

The New Value of Change Management: Success at Microsoft

by

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Summary

Microsoft recently completed a significant IT transformation effort by replacing the existing Customer Relationship Management (CRM) system with a new CRM solution using Microsoft technologies. This new internal CRM solution is called the Microsoft Global Sales Experience (GSX). GSX was designed to simplify the sales experience for Microsoft's worldwide sales force. By simplifying the CRM experience, sellers could spend less time on administrative system tasks and more time with customers.

Previous CRM initiatives at Microsoft failed to deliver expected value. Adoption of the legacy CRM system remained consistently low and failed to achieve desired satisfaction targets (NSAT). Leadership from both Microsoft IT and the business knew replacing such a large, complex system would be a major undertaking. Because of the cost and potential business disruption, the solution design and implementation needed to be well planned and flawlessly executed.

As a result Microsoft IT identified four primary pillars to the GSX program to ensure success which included: 1) User-Centered Design, 2) Technical Agility 3) Data Quality and 4) Change Management. This document provides an overview of the robust Change Management program implemented for the GSX transformation effort.

Situation

Microsoft's Sales, Marketing and Services Group (MSG) has a large community of sales professionals working in more than 100 countries. Automating daily tasks and integrating valuable data and other key resources are crucial enablers to the efficiency and effectiveness of the sales force.

For several years, MSG used an assortment of sales tools to perform Microsoft sales processes. Users increasingly perceived the existing CRM system as a productivity blocker. For Microsoft sales professionals, the administrative processes of the existing CRM system had become overly time consuming and impacted the time available to spend on other important customer focused activities.

The combination of low end-user satisfaction, productivity impacts, increasing platform total cost of ownership (TCO), lack of business agility, and lack of platform scalability led both MSIT and the worldwide sales leadership team to conclude that a major change had to occur. This realization set in motion the design and implementation of the new, role-based GSX solution built from Microsoft technology.

Solution

Historically, Microsoft IT used basic Change Management concepts and tools on previous IT initiatives. Only a few Change Management deliverables were required. Most times, these deliverables felt disconnected from the rest of the project work and often did not demonstrate direct influence on the project success. The old perception of Change Management was it just needed to be done to complete toll-gate reviews.

The GSX project team was the first to introduce a robust Change Management program and integrate it deeply into the software development life cycle (SDLC), including early scoping and planning activities. By participating in upfront planning and scoping efforts, the change team was able to develop a solid change strategy and execution framework early. This ensured all change deliverables contributed to a clear vision and bigger purpose.

At the heart of the GSX change program was a constant focus on the user experience. This fresh new approach and user-centric focus changed the perception of Change Management. Today, Change Management is recognized as a key component essential to realizing the value of IT solutions.

The core Change Management team consisted of a seasoned Change Expert, a Training Manager, a Training Developer, a Communication Lead and a Solution Manager. The centralized Change Management team assembled a network of decentralized Field IT Managers and local business leaders to ensure a successful deployment experience was delivered at the local level. Figure 1 provides a summarized view of the GSX Global Deployment Network.

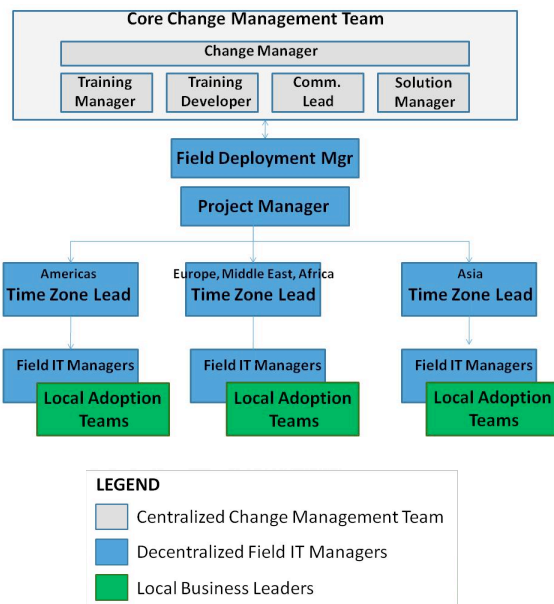


Figure 1. GSX Global Deployment Network

It is important to note that the resourcing model for the GSX Global Deployment Network evolved throughout the program to address changing needs and demands. For example, in the beginning only a few Field IT

