The Development and Application of an Implementation Framework.

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By
Sabine Lehmann
and
Ananda Richards
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Supervisor: Professor Norman Faull
Preface

This report is confidential. It may not be used freely by the Graduate School of Business.

We wish to express our sincere appreciation to the following for their invaluable assistance and support in the preparation of this report:

Professor Norman Faull, for stimulating our interest in the field of implementation and for the guidance provided with this report.

We wish to thank Woolworths for allowing us to interview colleagues on the implementation of their MSR Supply Chain initiative.

We certify that except as noted above the report is our own work and all references used are accurately reported.

Signed:

SABINE LEHMANN

ANANDA RICHARDS
ABSTRACT

The implementation of planned change is an issue of key relevance to operations managers, yet has received to date little attention in the research literature, particularly with regard to the implementation of supply chains.

This paper has used current literature in this area to build a framework to describe successful implementation. The framework highlights facilitators, determinants and drivers of successful implementation and is thus named the FDD framework.

The FDD Framework was assessed in the light of Woolworth’s Model Stock Replenishment (MSR) supply chain implementation. The study shows that all the FDD factors were present, in varying degrees, in the implementation of the MSR system and thus provides a form of validation of the proposed framework.

KEYWORDS: Determinants, drivers, implementation, facilitators, supply chain
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1) Introduction

a) Background

There is nothing more difficult of success,  
nor more dangerous to handle,  
than to initiate a new order of things.  
Machiavelli

The Harvard Business Review dedicated their August 2002 issue to “The Innovative Enterprise”. However, it was notable that no one article was dedicated to implementing the bright ideas and innovations.

Ideas and creativity may be abundant, but the implementation thereof is often scarce (Leonard-Barton and Kraus, 1985; Pfeffer and Sutton, 1999; Levitt, 2002). Studies have shown that between 50 – 70% of re-engineering efforts do not achieve the results hoped for and implementation problems are most often cited as the reason for failed continuous improvement efforts (Hammer and Champey, 1993; Jakelski and Lebrasseur, 1997). This implies that the implementation of planned change remains an issue relevant to operations managers.

But what does successful implementation look like? In the paper “What are the best manufacturers really best at?” Faull and Wood (1999) conclude that the “best” companies i.e. those that enjoy the highest sales revenue growth rates, are able to extract greater value from what they do. The “best” companies implement well. However, there is still a scarcity of research on innovation implementation and in particular in the implementation of supply chain management issues (Klein and Sorra, 1996; Akkermans, Bogerd and Vos, 1999; Tilson, 2001).

This study looks at current implementation literature and highlights the factors affecting successful implementation. The study proposes the use of a framework to understand successful implementation factors. The framework highlights Facilitators, Determinants and Drivers of successful implementation and is thus
labelled the FDD Framework. The FDD Framework is assessed in the light of the implementation of the Woolworth’s Model Stock Replenishment (MSR) supply chain implementation.

However, it should be cautioned that successful implementation of a good idea or innovation does not necessarily guarantee that the innovation is beneficial to the organisation (Nutt, 1986; Klein and Sorra, 1996). It is also true however, that an innovation beneficial to the organisation can fail due to poor implementation. Ideas or innovations are useless in themselves, their value is only unlocked when implementation occurs (Levitt, 2002).

b) Background: The Woolworths MSR System and Project Implementation

After looking at the basic principles of retail marketing and a brief description of the Model Stock Replenishment (MSR) system; we provide an overview of the MSR project implementation.

Retailing is about being able to offer the customer the right product, in the right place, in the right colour and size when she wants it. In a highly competitive environment it is the retailer who has the right product in the right size and colour on the shelf that will get the sale. To achieve this it is essential that all four marketing “P’s” are in place namely: product, place, promotion and price.

Like most retailers, Woolworths spent much attention on product (particularly product quality), promotion and price but had neglected the fourth “P” – place. “Place” has always been difficult for retailers to implement effectively as there is a fine balance between increasing availability (and hence sales) at the cost of carrying additional stock. During the mid 1990’s there had been some experimentation and piloting of “pull” supply chain principles, however
Woolworths did not have the IT technology available to fully implement such strategies beyond the pilot phase.

By early 1997 a decision was made by senior management that consistent availability of basic products had to be ensured so as to provide a better service for the customer. To achieve this Woolworths introduced a “pull” replenishment system called the Model Stock Replenishment (MSR) system.

**Overview of MSR System:**

The Model Stock Replenishment (MSR) system is in essence, an integrated, automated system, which ensures a flow of products from supplier, distributor to the point of sale (i.e. the store) and should ensure that the right product is available in the right quantities in the right store.

With the implementation of MSR Woolworths now has two supply chains: one catering for “fast” more fashionable merchandise products (i.e. products which are in store for only a limited period of time e.g. 3 months) and MSR catering for core/“flow” products. MSR consists of three basic components: the planning process, the automated re-ordering cycle and the management process.
Previously the Woolworths supply chain had relied only on a “push” strategy. Product order frequency was pre-planned according to expected sales and supplier deliveries were generally infrequent and dispatched in large batches according to pre-planned contract dates. Stores were thus stocked based on the availability at the supplier and the initial amounts contracted. The result was that sales were only as large as the buyer had “predicted” or planned for. There was no gauge of the real demand of the product as once the product had sold, further demand could not be established. This supply driven (or “push”) supply chain still continues to cater for “fast” goods.

In contrast the MSR system for core/ “flow” products is a demand driven supply chain relying on a “pull” strategy. This means that the replenishment of products is based on actual customer sales recorded. As customers purchase an item, a trigger is sent to the relevant department and the stock is replenished. If the demand is present, the stock should always be present. Order dates and quantities are not pre-
determined as the customer regulates the demand. Orders are often small; the aim being to keep stock cover low and response time relatively short. The supplier and store is contracted to hold a “model stock” (a minimum quantity of each product) at all times which is based on past-recorded sales.

**Overview of MSR project Implementation:**

In early 1997 senior Woolworths management decided that consistent availability of basic products had to be ensured for the benefit of the end consumer. Six months later a dedicated project team was appointed consisting of a Woolworths project team manager, team members and a team from a management consultancy firm. Their directive was set to put in place the processes and systems to enable the conversion from a “push to pull” system. (see appendix A for time line of implementation milestones)

Other Woolworths staff members were pulled onto the project team as and when their specific retail skills were required. The management consultants brought an external view as well as project management skills to the project, while the Woolworths project team members provided the retail skills. The project sponsor indicated that one of his key roles was to create an environment that would allow the project team to single-mindedly focus on the implementation process.

A business case was written up outlining the scope of the project, goals and the benefits it would deliver. Woolworths approved this. The first phase of the project consisted of the development of the functional requirements, business processes, application architecture, technical architecture and system flows for the various modules. The stages planned were:

1. Planning of MSR project. This included:
   - Integration of fast and flow product planning
   - Identification and confirmation of MSR products and stores
   - Supplier capacity
Model stock planning  
Production and management of open capacity contracts

2. Automated reordering cycle
3. Order management
4. Management of flow process
5. System quality criteria

On delivery of the applications, a pilot was run with a user group, which allowed the team to test the usability and performance of the system. To prepare the business for the change that MSR would bring about within the business, specifically to the users of the MSR system, a change manager was also appointed to the project team. User group meetings facilitated by the project team were held throughout the project where issues were addressed as and when they arose. Pre-rollout workshops were also held with all stakeholders, which covered an overview of the project, the timeline, the impact it would have on jobs, support mechanisms available and future training that would take place. Potential MSR products and suppliers were identified and the impact discussed with the relevant suppliers.

