the subject. In my presentations, I emphasise the need to make careful, strategic choices when it comes to the integration of new systems into organisations. The shipping industry was foreign to me: I'd not worked in it before. I knew my first challenge was going to be to wrap my head around this historic industry, its quirks and idiosyncrasies. Moreover, I had to understand the challenges the shipping industry faced in 2021's economic climate. Brexit, COVID, IR35 and the advent of Amazon and its ilk meant the industry was facing unprecedented difficulties.

There's been a barrage of challenges for the global supply chain and affiliated organisations for many years. I learned quickly about the shipping industry's 'lowest common denominator' policy when it comes to systems implementations, EDI connections and assorted hangovers from the bygone age of shipping. You have to remember, that shipping has been around for centuries, and as a result, the abundance of legal technicalities and intercontinental confusion complicates matters significantly.

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I was delighted when I began the project to note the professionalism of the teams I worked with. Yes, there was a distinctly relaxed feeling about the dress-code, and the culture within the office, but the effectiveness of every member of the team I met was astounding. The people blew me away with their knowledge and their ability to use antiquated systems to perform daily tasks. Okay, they weren't using AI process-automation, or state-of-the-art vehicle tracking software; there wasn't a machine-learning algorithm churning away in the background, but by and large, it wasn't needed. The team were hitting big numbers (and I'm not joking here) using pen and paper tools. But there was a business challenge. To reach the next level, they needed to level up. They had to be able to achieve more in the same amount of time (or less) with new IT. The implementation of these new tools had to be performed in tandem with the daily running of the business. There was no redundancy built in for the change process. It was, as the analogy goes, an 'open-heart surgery' job. Keep the blood-flow of the business going whilst repairing the heart.

The initial brief was to migrate the existing data between 2 systems. The existing system was an antiquated, on-prem solution which was functional but limited. The new system was cloud-based, best-in-class, and was unlimitedly scalable. Though there were a couple of limitations of the new system, I could see ways that it could be adapted to serve the needs of the business, and serve DA's purposes. As a student of the ADKAR process, I began mapping out how I'd deploy the new software in this manner.

I absorbed everything I could in the way of the existing process, and extensively mapped the current working practices of the team. I was also able to gauge the team-members who'd be most likely to support the change practice, and those members of the team who'd have a steeper learning curve through the transformation. The team was already aware of the changes that were to be made. I started my daily 'rounds' with the team. As this was a relatively small team, I was able to speak to each member daily and spread the awareness of the planned process.

> **"I showed the team time-savings they'd enjoy following the process. The desire for the change became apparent."**

Concurrently I began the process of categorising and cleaning the old data. I knew it'd be essential to map this directly into the new system, but the ingestion of the data into the new system could only be performed by the software vendor. We had many meetings, arranging the best practices around how data could and could not be used.

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I prepared the team for the new ways of working, training them in the demo software and demonstrating the benefits of using the new platform in various ways. I showed the team time-savings they'd enjoy following the process. The desire for the change became apparent.

We identified a bend in the road not long after we started. The company was buying and selling its products, but there was also a daily leasing element of the business which I hadn't been made aware of prior to starting. We had to bend the rules of the system to allow it to perform tasks related to leasing products to customers as opposed to direct sales. Whilst the system had not been built to perform tasks in this manner, it was feasible to use the system in new ways to achieve the business goals.

I'm a great believer in the necessity for systemic and organisational compromise. New systems built by forward-thinking organisations are flexible, and adaptable. The system we were working with allowed for such flexibility. I described it as 'shoe-horning' functionality into the system.

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The training programme was accelerating, and the main stakeholders in the business were ready to begin using the system. We had a last few quality and control checks to perform prior to the full migration. I'd gotten the system to the point where the old data was by and large in the system, and I was using the daily reports from the team to manage the daily activity. I was doing this personally because there wasn't a big enough set of changes to warrant external resource, and the team had no time to be doing anything other than they were. This meant that on the day of 'go-live' there would be less for the team to have to do.

In the background, I had compiled an entire filing cabinet's worth of historic data into a data sheet for upload to the system. This was back-breaking work which meant I had to take physical files and enter them into the system as quickly as I could. Whenever a team-member would update a file, I added in a process-loop which meant I was given the file to upload the information in my sheet, in real-time, meaning there would be no data-loss when we went live.

I performed the last minute knowledge checks with the team the day before we went live. The feedback was mostly positive. A few concerns were raised on the business continuity safety, "What happens if X goes wrong?", "How will we manage if Y happens?" and similar sorts of questions were asked. I explained everything I could about the management process to those concerned and allayed all the fears that I could.

I was comfortable that the team would be able to cope with the migration, and reassured them where I needed to that the change would result in better productivity for everyone involved. I reinforced that the time-saving would be beneficial, and reminded everyone of the necessity to execute the change as a team.

For most businesses, technology deployment is a hurdle. It's a new way of working, a new period of familiarity, extra things to have to learn, and the feeling of uncertainty can be worrisome for people. It's my experience that the bridge between tech-savvy team-members and their less technologically comfortable colleagues which can be a major factor in change success. I referred back to my initial notes prior to launch who I'd earmarked as on-board from the early stages, and who was still concerned about the way the launch would change their workload. I'd been pretty much accurate throughout. After some last minute feedback, I ran through some more on-site training with those team-members nervous about the change, and awaited the dawn.

> **"I watched as the team-members' fears dissolved and the business-as-usual process became apparent.."**

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The launch day was a success. I sat with the team throughout the first day and ran through each process with them using the new system every time. I started with the users of the system who were going to be using it most regularly and most urgently.