Managers were involved. As adoption activity increased, more Field IT Managers were brought onboard to manage readiness activities. Another important point is that one individual could fulfill one or several deployment roles simultaneously. The boxes shown in Figure 1 do not represent individual full-time resources.

Together, this impressive network shared a common goal – deliver a positive GSX experience to drive user acceptance and adoption of the new GSX solution. To achieve this goal, the core Change Management team divided the massive effort into three phases:

Phase 1: Establish the right change strategy to drive adoption among a geographically disperse and culturally diverse user base.

Phase 2: Develop a repeatable implementation approach to ensure a decentralized deployment team could implement the change consistently and successfully around the world.

Phase 3: Remain persistent to sustain adoption and ensure the long-term value and benefits were fully realized.

Phase 1: Establishing the Change Strategy

A phased adoption strategy was selected over a “big bang” approach. Instead of onboarding all users at once, the GSX change team segmented the worldwide user base into five adoption waves. The strategy focused on working towards an “adoption tipping point”. At the tipping point, enough momentum

would be generated to drive “opt-in” adoption among the remaining users with less influence from the GSX project team.

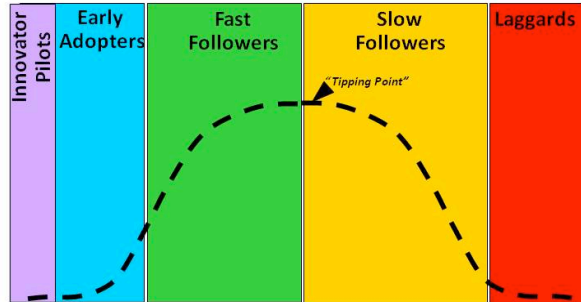


Figure 2. GSX Phased Adoption Strategy

To reach the desired tipping point, it was important that the experience of the leading adoption waves was positive as these users would set the tone for the entire program and following users. For this reason, the GSX project team partnered incredibly close with the Innovators and Early Adopters, which included deep engagement in the envisioning phase and solution design work.

Users from these waves shared pain points and articulated what was needed from a CRM solution to simplify their sales experience. The close collaboration with these early users invested them in the project and increased their willingness to use the new CRM solution since much of the design was shaped by their input. This deep engagement combined with a smooth onboarding process resulted in a positive user experience. Users and their managers began sharing their positive experience with others. Soon a GSX “buzz” began to build within the business community. The change team added to the “buzz” by promoting user testimonials and pictures that captured the spirit of GSX in a very human and personal way. This became the marketing material needed to spread the enthusiasm and value of GSX broadly and drive to the tipping point.

In time, “ground swell” started to build and business leaders began pushing to be moved forward in the adoption schedule. This phased adoption strategy worked in a way

Microsoft IT had never experienced before. The incredible demand and urgency driven from the business to quickly adopt the new IT solution was unprecedented.