Training, facilitated by the project team, was held with the users. Although incentives were not given for the use of the MSR system, the early success (increased sales) and the fact that the planners could now plan more accurately was an incentive within itself for some users.

Initially the management of the MSR products resided in the merchandising groups. However, the merchandise staff had great difficulty working on two systems and there was a reluctance to convert products from “push” to “pull”. Given the slow rollout, there was a realisation that the project targets would not be realised. The decision was therefore made to create a central replenishment department, which would focus on the roll out.
This move assisted in a successful implementation of the MSR system. The implementation of the MSR system was considered to be successful as most of the products on the MSR system have experienced double-digit growth. This was largely due to the increase in availability and in truly understanding the demand for a product.

**c) Purpose of Report**

The purpose of this report is to understand the process that contributed to the successful implementation of a new supply chain system introduced to Woolworths in 1998.

Our literature review, with particular focus on Nutt (1986), Klein and Sorra (1996), Upton (1998) and Faull (1998), revealed a number of implementation factors which were incorporated into a framework adapted from Lambert, Emmelhainz and Gardner (1996). The factors were divided into three broad areas that form part of the FDD Framework: facilitators, drivers and determinants. We then assessed whether the FDD Framework identified the key implementation factors present in the MSR implementation process at Woolworths.

The process of researching and interviewing for this report was intended to be educational for the researchers. This was certainly the case as we saw a pattern emerge on simplification of the myriad of factors that may affect implementation into three broad categories. Of particular interest also, was the affect of “self-report” amongst interviewees. It became clear during our research that conversations are filtered through the very personal experience of the individuals involved.

Finally, during our research, and following on from recurring comments made during interviews, we realised that the FDD Framework was not all encompassing of the implementation process. Our report makes recommendations as to areas that would be of interest for further research.
**d) Layout of Report**

The first section of this report is introductory in nature and provides a background as to the problem under investigation and states the hypotheses to be tested.

The literature review provides a summary of the leading theories on the factors that affect implementation. Thereafter we discuss the FDD Framework and the codification of factors affecting implementation.

The methodology used to collect and analyse the data is explained and the data analysed. The ‘findings’ section tabulates the results found during our interviews and from the hard data available. These results are discussed with particular interest on the different foci of interviewees and hard data.

We conclude with a note on areas that would be of interest for further research.

**2) Research Questions**

The research questions we addressed were as follows:

a) Does the FDD Framework reflect the key dimensions of leading authors of good implementation literature: Nutt (1986), Klein and Sorra (1996), Upton (1998) and Faull (1998)?

b) Does the FDD Framework identify the key implementation factors present in the MSR implementation process at Woolworths?

c) Does the FDD Framework prove to be insightful for the Woolworth’s (MSR (supply chain) project manager?
3) **Statement of Hypotheses**

We propose three hypotheses in response to the research questions detailed above. The hypotheses are:


*Hypothesis b:* The FDD Framework identifies the key implementation factors present in the MSR implementation process at Woolworths.

*Hypothesis c:* The FDD Framework proves to be insightful for the Woolworth’s MSR project manager.
4) Literature Review

a) What is Implementation?

A distinction needs to be made between creativity (the generation of ideas), innovation and implementation (Levitt, 2002). It was noted during our literature review, that many articles did not make a clear enough distinction between the three concepts. The literature does however agree on the key characteristics of implementation:

- It is a process involving a transition period from one state to another (Nutt, 1986; Klein and Sorra, 1996).
- It involves targeting a group of people (Nutt, 1986; Upton, 1998; Klein and Sorra, 1996; Jakelski and Lebrasseur, 1997).
- The aim is to get skilful and committed use of the innovation in the day to day operation of the organisation (Nutt, 1986; Cross, Feather and Lynch, 1994; Klein and Sorra, 1996).

Implementation is perhaps best summed up by Nutt (1986:230) as: “… a series of steps taken by responsible organisational agents in a planned change process to elicit compliance needed to install changes”.

b) Review of Literature

We reviewed four key texts on implementation with a view to codifying factors that affect implementation into the FDD (Facilitators, Drivers and Determinants) Framework.

We follow Strauss and Corbin’s (1990) suggestion that codification begins with a review of the current literature, with a view to codifying factors affecting the area under investigation into broad categories. Thereafter one can assess whether the broad categories can be grouped into the three categories suggested i.e. the FDD Framework.
i) **Nutt (1986)**

Nutt’s 1986 model shows the implementation process as a series of transactions rather than static events. Nutt’s 1986 study discusses the different interventions that managers use to promote successful implementation. His study of implementation tactics revealed that actively involved interventionist managers were the most successful implementers. He found that careful monitoring of the entire change process, with a specific focus on immediately regulating and controlling any issues that may derail the implementation process, resulted in successful implementation. Additionally Nutt (1986) found that new norms had to be created for the change to be permanent.

Nutt noted that the key step in a planned implementation process is formulation. In the formulation stage, needs and opportunities are clarified, problems identified and proposed objective/s clearly stated. The proposed implementation process would be of no benefit to the organisation if the methods and tools applied do not address the original problem/s.

ii) **Klein and Sorra (1996)**

Klein and Sorra (1996), differentiate between implementation effectiveness and innovation effectiveness. Implementation effectiveness refers to the consistency and quality of targeted organisational members’ use of the specific innovation. In contrast, innovation effectiveness describes the benefits an organization receives as a result of its implementation of the given innovation. They conclude as did Nutt (1986), that effective implementation does not guarantee that the innovation will in fact prove beneficial for the organisation.

Klein and Sorra (1996) postulate that implementation effectiveness is a function of organisational climate and innovation–values-fit.
A strong organisational climate encourages the building of employee skills, provides incentives to use the new innovation and at the same time removes obstacles that may hinder the use of the new innovation.

Innovation –values-fit refers to the fit of the innovation to targeted users’ values. The fit is considered good when users regard the innovation as highly congruent with their values.

A strong climate for innovation implementation and good innovation-values create conditions for innovation use but do not guarantee the consistency of the organisation’s members’ use of the innovation (implementation effectiveness).

iii) Upton (1998)

Upton (1998) has designed a framework for an improvement strategy, which is divided into seven basic elements. The elements are interdependent and should follow the order given below.

1. Context and Motivation: For successful implementation to occur a clear motivation is required and this needs to be communicated to the affected parties. The parties need a clear and compelling answer to: “why are we doing this?”.
2. Setting Goals and Direction: the ‘what’. The goals should be tied to the motivating context and should be clear and concrete. The goals should also be “concentrated”, that is, focussed on a few things at a time.
3. Focus: “where” i.e. what areas to start with.
4. Methods and Techniques “how”: Upton (1998) cautions that it is important to select the right people (whether individuals or teams) and methods (the mode of implementation). Additionally he cautions that not too many different modes should be used.
5. Resources: There should be access to resources (time, budget and people).
6. Organisation and Phasing: i.e. what team, selection of team members and organisation of the team. It’s not the team per se that makes the difference but the type of team that makes the difference.

