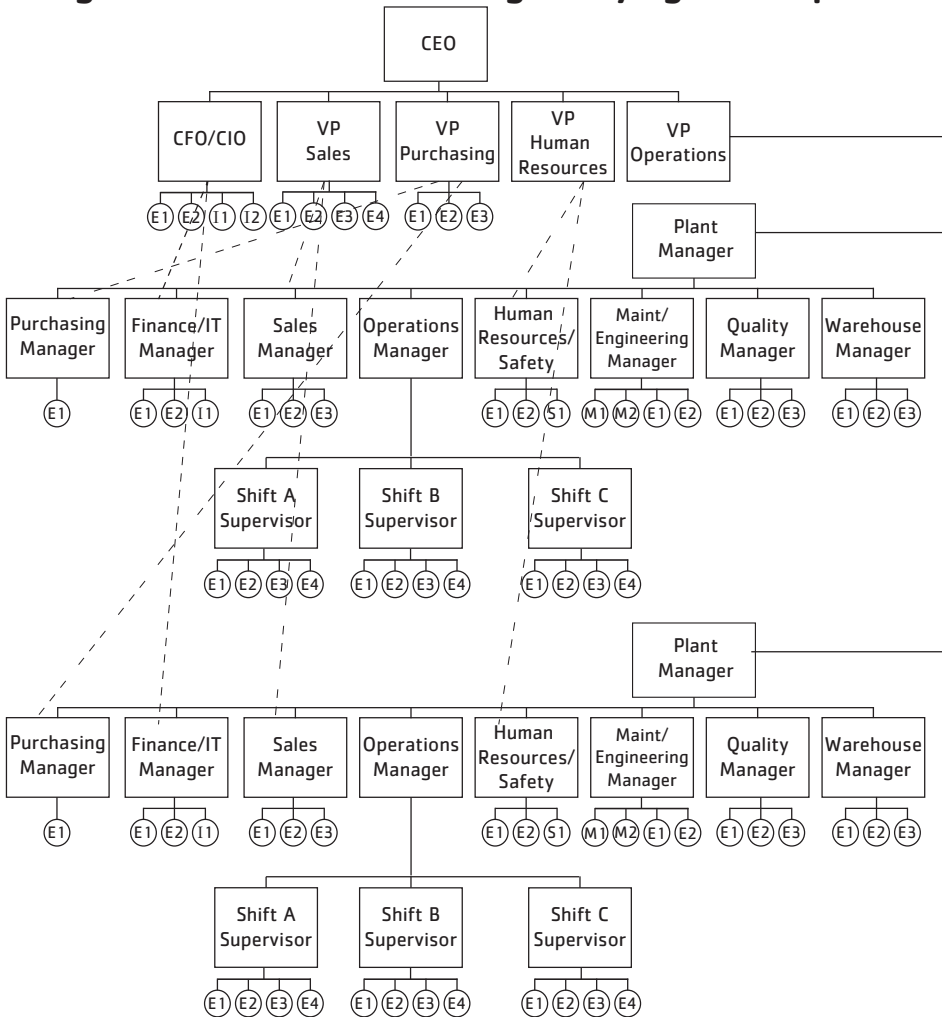


Additional SATA Examples

Scenario number 8 - Leveraged Buying in a Corporation

The chart below represents a corporate structure. In this scenario, the new corporate purchasing manager wants to implement leveraged buying of all “items,” including parts used to maintain the equipment on the floor, transportation of goods, and all safety protective equipment. At the same time he wants to reduce the number of vendors. This will likely impact all departments.