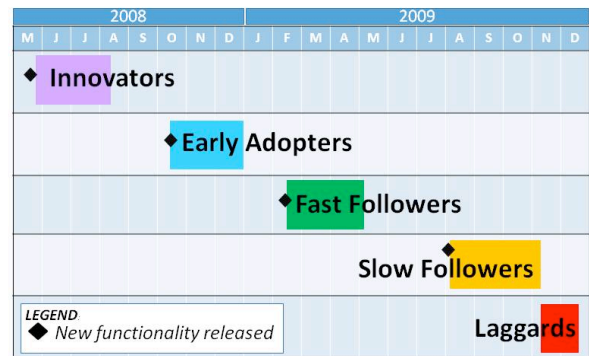


Figure 3. GSX Adoption Plan

Figure 3 shows the adoption effort kicking off in May 2008. The first adoption wave consisted of 150 users. These Innovators piloted the new CRM solution and onboarding process. The learning’s captured were used to enhance the CRM solution and refine the onboarding process. In October, a new version of the GSX solution was released to production. This initiated the onboarding effort of the Early Adopters, which included 300 users from 3 subsidiaries spanning two time zones. More feedback was collected and integrated to improve the system and onboarding process. In February, GSX was enhanced again and 2,500 Fast Followers representing 22 subsidiaries throughout Europe and Asia successfully completed the onboarding process. Additional system enhancements were released in August and the Slow Followers were onboarded. During this adoption wave, 86 subsidiaries adopted GSX and the user base climbed to over 8,000 users! Nearly 90% of targeted users were successfully using the new GSX solution in the first 30 days of initial onboarding. This accomplishment was unprecedented for Microsoft IT. By December, the adoption effort was completed when the remaining targeted users were onboarded.

Phase 2: Developing a Repeatable Implementation Approach

After carefully choosing the right change strategy, the team began developing an implementation approach that could be easily repeated by the global deployment network.

Every onboarding experience needed to be executed flawlessly. The onboarding experience for each user needed to be positive. This was critical to generating the right “buzz”. The buzz would build into the ground swell needed to fuel demand and interest of following adoption waves until the tipping point was reached.

The core Change Management team focused on the following activities to deliver a repeatable and successful experience:

- Establishing a T-Schedule
- Engaging local adoption teams
- Distributing effective communication
- Assessing the deployment experience

Establishing a T-Schedule

Careful advance planning was needed to ensure every location had adequate time to complete critical readiness activities. In the past, field engagement often occurred too late and was disconnected among various project work streams. For the GSX project, all work streams were integrated into a single readiness schedule and published six months in advance. The deployment schedule was widely referred to as the “T-Schedule”. One of the most valuable aspects of the T-Schedule was setting expectations correctly with local business leaders. For the first time, local leaders were able to see exactly when important readiness activities would occur. This helped them prepare in advance to ensure deployment went smoothly and was not disruptive to their business. This thorough advance planning made business

leaders more confident in the program and increased their willingness to provide sponsorship.

The T-Schedule included readiness activities from all work streams, including:

- Communication – Message campaign distribution
- Data Readiness – Data validation and cleansing
- System Readiness – Business validation and acceptance testing
- Training Readiness – Training materials development and delivery
- Support Readiness – On-site and virtual support channels

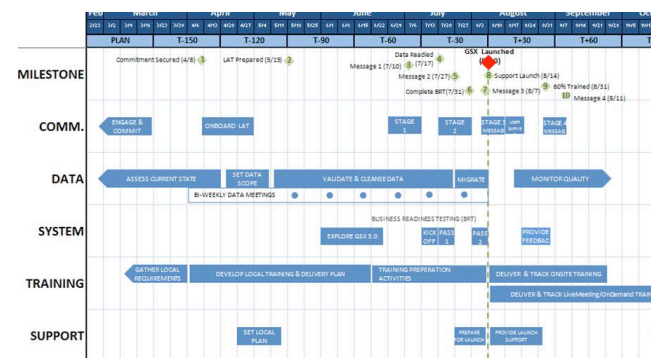


Figure 4. GSX T-Schedule

Another valuable aspect of the T-Schedule was its ability to provide a standardized “blue print”. The decentralized Field IT Managers were responsible for the deployment experience for the subsidiaries in which they were assigned. This blue print provided each IT manager with the guidance needed to complete the right tasks at the right time, which resulted in a consistent deployment experience regardless of geography or assigned IT Manager. A global IT Project Manager collaborated with the Field IT Managers to review a “Readiness Tracker” each week. The Readiness Tracker monitored progress against the T-Schedule milestones. This enabled the core Change Management team to keep a pulse on the overall readiness

both at the global and local levels and mitigate risk early.