7. Learning and Knowledge Capture: create a learning organisation through living and written records. Need to assess mechanisms for learning before, during and after the implementation procedure.


**Figure 2 The 3S implementation model**

Faull’s (1998) implementation model has three levels (3S Model).

At the Strategic Level stakeholders and management set direction, focus and priorities. Here the philosophy of management guides the process.

At the Systemic Level the maintenance of the programme is the focus; here systems and procedures are important.

At the Situational Level direct value adding takes place. Here materials are processed and machines operated.

The 3S model clearly differentiates between Team 1, managers and stakeholders who set the direction and generally oversee the process and Team 2, “the
implementation task force” (Faull, 1998: 227) who are accountable for the day-to-day implementation of the improvement strategy. At the systemic level of the organisation are middle managers/experts who form multi-disciplinary teams, which apply problem-solving skills to systemic problems encountered at the situational level.

v) Other Literature

“Every company must pursue the projects that match its opportunities, business strategy and available resources” (Wheelwright and Clark, 1992). Peffer and Sutton (1990), Kotter (1995) and Tilson (2001) agree and identified the lacking of a vision or philosophy as one of the key reasons why implementation efforts fail. A vision should be practical and not too complicated. It also needs to clarify the direction in which the project needs to move (Kotter, 1995; Leonard-Barton and Kraus, 1997). It is suggested that a clear plan, with milestones and targets is important for implementation to be successful (Tilson 2001).

Major change is very difficult, if not impossible, without a powerful guiding coalition (Kotter, 1995; Tilson 2001). The coalition should consist of the head of the organisation and managers (as many as 50), furthermore, as the implementation proceeds, the coalition should increase in size as support for the project grows. Klein and Sorra (1996) support this idea stating that a strong organisational climate can overcome obstacles in the implementation phase. It is thus important to identify the people, whether individuals or teams, whose acceptance of the implementation is essential to its success (Leonard-Barton and Kraus, 1985).

In keeping with Upton’s (1998) framework, which places motivation as the first element of an improvement strategy, Kotter (1995) cites “not establishing a great sense of urgency” as one of the key reasons why transformation efforts fail. Without motivation, any improvement strategy or transformation programme is
unlikely to succeed (Kotter, 1995 and Upton, 1986). It is suggested that in some cases the motivation is a crisis, whether manufactured or real.

One of the aims in implementation is to get daily committed use of the new innovation. However, as soon as the pressure for change is relieved, there is often degradation in commitment to its use. Tilson (2001) refers to this as “driftback” – when people revert back to their old practices. New behaviours therefore need to be rooted in shared values and social norms (Kotter, 1995). Klein and Sorra (1996) have termed this the “fit of the innovation and the users values”. Leonard-Barton and Kraus (1985) also suggest that the closer the fit between the ‘product’ or innovation being implemented and the users, the higher the rate of implementation success.

Thus, successful implementation is likely to occur when implementers identify individuals that are key to the implementation and get their buy-in, perhaps by including them in the initial design.

Additionally the closer the solution is to the needs of the end user the more likely that implementation will be successful (Tilson, 2001). In this instance Leonard-Barton and Kraus, (1985:103) describe implementation as an “internal marketing, not selling job”.

Researchers have mentioned the importance of resource allocation when implementing an innovation (Upton, 1998, Wheelwright and Clark, 1992; Cross et al, 1994). However it is also important to allocate a unique combination of resources (time, budget and people) for each implementation project (Wheelwright and Clark, 1992).

In Jakelski and Lebrasseurs’ (1997) research into the implementation of continuous improvement projects in the North American mining industry; it was concluded that employee involvement was a significant issue affecting implementation. Like Leonard –Barton and Kraus (1985) and Tilson (2001), they found that customer orientated strategies had a greater chance of successful
implementation. Other factors important in successful implementation were the creation of a supportive organisational context (Upton (1998) step 1) and the setting of practical goals (Upton (1998) step 2).

Cross et al (1994) see implementation as having two components; the first being the planning phase (comparable to Upton (1998) steps 2, 3 and 4). The second phase is the actual management of the transition or implementation. While these two phases may in fact be relevant and distinct we found the phases too broad to be useful. The researchers themselves agree that there is seldom a break between the design and implementation of a new system.

Pfeffer and Sutton (1999: 85) refer to the “knowing–doing gap” when discussing the problems that many managers have with implementation. They show that while most managers have knowledge as to what the best practices in their field are; their implementation thereof is often problematic. There is a presumption from managers (and their managers) that once the correct practices have been learnt they will be implemented.

Part of the problem is the manner in which knowledge is stored and passed on. Most transference of knowledge is informal and thus coaching and mentoring rather than lecturing is more likely to bring about change. Pfeffer and Sutton (1999) suggest that the perfect plan is not as important as action; and thus the aim is to instil a culture of action as opposed to talking. Naturally some mistakes may occur and here it is important to ensure that mistakes will be tolerated so as to drive out fear, which stifles innovation and the implementation thereof as employees will be too nervous to attempt implementation.

Petroni’s 2002 paper investigated the implementation of Material Requirements Planning implementation in small and medium firms. Their paper detailed both factors that will unlock the benefits of the MRP system as well as factors that contributed to successful implementation of the new system. Unfortunately the different factors were not always clearly described and we feel that that this is
again an example of how some literature puts both issues (i.e. that of unlocking benefit and that of successful implementation) in the same category. What was of interest however, was that the their research found that top management support was a “critical condition” for the successful implementation of the new system.

5) FDD Framework

**Codification of FDD Framework:**


The extraction process followed Strauss and Corbin’s (1990) steps of codification. These steps were:

1. A literature review revealed factors affecting implementation.
2. The data was grouped into broad categories of meaningful groups.
3. It was assessed whether the groups could be divided into the three core categories selected, namely: facilitators, drivers and determinants.

The FDD framework has facilitating and driving factors as a base, which is necessary but not sufficient for successful implementation to take place. The framework further postulates that it is the determining factors that in fact result in successful implementation.
Figure 3 The FDD implementation framework

a) Drivers:

Drivers are factors, which provide compelling reasons for the action or implementation to take place. The literature review revealed four categories:

1) Motivation for implementation.
A clear reason or motivation is required for the implementation to take place (Upton, 1998). This may be a crisis, real or manufactured, or as Kotter (1995) terms it ‘establishing a sense of urgency’.

2) Setting direction and goals:
We have included Upton’s (1998) setting of direction and goals as well as focus (i.e. what areas to start with) as drivers as he indicates that these are closely linked to the motivation and context of the implementation.

3) Customer Solutions:
The closer the proposed implementation is to providing a solution for the customer, the higher the drive for it to be implemented (Leonard-Barton and Kraus 1985). Jakelsi and Lebrasseur (1997) call this a shift from a producer focus to a customer focus and Tilson (2002) agreed that a focus on customer’s needs drove many successful implementation programmes. The focus on customer
solutions also ties in with Upton’s (1998) initial comment that a clear motivation is required to drive the implementation.