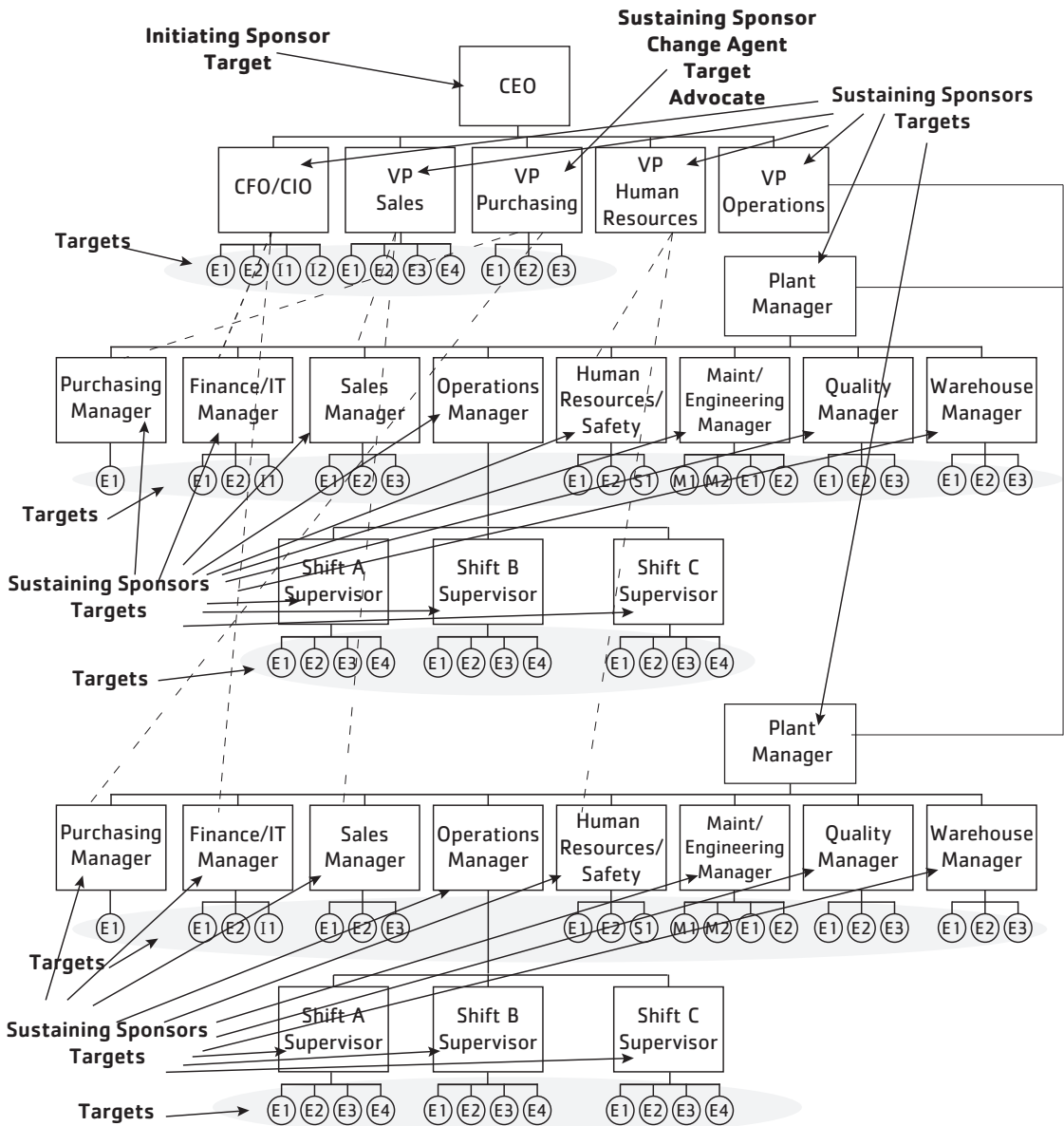
Figure 49: Scenario 8 Leveraged Buying in a Corporation



Organization Alignment

The work to do this will take place in almost every department. Therefore, the critical question is “Who is the Sponsor of the work?”

Figure 50: Scenario 8 SATA Map



Additional SATA Examples

Sponsorship is far-reaching in a change as large as this. All managers over the employees who must change are Sponsors. The Initiating Sponsor is also critical here. If he/she is unaware of the role to play, then purchasing has a great chance of over-functioning (see page 194) to get the work done.

The Targets are those who have to do something differently, or in this case utilize different rules and standards to buy things. Therefore, anyone who has been buying is a Target by definition. Most likely, procurement employees in the plants will quickly become Change Agents as they are brought up to speed. Each plant manager must then play a key role to make sure system balance is maintained. If it is not, unproductive tension will probably surface between Purchasing and plant personnel who need procurement goods and services.

Actually, the purchasing manager is an Advocate if it was his/her idea that is being implemented, but, like all major change, many employees will have ideas to improve it. *A critical task is to set up a structure where small changes can be made until the new way of operating is working well.* (See page 244 on Decision Making and Project Governance.) Most miss this, which creates tensions as the roll out occurs. Employees who then complain are often labeled resistant, or the department that is implementing gets a reputation for being difficult. The roots of this tension are a lack of alignment and structure to manage the change.

A simple structure can normally handle all small requests as the change is happening, with the most qualified business person deciding individual items. A governing body can handle most items, but major impasses can only be decided by the single point above all in the organization. *That person is the Initiating Sponsor by definition.* If you choose a governing body, make sure you have equal representation from key internal customers. Only the most contentious issues will then need to be decided by a consultative process, with the Initiating Sponsor making the call.

Organization Alignment

This type of change will likely have many issues. Should you keep long-established vendors who are highly valued over vendors who underbid them on paper? Can you buy a part that appears the same, but from another source? Can you still buy things on-the-fly when needed for a hot job? All these rules and any exceptions requested by the Targets must be slowly tweaked so the organization still functions during the change. These tweaks should be made case-by-case per needs-by-role, rather than blanket throughout the organization. Some of the requests surely must not be allowed and some of the exceptions must.

The critical question here is what to adopt, and what to adapt (see Appendix I in *Cultural Change in Organizations*). A common mistake of any major change is to put it in place initially and think it will be perfect from the start. *It is not in place till it is functioning well and you are getting results.* The job of the Initiating Sponsor is to work with the department that is helping to facilitate the change to develop clear bottom-line goals. Then the Initiating Sponsor must keep his/her eye on the goal and create structures to ensure input from the whole organization.