In addition to this, the T-Schedule was produced in role-based views. For example, the Local Sponsor could review their T-Schedule and easily see which activities they would be involved in and how much time needed to be allocated. Providing role-based views aided in selecting the right people up-front and increasing participation when the time came for engagement.

Engaging Local Adoption Teams

To increase buy-in and strengthen local engagement, a “Local Adoption Team” was assembled in every location. The Local Adoption Team (LAT) enabled the global deployment network to extend all the way to individual end-users. Together, the LAT and the Field IT Managers partnered closely together to ensure the deployment experience went smoothly and the solution was successfully adopted locally.

The Local Adoption Team consisted of four unique roles, all of which were fulfilled by the business representatives.

- Local Sponsor – GSX Champion that articulated vision in a way that resonated locally. Mitigated risk. Provided recognition and promoted results.
- Adoption Lead – Partnered closely with IT representative to ensure end-to-end deployment and adoption effort was successful.
- Super Users – Participated in testing to validated CRM solution against local work flows. Supported end-user training.
- Data Champion – Provided guidance on data readiness efforts and advocated importance of data quality.

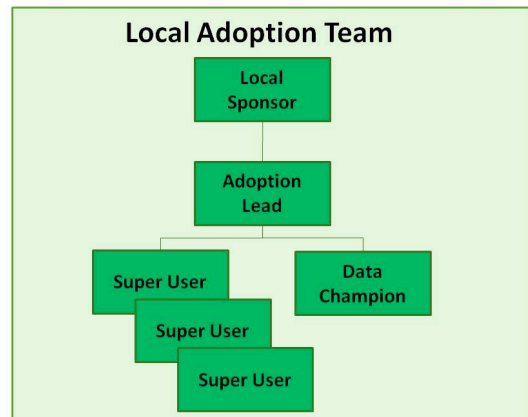


Figure 5. GSX Local Adoption Teams

Approximately six months prior to the system launch an IT leader met with the subsidiary leadership team to discuss the business benefits, provide a system demonstration, review the deployment schedule and address risks and concerns. The purpose of the meeting was to secure commitment and buy-in. In most cases, once local leaders bought into the business value and understood what was needed to ensure success, they willingly allocated business representatives to fulfill Local Adoption Team roles.

Having a Local Adoption Teams in every location proved to be a critical success factor for the global deployment effort. It enabled the IT organization to extend its reach into subsidiaries that otherwise had no coverage. It also improved the overall effectiveness of readiness activities since users took direction from local leaders and peers they knew and respected.

Distributing Effective Communication

Since the Change Management strategy depended on “ground swell” to drive demand and interest, it was imperative to keep the user base well informed and engaged. For this reason, a five stage message campaign was designed to move users from awareness to advocacy.

The communication campaign included the following five messages:

1. Build Awareness – Clearly articulate the vision and value. Demonstrate sponsorship.
2. Set Expectations – Explain what will change and what will not change.
3. Get Ready – Outline the actions required to prepare for the change.
4. Take Action – Announce the system launch. Reinforce expectations to take action and embrace the change.
5. Reward & Recognize – Recognize local change agents and promote immediate results. Reinforce long-term commitment to GSX vision.

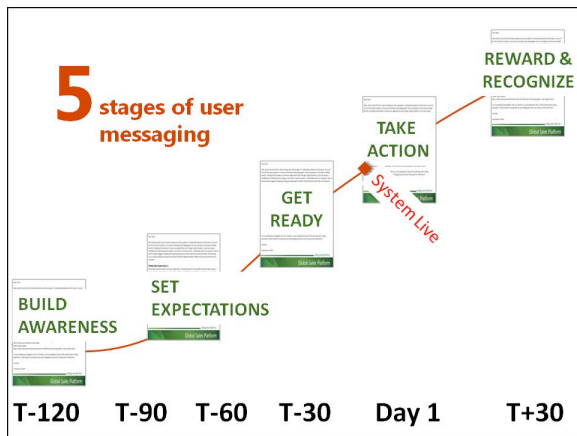


Figure 6. GSX Communication Approach

Since this was a global implementation the core Change Management team placed a significant emphasis on consistency of tone, value proposition and key positioning statements. Local teams were encouraged to adjust messaging to ensure it resonated locally. However, tone, style and key positioning statements were protected and mandated to remain consistent globally.