4) Managers and Stakeholders:
Managers and stakeholders are drivers of implementation as they set the direction and focus, and respond to market demands (Faull 1998). Managers and stakeholders have to understand the motivation for implementation and focus on their customers’ needs. Jakelski and Lebrasseur (1997) agree that leaders (managers) are important as they align the mindsets of their team and ensure that everyone is focused on the same goal, crisis or customer solution. This is not to be confused with team leaders, whom we see as facilitators for implementation (see below).

b) Facilitators:

Facilitating factors are supportive environmental factors that enhance the successful implementation process but do not necessarily determine the success of the implementation. From our literature review three categories emerged.

1) Organisational Climate:
Klein and Sorra (1996) refer to organisational climate that increases the likelihood (or as we term it, facilitates) successful implementation.
A supportive organisational climate results in a higher chance of successful implementation (Jakelsi and Lebrasseur, 1997; Upton, 1998). Significantly this is driven by top management support (Kotter, 1995; Petroni, 2002) that sets the strategic direction and the philosophy of implementation (Faull, 1998; Tilson 2002). A strong organisational climate or guiding coalition encourages the building of new employee skills, provides incentives to use the new innovation and overcomes obstacles in the implementation phase (Kotter, 1995; Klein and Sorra 1996 and Tilson 2002).
2) **Congruency between innovation and users values:**
Implementation is facilitated when the innovation is regarded as highly congruent with the values of the employee using it (Leonard-Barton and Kraus, 1985; Klein and Sorra, 1996; Tilson 2002). As Jakelski and Lebrasseur (1997) found, when there is a shared interest between external motivation and internal motivation there is a higher chance of successful implementation.

3) **Teams and team-leaders:**
Leadership is important to align mindsets to the goal, but managers and team leaders facilitate the implementation at all levels (Jakelski and Lebrasseur, 1997). Allocating the correct teams to the project (Upton, 1998), with the right kind of team leader is a significant resource, which can facilitate successful implementation. Nutt (1986) suggests that actively involved interventionist managers that seek to overcome obstacles will facilitate successful implementation. Faull (1998) feels that multi disciplinary work teams made up of middle managers and experts act as facilitators for implementation.

c) **Determinants:**

*Determining factors* are those that provide impetus or momentum for successful implementation to take place.

1) **Resources:**
Upton, (1998) indicates that the allocation of appropriate resources is necessary for implementation. These resources include time, budget and people/expertise (Upton, 1998; Wheelwright and Clark, 1992; Cross et al 1994). Should one have an abundance of all these resources the chances of successful implementation are much higher than if there is a scarcity of these resources.
2) Methods and Techniques:

It is important to establish how the implementation will be realised. Here the extent to which set goals may be reached may depend on the methods and techniques used to implement them (Upton 1998). (This may be equipment based, information systems based or based on using people as the implementers (Upton, 1998). Nutt (1986) calls this phase the formulation phase and Cross et al (1994) term it the planning phase – both agree with Upton (1998) that this phase can determine successful implementation.

3) Work Teams:

The natural work teams in situ, largely determine the day-to-day implementation of the improvement strategy (Faull, 1998). As previously discussed, leaders and middle-managers may set the goals and clear obstacles to implementation, but the work teams in place at the ‘coal face’ as it were, largely determine the success of the implementation (Faull, 1998).

Jakelski and Lebrasseur(1997) agree that employee involvement has great significance in successful implementation as it spans the context, content and process of implementation. For this reason it is important to identify the individuals or opinion leaders that may be the key to successful implementation (Leonard-Barton and Kraus, 1985). It is noted that these key individuals are often not in formal positions and may be opinion leaders due to their status in their natural work teams.
6) Research Methodology

a) Literature Review:

Our literature review focused on the implementation literature of Klein and Sorra (1996), Nutt (1986), Upton (1998) and Faull (1998). The review was supplemented with general readings on the subject by other writers, with a focus on recent works. The literature review revealed a number of broad categories of factors that affect successful implementation. These factors were then summed up into three areas that affect implementation namely: Drivers, Facilitators and Determinants.

The next step was to gather data from the Woolworth’s MSR system implementation case to assess whether these factors were present in the case under investigation.

b) Case Based Research

Case based research is “…a strategy for doing research which involves an empirical investigation of a particular contemporary phenomena within its real life context using multiple sources of evidence” (Robson, 1994, p146).

Voss, Niko, Tsikriktsis and Frohlich, 2002 have indicated that in research where relatively new or untested theories are being investigated, case based research may prove to be most useful. This is because case based research offers the opportunity to describe variables in existence, identify any links that may be present and discuss why these relationships exist.

Meredith, 1998 confirms this stating that rationalist methods are more appropriate for testing existing theory. He feels that case based research is more appropriate for generating, or, as in our case, extending theory.
Additionally case based research can identify new variables and relationships that may not have been included in the original theory. This gives the researcher room to explain new relationships found during the research.

We are seeking to find evidence of the factors postulated in the FDD Framework. As this is an extension of existing theory on factors that affect implementation, we feel that case based research is best suited for the investigation.

Furthermore, case based research was deemed appropriate for this research as it:

1. Allows direct, first source observation to take place (Meredith, 1998)
2. Allows context to play a stronger role (Meredith, 1998 and Voss et al, 2002)
3. Allows temporal aspects of the phenomena to be studied. What came first, what followed on? (Meredith, 1998)
4. Allows for a greater chance of exposing “real problems” and “creative insights” (Voss et al, 2002).
5. Allows for deep and rich investigation into the phenomenon under investigation (Voss et al, 2002).

c) Data Gathering

Triangulation, using multiple sources such as evidence from literature reviews, content analysis of documents and archival research, interviews, direct observation as well as intuition forms the basis for our data collection (Lewis, 1998). It is important that the research should not rely on self-report only as interviewee and interviewer bias may creep in (Voss et al, 2002). We tried to offset this bias by also analysing the Woolworth’s MSR Project File which presented data in a different form.

The main steps of data gathering have been based on Coughlan and Coghlan’s (2002) steps for implementing action research. These are:

*Step 1* - Pre-step to understand context and purpose
Step 1: Pre-step to understand context and purpose
We used both exploratory and semi-structured interviews. In order to avoid superficial responses we allowed for the modification of question order and emphasis based on interviewee response.

For effective research to take place, Coughlan et al (2002) indicate that a key element is to “develop the contract” with the organisation under investigation. This involves recognising all stakeholders involved and discussing their expectations and inter-relationships around the research.

During the pre-step, issues such as anonymity of response, internal confidentiality, the nature, value and relevance of the research and the time and resources that will be required were discussed with the Woolworths Textile Head of Merchandising. This encouraged senior support for the research. An e-mail was sent out from the Head of Merchandising to all the interviewees confirming Woolworth’s support in the research.

The researchers also assessed their interview style and how it may affect interview response. Issues such as dress, time of day as well as how the interviewer introduced herself and how she discussed the aim of the research may all impact on the depth and honesty of interview response.

Step 2: Data gathering
Our aim was to get multiple viewpoints from interviewees on the phenomenon under investigation. This reduces subjectivity and bias (Voss et al, 2002) and results in a richer understanding of the phenomenon under investigation.
We assessed both “hard data” (review of archival sources at company such as the project plan and objectives, sales and stock data, reports, financials, operational statistics) and “soft data” (direct observation, discussion and interviews).

