Financial Administrators Forum: Change Management Exercise

Case: Reimbursement of Travel Expenses

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CASE: REIMBURSEMENT OF TRAVEL EXPENSES

Current State:
- Multiple forms
- Multiple policies
- Multiple options of payment
- Turnaround time for reimbursement over two weeks

Desired State:
- One form
- One policy
- Standardized process
- Reimbursement within 10 business days
Change Management
Strategic Levers

Managing the Change Process

Project Governance
Gap Analysis
Action Planning and Transition Management
Measuring the Change
Describe the Future State

Leadership Capacity
Communications
Training & Learning
Recognition & Rewards

Enabling & Sustaining
People
Step 1: INITIATING the CHANGE

WHAT FACTORS HAVE CREATED THE NEED FOR CHANGE? WHY IS CHANGE REQUIRED?

- Cost of process is #1 factor
- Inefficient – too many choices – four choices
- Need one simplified process instead of 4 - would be more cost effective
- Confusion – with so many options
- Volume is growing – not enough resources
- All manual process – many steps – needs to be streamlined
- Trend is automation and with new system coming redefine & simplify
- Involved signing authority
- Lack of department training
Step 1: INITIATING the CHANGE

WHAT FACTORS HAVE CREATED THE NEED FOR CHANGE? WHY IS CHANGE REQUIRED?

• Reliable staff
• Different and too many policies
• Processing time – current benchmark not met (5 – 20 days)
• Insufficient resources to fund staffing
• Communication chain – need to define
• Current policy = rigid
Step 2: GAP ANALYSIS

WHAT SPECIFICALLY NEEDS TO BE CHANGED?

- Process – four to one type of expense process – reduce options
- Turnaround time
- Online rather than paper
- Need status transparency of travel reports
- Reduce costs of systems
- Simplify advance process with matching for expense later claimed (rather than paper to clear)
- Simplification – business process – approvals
- Less people need to be involved
- Standardized Training
Step 2: GAP ANALYSIS

WHAT SPECIFICALLY NEEDS TO BE CHANGED?

• Implement ONE system of processing
• Develop a form that would calculate – HST rebate, etc.
  • Validate account number/sub code
  • E.g. excel spreadsheet
  • For ALL types of users
• Timelines
• Clear policy and simplified process
• Transparent communication
Step 2: GAP ANALYSIS

WHAT ARE THE DRIVING FORCES FOR CHANGE?

• Budget restraints
• Vision of what is important and change required
• Delay of process driving communication of issues
• New ERP project – change required to adapt
• Increase in volume (12%) in comparison to resources (people) available
• Dissatisfaction of current process
• Process too stringent
• Market forces and industry trends; e.g. Sunlife
  • Speedy reimbursement (2 day turnaround)
• Drastically reduce errors
• Reimbursement time
• Lack of resources for staff
• Everyone has to be on board
Step 2: GAP ANALYSIS (cont.)

WHAT ARE THE RESTRAINING FORCES AGAINST CHANGE?

• Requirement for original receipts
• Employees – not accepting of change
• Policy and practices to meet audit requirements (ie. Tri Council audit)
• Existing culture
  • Archaic faculty member not accepting change
  • Don’t want to learn new system
• System restraints
  • Not user friendly
• Embedded systems & processes – status quo
• Current vision – what are used to
• Past success and failures
• Challenges of retraining
Step 2: GAP ANALYSIS (cont.)

WHAT ARE THE RESTRAINING FORCES AGAINST CHANGE?

• Ensure expenses are legitimate
• Challenges of keeping costs within budget
• Decentralized environment – every department doing it differently
• Budget restraints
• Staff constraints – need more
Step 3: ACTION PLANNING AND TRANSITION MANAGEMENT

WHAT IS INCLUDED IN THE ACTION PLAN?:

WHO?

- Departments – administrators help with training within the departments
- Travel and Account Payable communication
- Management – Directors of Faculty Administration
- People involved in process (ie. Finance & department administrators)
- Solicit community feedback by sharing info on each system
- Testing by those who use it
- University wide – users
- Financial affairs – lead
- Technology consultants
- Senior management on board to roll-out
- Research, academic and administrative communities
Step 3:
ACTION PLANNING AND TRANSITION MANAGEMENT

WHAT IS INCLUDED IN THE ACTION PLAN?:
WHAT?

• One clear process to fit complex and more simple variations of travel needs
  • System that allows identification of complex vs simple and generates form (appropriate for situation
    – Similar to cheque requisition system
    – Populate reoccurring fields (ie your name!)

• One simplified electronic process
• Turnaround time
• Hands on training reduces the errors
• Documentation or training guides available
• Improve approval process
• Technology changes
• Communication and consultant
Step 3: ACTION PLANNING AND TRANSITION MANAGEMENT

WHAT IS INCLUDED IN THE ACTION PLAN?: WHAT?

- Policy review
- Risk analysis
Step 3: ACTION PLANNING AND TRANSITION MANAGEMENT

WHAT IS INCLUDED IN THE ACTION PLAN?:
WHEN?

- Beginning of the new fiscal year
- Two choices:
  - Simple
    - Go for it immediately if cost effective (using current Oracle systems!)
  - Complex
    - Redefine principles in anticipation of ERP roll out
- Within 2 to 5 days of travel receiving reimbursement
- With ERP A.S.A.P.
- A.S.A.P. – immediate for 2012/13 savings thereafter
- Can’t afford two systems
  - More staffing
  - Inefficiencies for processing

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Step 3: ACTION PLANNING AND TRANSITION MANAGEMENT (cont)

WHAT IS INCLUDED IN THE ACTION PLAN? (cont)

WHY?