That first day of rollout, I saw the concept that I'd been talking about for 2 months become a reality. I watched as the team-members' fears dissolved and the business-as-usual process became apparent. There was a revelation moment when it seemed like a certain team-member came around to the whole change process. He became confident enough to encourage me to move to the next person and began the data-entry work in the new system. I did however catch him in the corner of my eye, updating some of his paperwork when he thought I wasn't watching. Despite the new system doing the work for him, he was still uncomfortable relinquishing the old habits he'd known for years. I asked him about it later in the day, and he insisted that it was a temporary measure until he was "completely comfortable" with the new system.

In those first weeks of the system's operation, we ironed out the leasing issues, and we overcame some challenges with the labelling of certain elements. The team were getting to grips with the new system and process. There was some resistance to the elimination of duplicating work using paper systems, but the new system was operational and effective. Where users would relax or retire manual process, the best time savings were seen. Somewhat ironically, the paperwork side of the leasing business disappeared almost instantly. The invoicing process for leasing customers was expedited and the new system was able to calculate monthly invoicing immediately, relaxing the finance team's need to trawl through paperwork each month.

> **"Change adoption is arguably the most important, but also the most contentious part of what we do."**

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I'd budgeted 4 weeks to support the change adoption work. Change adoption is arguably the most important, but also the most contentious part of what we do. The client is typically comfortable that the change has been successful, they're calm that the system

works. Clients don't then necessarily want to invest in a Change Manager when the perception is that the work is finished. However, the most impressionable time for a team during throughout a change process is immediately after the change has been deployed. The first weeks following a significant implementation such as this, is when a team will most often revert to old practices and behaviours in need retiring. For this reason, I'd argue it's possibly the most crucial time for clients to retain Change Management and Business Transformation services.

The Business Owner was keen that I should move on to the next project within the group. One of the sister-companies urgently required our support. DA, the Business Ambassador was in agreement that now the change had been implemented, it was time my contract ended with this organisation.

I'd have chosen to spend more time with the client and further embedded the change, but the client seemed happy with the solution, and so we ended on a high note, with the client's needs fulfilled, the system in place and operational, and the team finally moving away from 20th (19th) century pen-and-paper practices.

Conclusion

Any change management process, from an organisational restructure, to a simple software migration and implementation needs to be planned as fully as possible. This planning is best achieved when it addresses the problem of siloism.

> **"If your external provider understands the business, they have the capacity to support with larger strategic planning."**

It's customary that senior leaders within organisations don't have true insight to the operational inner-workings of their businesses. Typically that's not problematic; leaders can't be everywhere at once, and their role is usually to operate as the public face of the organisation, to 'fly the flag' of the team and win new business, further the brand-recognition, delve into the long-term strategy and perform other C-level duties as needed.

The advantage of bringing on external Business Transformation and Change Management services is in our ability to get under the skin of the day-to-day and relay these practices to the C-Suite. If your external provider understands the business, they have the capacity to support with larger strategic planning. Another advantage of

outsourcing with a 'deep-dive' mentality is that it erodes 'siloism'. By understanding the actual practices of separate teams, the realities of organisational pressure becomes apparent. We're able to get to the core of what really goes on, and this always shows us how 2 teams operate in synchronisation with one-another, and where there is a duplication of work, where there's crossover in activity and where 2 teams are actually operating in opposition to one-another. The best example of siloism is the typically unbreakable barrier between Sales and Finance.

Sales and Finance professionals share 1 particular responsibility: get money into the business. The way these teams achieve this goal is vastly different. I've seen companies whose sales teams have offered deals, and amendments to basic contract terms and made complex agreements to ensure the sale is made. The challenge then comes when the Finance Team hasn't been duly informed of the specifics of these agreements. Where there's little to no governance around how deals are formed, invoices go out – and the customer (quite rightly) complains.

This problem predominantly occurs when an invisible wall exists between the 2 teams. The Finance and Sales teams seldom crossover. They're typically different types of people who seldom interact beyond the work sphere, and they tend to see one-another as inhibitors.

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The Sales team see the Finance team as stick-in-the-mud obstructors, unable to fathom the difficulties of getting customers to agree to their terms. The Finance team tend to see the Sales team as gung-ho mavericks, blind to the realities of basic financial theory. This vast opposition tends to permeate through the business. The Finance Admin disagrees with the Customer Services Rep. The Chief Revenue Officer and Chief Finance Officer scarcely agree on approach. The wall goes all the way up. This is what is meant by 'siloism'. The case whereby the 2 teams exist in independent silos to one-another, trying to achieve mutual goals in a disparate manner. Each team is unaware of the other's challenges, and conventionally they do not listen to each other.

My role as a facilitator of change is to address this siloism, even when I'm on a Systems Implementation project such as this. I may not ever be able to fully remove this invisible barrier, but I can alter the perception of each silo to better understand the needs of others and help them work together to achieve mutual goals. The more significant the siloism,

the easier it becomes to see where 2 teams can streamline processes, entwine use of systems and begin improving communication. My depiction of this is small tubes connecting the silos, like capillaries between two vessels, enabling the best use of resources, reducing waste, and improving customer experience.

This project enabled us to perform just this task. We were able to reduce the siloism between the teams, and assist with the transactional awareness of the team, helping the triangle between finance, operations and sales operate more effectively, with less waste, and increase their productivity and profitability. The revenue increase for the month of May the following year saw an increase of £2mn.

For more information on our Business Transformation services, we offer free consultations with companies interested in reducing waste, improving customer experience, and enhancing business processes. For more information contact me directly at ash.wells@visimedia.co.uk.

Next time, we'll look at the next phase with the Shipping & Logistics conglomerate and focus on how to deal with challenging software vendors.