**Hard data**

Information was gathered from the “Woolworth’s MSR Project File” document. The MSR Project File was compiled by the MSR project team, consisting of the Woolworth’s staff seconded to the project and the external management-consulting firm.

The Woolworths team compiled a clear vision for the project and detailed the project objectives as well as the MSR project scope and benefits that they felt the project would bring to Woolworths. Relevant areas to our study summarised from the Woolworths MSR Project File are detailed in Appendix B.

The MSR Project File also consisted of: the MSR Project Plan, Workshop Presentations and training material. The contents of each major section are detailed below.

1. The MSR project plan contained the following chapters:
   a. Project objectives and approach
   b. Process requirements
   c. System requirements
   d. Reports (planning, ordering and performance)
   e. Application and technical architecture
   f. Benefits analysis
   g. Dependencies, risks and issues
   h. Implementation planning

2. Workshops and presentations to the Merchandising Groups and suppliers.
   These workshops were facilitated by the MSR project team members and attended by all stakeholders. The different workshops and topics covered are given in Appendix C.
3. Training manual that supported the users (planners and merchandise controllers). The manual detailed that software was to be used for training to simulate the real environment in the following areas:

   a. Flow capacity planning
   b. Supplier capacity
   c. Store model stock
   d. Supplier model stock
   e. Order tracking

We also assessed sales and stock data specifically related to the implementation of luxury towels on the MSR system in January 2001 as well as current operational and financial performance indicators of the MSR system. As this is confidential the researchers used the information for background only in order to assess the success of the implementation process.

**Soft data**

Initially two exploratory interviews were held with the Woolworth’s MSR project manager and the Woolworth’s Textile Head of Merchandising. We then interviewed 8 Woolworth’s staff members and 2 management consultants that had been involved with the implementation the MSR system.

The breakdown is as follows:

a. Exploratory Interviews:
   
   Project Manager
   Textile Head of Merchandising

b. Semi-structured interviews
   i. Consulting project team leader
   ii. Consulting project team member
   iii. Project team members x 2
   iv. Group Head x 1
   v. Group Merchandise Managers x 1
   vi. Group Planner x 2
   vii. MSR Manager x 1
   viii. MSR Planner x 1
Interviews ranged from half an hour to forty-five minutes. All the interviews were recorded and transcribed.

An interview guide with structured questions (Appendix D) was used as a template. However we encouraged interviews to remain semi-structured so as to gain a richer insight into the factors affecting implementation. We viewed our template questions as a means of encouraging the subjects to speak.

The interviews ranged from exploratory to semi-structured but in each case five key questions were asked:

1. What was the purpose of implementing the MSR supply chain system?
2. What was your role in the implementation?
3. What do you think were the key steps in the implementation process?
4. Do you think it was a successful implementation? Why?
5. If you had to do the implementation over again, what would you do differently?

Step 3: Data Analysis
The data was analysed to assess whether the FDD Framework identified the key implementation factors present in the MSR implementation process at Woolworths. A detailed description of the analysis process is given in section 7 “Data Analysis”. The full interview transcripts are presented in Appendix E.

Step 4: Meta Step: monitoring and critical reflection:
Critical reflection is as an important step and should be present at all stages. At each stage researchers reminded themselves to “Be sensitive to things that surprise you!” Although the interviews were recorded and transcribed, the researchers made notes of their impressions and ideas that arose during the interviews.

Action research alternates in a cycle between action and critical reflection.
Action is followed by critical reflection: What worked? What didn’t? What have we learned? How might we do it differently next time? As Woolworths is about to start implementing a new phase within the MSR system we felt that there may be value in sharing our findings with Woolworths and the MSR team. In so doing we wished to find out whether the FDD Framework proves to be insightful for the Woolworth’s MSR project manager.

Two steps were taken to reflect on the process:

Step 1: We asked interviewees what they would do differently were they to implement the process again.

Step 2: Once our research had been analysed we presented our analysis of the implementation to the project manager for comment. An exploratory discussion on the usefulness of the framework was held and her comments and additions were noted and added to the overview of the MSR project in section 1 (b).
7) Data Analysis

Data was gathered through personal interviews and documents relating to the implementation of the MSR system. The data was analysed to assess whether the FDD Framework identified the key implementation factors present in the MSR implementation process at Woolworths.

![FDD Implementation Framework](image)

**Figure 4 The FDD implementation framework**

The process of analysis was as follows:

1) Select a driver, facilitator or determinant from the FDD Framework.

2) Search for an identifier in the interview transcripts or hard data. An identifier is the exact words (e.g. “motivation”) or a key word (e.g. “reason”), or a matching phrase (e.g. “there was a crisis”).

3) Record all mentions of the identified factors.

4) An example of matching data per factor is given in the FDD Tables 1–3 below. Each example is from a different interview. The full transcripts are presented in appendix E.
**Drivers:**

Table 1 Drivers are factors which provide compelling reasons for the action or implementation to take place.

<table>
<thead>
<tr>
<th>Driver</th>
<th>Key word</th>
<th>Examples of Matching Data from Interview Transcripts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motivation</td>
<td>Motivation</td>
<td>“The main reason we implemented was we were finding ‘out-of-stocks’ of the basic items on a regular basis and we wanted to address the availability for that”</td>
</tr>
<tr>
<td></td>
<td>Clear reason</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Crisis</td>
<td>“We were also motivated by trends in the market place”</td>
</tr>
<tr>
<td></td>
<td>Establishing a sense of urgency</td>
<td></td>
</tr>
<tr>
<td>Setting direction and goals</td>
<td>Direction</td>
<td>“… would single-mindedly focus on having available, at any one time wanted basic product for the consumer”</td>
</tr>
<tr>
<td></td>
<td>Goals</td>
<td>“I think the single-minded focus on just rolling out and not worrying about the 150% solution was the first best prize”</td>
</tr>
<tr>
<td></td>
<td>Focus</td>
<td></td>
</tr>
<tr>
<td>Customer solutions</td>
<td>Customer focus</td>
<td>“To offer the customer a better service”</td>
</tr>
<tr>
<td></td>
<td>Customer needs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Customer service</td>
<td>“Deliver on our promise to the customer”</td>
</tr>
<tr>
<td></td>
<td>Customer solutions</td>
<td></td>
</tr>
<tr>
<td>Managers and stakeholders</td>
<td>Manager</td>
<td>“The project sponsor was absolutely involved and was very supportive of what was being done”</td>
</tr>
<tr>
<td></td>
<td>Project sponsor</td>
<td>“It was driven by X who was very much in contact with the team …”</td>
</tr>
<tr>
<td></td>
<td>Leaders</td>
<td>“We had commitment from the highest level”.</td>
</tr>
<tr>
<td></td>
<td>Drivers</td>
<td>partnerships”</td>
</tr>
<tr>
<td></td>
<td>Stakeholders</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(suppliers)</td>
<td></td>
</tr>
</tbody>
</table>
**Facilitators:**

*Table 2* Facilitating factors are supportive environmental factors that enhance the successful implementation process but do not necessarily determine the success of the implementation.

