

Driving Top-Down Change from the Bottom Up

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Most center-led procurement organizations we encounter have a “to do” list of planned improvement opportunities that are expected to be significant sources of benefit.

These opportunities typically require coordination across the organization and standardization of processes to leverage global purchasing spend and eliminate low-value variations in the supply chain.

No matter how significant the savings are, most organizations encounter problems when they try to drive standard procurement and supply chain processes from the top down. Well-defined, well-aligned centralized initiatives often fall short of full implementation and fail to deliver targeted savings. Why? Corporate leaders see the enormous potential upside of standardization, and they anticipate rational compliance from all parts of the organization. But rational compliance alone rarely produces results.

One of the most important realities of organizational life is that top-down dictates don’t greatly energize people on the “front lines”—those who work directly with suppliers and end-users. These individuals are rational and they know how to comply. Yet the key motivator for their performance is their day-to-day emotional commitment to the work that they do.

A subtle but sometimes insurmountable barrier goes up when worker motivations conflict with the centralized direction. For example, even though the new “standard” supplier promises lower cost and reliable performance, local procurement personnel find it hard to displace local suppliers with a proven, long-term track record of “whatever it takes” service.

Even more pernicious to central program suc-

cess is its implication that the personnel being asked to change have historically done a bad job. We have seen long-tenured employees with a solid history of delivering cost savings consistently fight a standardized supply chain program even though the program had its roots in the cost and service improvements those employees had innovated over several years. The central group had so thoroughly repackaged the improvement program that the local employees no longer recognized it as their ideas.

The reality is that even well-designed standard processes based in a thorough understanding of local relationships, service levels, and differences in practices often miss the mark. They fail because they don’t count the emotional cost of reductions in local decision-making, responsibility, and flexibility that necessarily come with standardized contracts, streamlined processes, and fewer global suppliers. Successful standard processes, therefore, require implementation strategies that build emotional commitment as well as rational compliance.

How do you build emotional commitment? The answer is to combine bottom-up change management with the top-down rollout of well-designed standard processes. This is accomplished by selecting the best front-line change agents and creating an informal advisory group.

Find the Change Agents

Identifying front-line change agents is a complex task. Change agents must be able to influence others and get the job done under difficult circumstances. However, the best change agents may not fit the typical profile of a “high performer.” In fact, the stubborn respect and loyalty they typically command among their co-workers may even be irritating to management in the hierarchy.

We once encountered a front-line leader with a “trouble-maker” reputation. We were told not to include him in our discussions because he would simply not back down when he knew his team was right. It was clear, however, that engaging him and his potent network of relationships was the most effective way to achieve rapid, meaningful change deep within the organization.

More often than not, a handful of high energy, local motivators like this leader will drive change better and faster than any perfectly constructed representational task force. Look for these qualities in a change agent:

- **A “never empty/never full” attitude.** Effective motivators expect high performance, but they experiment and innovate to find things that work. Win or lose, they don’t overreact. Nothing is ever perfect—there’s always room for improvement. But nothing is so bad they haven’t seen worse.

- **A demanding, but engaged style.** These leaders know their teammates personally and professionally and understand how far to stretch each aspect. They set achievable goals, but raise the bar every time a goal is met. They promote independent action in co-workers and subordinates, but always step in and help when asked.

- **“Gut-based,” emotionally committed behavior.** These pride-builders constantly, but informally, celebrate success. They may comment on good things going on in the central group, but they rely on local language and connections to motivate employees. They develop emotional commitment in others, encouraging them to anticipate how good they’ll feel when they accomplish a difficult challenge. Importantly, they can celebrate a job well done.

Form an Advisory Council

Once the core group of champion leaders is identified, invite them into an informal advisory council tasked with steering the change program. They will be skeptical when asked to help drive a top-down change; overcome their skepticism with a combination of incentives.

First, offer these change-agent motivators a venue to identify what’s wrong with existing designs. And listen attentively and respond appropriately to the real barriers and objections they voice. Second, point out that the informal council is a rare opportunity for them to work closely with their peers (typically an unnatural organizational act) and learn how to improve their own results.

Third, provide exposure to and interaction with senior leaders of the organization. This benefits both sides. At one large North American telecom company, the CEO became so engaged with the unfiltered perspective of real front-line supervisors that he rearranged his calendar and tripled

the time he could spend with them.

Finally, it’s important to keep this advisory group informal. Distance from the natural organizational immune system—the middle managers—promotes real information exchange and reduces unnecessary spin.

Reap the Rewards

Combining top-notch motivators and informal structure taps into enormous reserves of insight and energy. As front-line managers transfer their emotional commitment to desired changes, the organization engages a get-it-done mentality that will stop at nothing to solve problems.

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Following their respected leaders, workers invest their own emotional commitment into the change program and three things happen:

1. A weak, “let’s just go along with the standard process” mentality morphs into a strong source of local pride and motivation: “We’ll be one of the first groups to demonstrate that we can make it work for our business.”

2. The desired changes come across in language that local business units can appreciate: “Even though the process will change, we’ll take care of our employees and have access to prices we couldn’t negotiate on our own.”

3. The new process unleashes potential sources of personal motivation and pride for those who are most affected: “I know that you view customer service as a top priority. That’s why I want you to work with the team to make sure the new supplier understands exactly what we need and when we need it.”

Selecting the right front-line champions puts a personal face on the global change program, giving local credibility to the central group’s promises, proactively identifying previously unforeseen issues with compliance, and systematically solving top-down translation problems.

Driving new standard procurement and supply chain processes through this approach creates advantages and accelerates benefits. We typically see top-down efforts take up to three years to roll out, with an average success rate under 50 percent. And large bottom-up efforts very often die of their own weight. But when the best front-line advisors engage bottom-up with a well defined top-down initiative, 80 percent of organizations see real results in as few as 12 to 16 months.