For each message stage, the core Change Management team developed several pieces of collateral (i.e. PowerPoint, email templates) all of which shared the same information and key messages. This enabled Local Adoption Teams to select the appropriate collateral and

weave it seamlessly into existing communication vehicles. The intent was to ensure options were provided to simplify distribution and improve message effectiveness.

A cascade approach was used for message distribution. The core Change Management team developed all the communication content and collateral centrally. The communication content was then passed to the Field IT Manager to adjust and add local context. The IT Field Managers then passed the localized version to the Local Sponsor and / or the Adoption Lead to personalize and distribute. As a result, users received information from a business leader they knew well. Information was never received by an IT representative. This significantly improved overall message effectiveness.

It was important to the overall readiness effort that users received the right information at the right time. Therefore, the “Readiness Tracker” mentioned above was also used to track message distribution.

Assessing the Deployment Experience

A user survey was distributed immediately after users completed the onboarding process. The survey collected insightful information about the users overall deployment experience. It also collected the data needed to calculate an initial satisfaction score (NSAT). The survey results were carefully analyzed and used to refine the deployment approach and toolkits between adoption waves to ensure continuous improvement.

Phase 3: Remaining Persistent to Sustain Adoption

While the adoption effort was considered a big success and exceeded expectations, the change team remained focused and reinforced the importance of completing the third phase of the change program which was remaining persistent to sustain adoption.

To secure long-term usage among newly onboarded users, the following tactics were implemented:

- **Remove access to the legacy CRM system.** The Field IT Managers collaborated with the business to validate lists of users to be removed from the legacy CRM system. The user list was then passed to a centralized IT team and access was removed. The percentage of users removed from the legacy CRM system was tracked on the global adoption scorecard and reviewed with IT and business leadership regularly.
- **Collect improvement feedback to drive user generated feature requests.** Approximately six months after adopting the GSX solution, users received a second survey. This survey collected information on the experience as a proficient user. The survey collected valuable feedback which was used to develop requirements for upcoming feature releases. The survey also collected the data needed to establish a sustained user satisfaction score (NSAT).
- **Empower sponsors to provide visible and vocal commitment.** The change team captured quantitative (adoption and NSAT metrics) and qualitative (testimonials, videos, pictures) adoption data. This information was shared with local sponsors. This timely access to adoption data enabled sponsors to reinforce their commitment and drive urgency to users that had not yet adopted. In addition to the Local Sponsor's ongoing support, global sales leadership also demonstrated continued sponsorship at the annual global sales conference where they reenergized the vision and promoted the realized benefits in-person to a massive audience of international sellers.

Results

The results of the GSX program are unprecedented for both Microsoft IT and its business partners. User satisfaction and adoption targets far exceeded expectations.

Some GSX highlights include:

- More than 8,000 onboarded users representing 100 subsidiary locations around the world
- 78 percent adoption in the first 15 business days and 90 percent adoption in the first 30 business days
- Landed NSAT score of 180 out of a possible 200. (120 points higher than the existing CRM solution).
- Over 300 change agents engaged and participated in the global GSX deployment network
- Revitalized and widely accepted change framework which includes a revamped toolkit of Change Management templates, collateral and other helpful CM resources

These results are impressive and considered a big success. The GSX Change Management program received much recognition and was praised for their role in achieving these incredible results in collaboration with the User-Centered Design, Data Quality and Technical teams.

Change Management has become a best practice and is quickly being embraced by other IT initiatives seeking similar results. For the GSX program, Change Management has proven the impact it can make when the correct change strategy is selected, a repeatable implementation approach is developed and a commitment is made to remain persistent to sustained adoption for the long-term.