<table>
<thead>
<tr>
<th>Facilitator</th>
<th>Key word</th>
<th>Examples of Matching Data from Interview Transcripts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organisational climate</td>
<td>New employee skills</td>
<td>“I had to create an environment that would single-mindedly focus on having available, at any one time, wanted basic product for the consumer”</td>
</tr>
<tr>
<td></td>
<td>Overcome obstacles</td>
<td>“I smoothed the way for them to be able to do what they needed to do”</td>
</tr>
<tr>
<td></td>
<td>Incentives</td>
<td></td>
</tr>
<tr>
<td>Congruency between innovation and users</td>
<td>Shared interest</td>
<td>“But when they (suppliers) saw the upturn in sales I think there was a much greater receptivity to what it is that was being done.”</td>
</tr>
<tr>
<td>values</td>
<td>between external and internal</td>
<td>“…[there] have been other challenges like the buy-in of the merchandising groups to that concept.”</td>
</tr>
<tr>
<td></td>
<td>motivation, Value</td>
<td></td>
</tr>
<tr>
<td>Team and team-leaders</td>
<td>Experts in specific Facilitate</td>
<td>“Consultants bring to the party an external viewpoint and the structure and approach of rigid project management skills while the Woolworths project members had the retail skills”</td>
</tr>
<tr>
<td></td>
<td>Team</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Team leader (champion)</td>
<td>“[X]… was an unbelievable champion and she championed the cause in an unstinting, unrelenting fashion”</td>
</tr>
<tr>
<td></td>
<td>Actively involved skills</td>
<td></td>
</tr>
</tbody>
</table>
**Determinants:**

*Table 3: Determining factors* are those that provide impetus or momentum for successful implementation to take place.

<table>
<thead>
<tr>
<th>Determinant</th>
<th>Key word</th>
<th>Examples of Matching Data from Interview Transcripts.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resources</td>
<td>Time</td>
<td>“We have got to do this and we’ve got to do it properly. Get a roll out plan, get a <em>project team</em> together and manage the suppliers together with the departments”</td>
</tr>
<tr>
<td></td>
<td>Budget</td>
<td></td>
</tr>
<tr>
<td></td>
<td>People expertise</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(project team)</td>
<td></td>
</tr>
<tr>
<td>Methods and techniques</td>
<td>Method</td>
<td>There was no specific mention of the methods and techniques used to implement the project. However, there was much mention of a pilot programme, but we felt that this was a <em>stage</em> of implementation rather than a technique.</td>
</tr>
<tr>
<td></td>
<td>Techniques</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Information system based</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Step by step</td>
<td></td>
</tr>
<tr>
<td>Work teams</td>
<td>Day to day implementers</td>
<td>“What made it successful as a <em>user</em> was that there were two good <em>planners</em> ... the knowledge base was strong”</td>
</tr>
<tr>
<td></td>
<td>(planners and merchandise controllers)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Users</td>
<td>“What was required was to put the <em>right people</em> behind it, to give credibility, which included a focus on the real development of people and succession planning”</td>
</tr>
<tr>
<td></td>
<td>Employee involvement</td>
<td></td>
</tr>
</tbody>
</table>
8) Findings

a) Interview Data:

The interview format of open-ended questions allowed interviewees to respond in their own words. In order to gauge the strength of the responses for each factor a rating scale was used. The rating scale is an indication of the number of mentions across interviews of each factor in the FDD Framework. The presence of each factor was rated as strong, medium, weak or absent. This method was selected as we are aware that style of speech (some speakers are more repetitive than others) and job specification (the project manager is closer to many aspects of the implementation than the group planner) may influence the number of times an item is mentioned within interviews.

*Strong* – the factor is mentioned by 8 or more different interviewees.

*Medium* – the factor is mentioned by between 5 and 7 different interviewees.

*Weak* – the factor is mentioned by less than 5 different interviewees.

*Absent* – the factor was not mentioned by any of the interviewees.

Based on the identification and matching of key words and phrases, the summarised findings of the study are presented in the tables 4-6.
### Table 4: Interview Data - Drivers
Drivers (factors which provide compelling reasons for the action to take place)

<table>
<thead>
<tr>
<th>Driver</th>
<th>Rating</th>
<th>Finding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motivation</td>
<td>Strong</td>
<td>The majority of interviewees gave clear and defined reasons as to why the implementation took place.</td>
</tr>
<tr>
<td>Setting direction and goals</td>
<td>Weak</td>
<td>2 interviewees mentioned the presence of implementation direction and goals as set by senior management.</td>
</tr>
<tr>
<td>Customer solutions</td>
<td>Medium</td>
<td>5 interviewees mentioned that the implementation of MSR was to improve customer service.</td>
</tr>
<tr>
<td>Managers and stakeholders</td>
<td>Strong</td>
<td>The majority of respondents mentioned that the implementation was driven by and given its full support by senior management. Suppliers were included as stakeholders and received several mentions as they were an integral part of the project.</td>
</tr>
</tbody>
</table>

### Table 5: Interview Data - Facilitators
Facilitators are supportive environmental factors that enhance the successful implementation process but do not necessarily determine the success of the implementation.

<table>
<thead>
<tr>
<th>Facilitators</th>
<th>Rating</th>
<th>Finding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organisational Climate</td>
<td>Weak</td>
<td>Three of the four mentioned were from interviews with management.</td>
</tr>
<tr>
<td>Congruency between innovation and users values</td>
<td>Strong</td>
<td>This received the highest number of mentions (10) Congruency (being the shared interest between external motivation and internal motivation) was</td>
</tr>
</tbody>
</table>
mentioned with particular relevance to suppliers. It should be noted however, that the research probed this specifically with the question “What have suppliers gained from the implementation of the MSR system?”. This may have contributed to the high number of mentions in this category.

| Teams and team leaders | Weak | The 2 consultants and 2 other interviews mentioned the dynamic and focused project manager who drove the implementation. It should be noted that the project leader herself is unlikely to mention this in her own interview thus possibly skewing this score. |

**Table 6: Interview Data - Determinants**

*Determinants* are factors that provide impetus or momentum for successful implementation/or results to take place.

<table>
<thead>
<tr>
<th>Determinants</th>
<th>Rating</th>
<th>Finding</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Resources</strong></td>
<td>Medium</td>
<td>Most of the mentions were from the project team members and the consultants with regards to the resources, budget and time frame in which they had to operate.</td>
</tr>
<tr>
<td><strong>Methods and Techniques</strong></td>
<td>Weak</td>
<td>There was no mention of the words “methods and techniques” but reference was made to project plans and technical processes used.</td>
</tr>
<tr>
<td><strong>Work teams</strong></td>
<td>Medium</td>
<td>The use of “teams” was not mentioned because the implementation was completed in the natural work team, which was in fact on an individual basis. However, interviewees did mention the presence of work groups particularly the users i.e. planners and merchandise controllers.</td>
</tr>
</tbody>
</table>
Table 7: Summary of matching data from interview transcripts.

The table below is a summary of frequency and number of mentions of factors in the FDD Framework. The interviewee is detailed in the top row. A shaded block indicates the mention of the FDD Factor indicated in the first column. A number in the block indicates the frequency of mentions within each interview.