• Reduce errors and time – process time will be faster
• Communication between departments will be better
• Customer satisfaction
• Simplification
• Improved turnaround
• Cost savings
• More efficient
• Staff satisfaction
• Can’t afford 2 systems
• More staffing
• Too long to process
WHAT IS INCLUDED IN THE ACTION PLAN? (cont)

HOW?

• Hands on training
• Documentation; clear policies, training, guidelines
• Two choices:
  • simple
    – Adopt/update current systems to allow for reporting of different types of travel arrangements
  • Complex
    – Begin to make necessary policy changes to reflect changes resulting from ERP initiative
• Communication – benefits of using electronic system and receiving speedy benefits
• Evaluation of business case
Step 3: ACTION PLANNING AND TRANSITION MANAGEMENT (cont)

WHAT IS INCLUDED IN THE ACTION PLAN? (cont)

HOW?

• Impact analysis
• Retraining
• Executive decision making
• Steering committee and communication plan
• Implementation team
Step 3: ACTION PLANNING AND TRANSITION MANAGEMENT (cont)

THE ACTION PLAN – How Specifically does your action plan consider and manage the four critical areas required to sustain people through change?

1. BUILDING LEADERSHIP CAPACITY
   - Flow of communication – Director → Administrator → Team
   - Obtain leader from each area (champion’s of change)
   - Obtain traveller input and buy in (those who chose to not use new systems (i.e. MacMeets)
   - Senior administration buy in and championship with faculties
   - University wide – users
   - Financial Affairs – Lead
   - Technology consultants
   - Giving people accountability (consistent and appropriate levels of approvals)
   - Consistent messages from senior management
Step 3:
ACTION PLANNING AND TRANSITION MANAGEMENT (cont)

THE ACTION PLAN – How Specifically does your action plan consider and manage the four critical areas required to sustain people through change?

1. TRAINING
   • Travel procedures and policies
   • Continual training and communication
   • For leaders
   • For department and faculty
   • Online tutorials (to support in class), e.g. screenshots
   • The traveller – one line modules for basics
   • Have faculty and department ambassadors = point people
     • ambassadors consistent
   • Have leaders (ambassadors) and super leaders for ambassadors to go to
     • In person
     • Town Halls
Step 3: ACTION PLANNING AND TRANSITION MANAGEMENT (cont)

THE ACTION PLAN – How Specifically does your action plan consider and manage the FOUR critical areas required to sustain people through change?

3. COMMUNICATIONS

- Continual training
- Should come from Director -> Administrator -> Team
- **Must** use system and provide support to ensure understanding of system (no option for something else or someone else to complete)
- Introduce upcoming change – prepare, compare, contrast
- From higher level! This is what we are doing
- Electronic tutorials
- Roll out process to community
- Email
- Town Hall
- Key groups – Faculty of Health Sciences, DofA
THE ACTION PLAN – How Specifically does your action plan consider and manage the FOUR critical areas required to sustain people through change?

4. REWARDS & RECOGNITION
   • Customer satisfaction
   • Less returned reports due to errors
   • Improved turnaround of reimbursement
   • For the project team: measure of successes
   • Will receive reimbursement sooner
   • Less paperwork and processing time
Step 4: MEASURING THE CHANGE

HOW WILL YOU KNOW YOU HAVE BEEN SUCCESSFUL? HAS THE CHANGE BEEN IMPLEMENTED AS PLANNED? WHAT ARE YOUR SPECIFIC MEASURES OF SUCCESS?

- Number of returned reports will be reduced
- Quick turnaround
- Informal feedback
- Errors reduced
- Consistent, single, sensible process across the board
- A/P provide feedback to end user
- University wide satisfaction
- More compliments than complaints
- Knowledge throughout the University
- More cost efficient system
- No enquiries
Step 4: MEASURING THE CHANGE

HOW WILL YOU KNOW YOU HAVE BEEN SUCCESSFUL? HAS THE CHANGE BEEN IMPLEMENTED AS PLANNED? WHAT ARE YOUR SPECIFIC MEASURES OF SUCCESS?

• Measure internal process
  • Approval time
  • Successful communication

• Feedback from community
  • Survey
  • Solicit comments
  • Invitation to suggest more change

• Faster adoption to change of policy/continual growth
Step 5: CELEBRATING!

HOW WILL YOU CELEBRATE YOUR ACHIEVEMENTS?

• Staff retreats
  • Fun – not work related
  • More engaged
• Common grounds with everyone
• Everyone satisfied in the end
• The whole university community; especially Travel team
  • Roger host celebration
  • Dee bakes apple pies
• Celebrate after launch and feedback received
• Recycle all old travel forms
• A simple Thank You to recognize all involved
  • Individuals that made the change a huge success
• Project Team (i.e. Travel)
  • Timely celebration
  • Measuring improvements & increased flow
Step 5: CELEBRATING!

HOW WILL YOU CELEBRATE YOUR ACHIEVEMENTS?

• Launch Celebration
• Milestone Celebrations
  • Increased # of users
  • Time improvements
  • Sharing communication to community about improvements
• Inclusion of users in communication of achievements provides opportunity for self-acknowledgement and reward