For example: The driver “customer solution” was mentioned four times by the Textile Head of Merchandising.

<table>
<thead>
<tr>
<th>FDD Factor</th>
<th>Textile Head: Merchandising</th>
<th>Project Manager</th>
<th>Consultant: Team Member</th>
<th>Consultant: Team Member</th>
<th>Project team Member</th>
<th>Project team Member</th>
<th>Group Merchandising Manager</th>
<th>Group Planner</th>
<th>Group Planner</th>
<th>MSR Manager</th>
<th>MSR Planner</th>
<th>Group Head</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Drivers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motivation</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Direction &amp; Goals</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Solution</td>
<td>4</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managers &amp; Stakeholders</td>
<td>2</td>
<td>4</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Facilitators</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organisational Climate</td>
<td>3</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Congruency</td>
<td>2</td>
<td>1</td>
<td>4</td>
<td></td>
<td>3</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Teams &amp; Teamleaders</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6</td>
<td>2</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Determinants</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resources</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Methods &amp; Techniques</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workteams</td>
<td>6</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
<td>1</td>
</tr>
</tbody>
</table>
b) **Hard Data**

On analysing the hard data (see methodology section for hard data analysed) it was noted that in fact, although some factors were not strongly mentioned during the interviews, they were present as part of the Woolworths MSR Project File. This should not be seen as a contradiction to the findings assessed in the previous section, but is a reflection of the personal weighting and importance that interviewees gave to the factors. This is in itself of interest because it reflects the interviewee’s perception of what is important in the implementation process. As an example, the determinant “methods and techniques” was not mentioned specifically during the interviews but was clearly present in the hard data.

Additional data was analysed from the “Woolworth’s MSR Project File” document. An overview of parts of the project plan relevant to the FDD Framework factors may be found in appendices B and C.

The presence of each factor was rated as follows:

- **Strong**: Factor is explicitly stated in the documents.
- **Medium**: Factor is not explicitly stated but is taken cognisance of in the document.
- **Weak**: Factor is not explicitly stated but is subtly implied.
- **Absent**: Factor is not present.
Table 7: Hard Data: Drivers

Drivers (factors which provide compelling reasons for the action to take place)

<table>
<thead>
<tr>
<th>Driver</th>
<th>Rating</th>
<th>Finding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motivation</td>
<td>Strong</td>
<td>The project plan clearly stated the vision for the implementation. Namely: “to ensure predictable and consistent availability of merchandise in the stores”.</td>
</tr>
<tr>
<td>Setting direction &amp; goals</td>
<td>Strong</td>
<td>Objectives and project scope were clearly stated in the project plan.</td>
</tr>
<tr>
<td>Customer solutions</td>
<td>Strong</td>
<td>It was clearly stated in the benefits section of the project plan that this implementation would better serve the customer.</td>
</tr>
<tr>
<td>Managers and stakeholders</td>
<td>Medium</td>
<td>Although no specific mention is made of senior management support, a business case was written up which had to be approved by senior management before the project could be instated. There are numerous references to suppliers with specific mention to communication and implementation processes for suppliers.</td>
</tr>
</tbody>
</table>

Table 8: Hard Data: Facilitators

Facilitators are supportive environmental factors that enhance the successful implementation process but do not necessarily determine the success of the implementation.

<table>
<thead>
<tr>
<th>Facilitators</th>
<th>Rating</th>
<th>Finding</th>
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</thead>
<tbody>
<tr>
<td>Organisational Climate</td>
<td>Strong</td>
<td>A supportive organisational climate was planned for through workshops and discussions with all the relevant stakeholders see appendix C.</td>
</tr>
</tbody>
</table>
**Congruency between innovation and users values**

Medium

This was not specifically mentioned but is reflected in the focus of the workshops. Workshops discussed benefits for the suppliers and employee thus attempting to reach congruency between the innovation and the users values i.e. what benefit the MSR System was to them.

**Teams and team leaders**

Strong

Leadership was present in the planned workshops with the project team facilitating and leading the workshops and training sessions.

---

**Table 9: Hard Data – Determinants**

*Determinants* are factors that provide impetus or momentum for successful implementation or results to take place.

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<tr>
<th>Determinants</th>
<th>Rating</th>
<th>Finding</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Resources</em></td>
<td>Strong</td>
<td>The MSR project Plan specifically addressed process and system requirements.</td>
</tr>
<tr>
<td><em>Methods and Techniques</em></td>
<td>Strong</td>
<td>The methods and techniques used to implement the MSR system were described in detail within the design specification part of the project plan document. The MSR process and system requirements, the application architecture, technical architecture and system flows were all detailed. (Please note that this information is confidential and could not be used as part of this document)</td>
</tr>
<tr>
<td><em>Work teams</em></td>
<td>Weak</td>
<td>The hard data did not describe how work teams should be organised but specifically addressed the training and facilitation of users.</td>
</tr>
</tbody>
</table>
9) Critical Reflection

Reflection has two meanings. It can refer to both the action of consulting with oneself as well as that of holding up a mirror to reflect an image.
We wished to gain further insight into the implementation of the MSR project by using both methods of reflection.

Consulting with Oneself:
Critical reflection after action can result in insights gained either as to what worked well or what changes could be made were one to implement again.
As part of the research each interviewee was asked: “If you had to do the implementation over again, what would you do differently?” I.e. they were asked to consult with themselves.
Common themes that emerged as replies to the question were on the issue of the scope of the project and maintenance of the implementation.

Interviewees commented that it is difficult to predict how the implementation will affect the organisation as a whole and the comment was made that ultimately the scope of the implementation is bound by the “internal capacity of the organisation to absorb change” (Interview 3 Appendix E).
There was also discussion around the idea of keeping the momentum of implementation after the initial phase. One interviewee made the interesting comment that people that are good at implementing are not necessarily good at maintaining the system. He stated that maintenance is often considered to be less glamorous than implementation.

The Mirror:
By reflecting the findings to the Woolworths project manager, we wished to both test for accuracy of information gained and also gain an indication as to whether
the FDD Framework proved to be insightful for the Woolworths MSR project manager.

From the interviews we constructed an overview of the MSR project implementation. Once our research had been analysed we presented the overview to the project manager for comment. She confirmed that the overview was, for the most part, an accurate description of the process and added her comments as appropriate. The overview of the implementation process was then re-written with the inclusion of her comments. The overview is included under section 1 (b): Overview of Woolworths MSR Implementation.

We also presented the FDD Framework and analysis to the project manager and encouraged an open and exploratory discussion on its contents and reflection of the implementation process. She commented on the usefulness of the framework due to its simplicity in grouping factors that affect implementation and mentioned that it was very useful to have an outsider’s opinion. She then requested that the researchers present the FFD Framework to the Woolworths team as they are beginning to implement the second phase of the project.
10) Conclusions

**Hypothesis A**
We wanted to ascertain whether the FDD Framework reflects the key dimensions of leading authors of good implementation literature: Nutt (1986), Klein and Sorra (1996), Upton (1998) and Faull (1998).

Based on our literature review we can not reject our hypothesis that the FDD Framework reflects the key dimensions of leading authors in implementation literature namely: Nutt (1986), Klein and Sorra (1996), Upton (1998) and Faull (1998).

**Hypothesis B**
We wanted to assess whether the FDD Framework identified the key implementation factors present in the MSR implementation process at Woolworths.

Based on our analysis and findings we can not reject our hypothesis that the FDD Framework identifies the key implementation factors present in the MSR implementation process at Woolworths.

**Hypothesis C**
We wished to ascertain whether the FDD Framework proved to be insightful for the Woolworth’s MSR project manager.

Based on the feedback from the project manager we can not reject the hypothesis that the FDD Framework proved to be insightful for the Woolworth’s MSR project manager.
11) Discussion

Table 11: Summary of findings

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<tr>
<th>Drivers</th>
<th>Interview Data</th>
<th>Hard Data</th>
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<tr>
<td>Motivation</td>
<td>Strong</td>
<td>Strong</td>
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<td>Setting Direction and Goals</td>
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<tr>
<td>Customer Solutions</td>
<td>Medium</td>
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<td>Managers and Stakeholders</td>
<td>Strong</td>
<td>Medium</td>
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<thead>
<tr>
<th>Facilitators</th>
<th>Interview Data</th>
<th>Hard Data</th>
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<tr>
<td>Organisational Climate</td>
<td>Weak</td>
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<tr>
<td>Congruency between Innovation and</td>
<td>Strong</td>
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<td>users Values</td>
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<td>Teams and Team leaders</td>
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<table>
<thead>
<tr>
<th>Determinants</th>
<th>Interview Data</th>
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<tr>
<td>Resources</td>
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<td>Methods and Techniques</td>
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<tr>
<td>Work teams</td>
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Interview Data v.s. Hard Data:

It is interesting to note the discrepancy between those implementation factors that were mentioned in interviews and those that emerged in hard data. (Table 11). We as researchers observed how interviewees give a very personal experience of the implementation process. This is not to discount the experience but to understand that comments are filtered through personal experience or preference. Data from interviews reflect a personal version of the process under investigation.

Initially the researchers had planned to report only on the interview data. However our results did not reflect what we had seen in the hard data which we had analysed as background to the project. We therefore realised that the picture would be richer were we to analyse the hard data as well. Although Woolworths MSR Project File explicitly stated many factors very strongly, this did not necessarily...
mean that the factors were strongly present in the minds of users and implementers.

**Congruency between Innovation and Users values:**

Congruency between the innovation and users values unlike the other factors in the FDD Framework, refers to a very personal experience of the implementation process. The literature review indicates that implementation is facilitated when there is congruency between the external motivation and the internal motivation of the user (in this case both the Woolworths employee and the suppliers used the MSR system).

The Facilitator: “Congruency between innovation and users values” received the highest number of mentions by interviewees and yet was only present in the hard data via the planned workshops. The interviewees spoke of “buy in” from suppliers and users of the system. They often mentioned that once the supplier saw how the MSR system would benefit them they were more likely to accept the innovation. Thus, when suppliers saw increased sales (external motivation) they were more likely to accept the system.

The Woolworths MSR Project File did not specifically address this issue, but it does refer to workshops that discussed the benefits with suppliers. It appeared as if Woolworths did try to discuss the congruency issue – but not in a direct manner. For example; staff workshops included the topic “impact on jobs” and supplier workshops included the topic “benefits of the system”. Both address internal motivation issues but the subject could have been explored far deeper. The presence of a change manager was mentioned in the interviews but no clear indication was given as to how this person affected the implementation process.
Usefulness of FDD Framework:

Implementation issues may be thought through in the planning process and explicitly stated in the project file, but there was no attempt to directly translate or present these issues to the users of the system. We feel that the FDD Framework acts as an aid to visually present factors that affect implementation and can act as a starting point to hold such discussions.

The FDD Framework- limitations of the study.

The range of interviewees was very broad: from the project manager and consultant through to group planners that implemented the system as users. The broad range of individuals did not allow for a cross comparison of how the job specification may effect factors mentioned. There were too many variables at play. It is expected that the project manager would have a greater and deeper insight to the implementation process than the project team member or group planner and would thus reflect different factors of implementation. In future research, it may be of interest to compare the factors mentioned by managers vs. the factors mentioned by users.

As implementation of the MSR system had taken place from 1998 – spontaneous recall of events and factors was hard to elicit. This meant that the interviewer had to prompt with probing questions. The data is affected as interviewees tend to respond rather than admit they have forgotten. We have therefore not recorded the mentions as “spontaneous” mentions.

The study assessed whether the FDD Framework identified the key implementation factors present in the MSR implementation process at Woolworths; but it did not postulate or attempt to analyse how the factors interact with each other. As implementation is a dynamic process this interaction of factors could be explored to gain a deeper understanding of how the factors affect the implementation process.
Case Based Research

This study used a single case to investigate the presence of FDD Factors in an implementation process. We continue to feel that case based research was appropriate as it allowed us to conduct an in-depth investigation into one case and in particular allowed us to compare hard data and soft data.

12) Recommendations for Future Research

This research project has looked at the presence of FDD factors in the implementation of the MSR process. It would however be of interest for future research to look at how these factors interact.

Finally, we should not forget that the aim of implementation is to “ensure appropriate and committed use of the innovation” (Klein and Sorra, 1996: 1055). This report did not assess how the FDD Framework addresses the long-term compliance with a new way of doing things. It would be of interest to know if and how the presence or absence of these factors affect long-term compliance.
Appendices

Appendix A: Time line of implementation milestones

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- Core Functionality (Technical Release I)
- Secondary Requirements (Technical Release II)
Appendix B: Overview: Model Stock Replenishment Project

Source: MSR Project File

Information was gathered from the “Woolworth’s MSR Project File” document. The document was compiled by the MSR project team; consisting of the Woolworth’s staff seconded to the project and the external management-consulting firm. The MSR project File consisted of: the MSR Project Plan, Pre-Roll out Workshop Presentations and training material.

The Model Stock Replenishment (MSR) project was implemented over a period of eighteen months.

Vision
To ensure management of the total product lifecycle through the holistic integration of a world-class business processes to ensure predictable and consistent availability of merchandise in the stores.

Project Objectives
To develop the functional and technical design specifications for a holistic, integrated replenishment capability to support a demand-based supply chain. The essence of a demand-based supply chain lies in the ability to shrink the reaction time to respond to the customer demand and is based on the concepts of:

- Model stocks held at both suppliers and stores
- Automated daily orders against supplier model stock; based on actual customer demand
- Electronic communication of the order requirements to suppliers
- Predictable lead times at suppliers and in the distribution pipeline
- The movement of small batches of product through the supply chain
- Effectively managed in-store displays
- An integrated flow management tool to manage the “flow” supply chain
Project Scope

The project team was responsible for the following:

- Defining requirements for each of the sub-processes with the “flow” framework.
- Defining the system, functional and technical requirements, where possible prototyping the requirements to demonstrate the functionality.
- Designing the technical architecture to support the “flow” capability.
- Determining the existing applications that will need to be amended to support the functional and technical requirements and investigate the extent to which they will need to be amended.
- Designing the changes to the existing systems.
- Designing the new applications and interfaces required to support the functional and technical requirements.
- Determining the operational benefits of the “flow” capability, as well as the associated dependencies, issues and risks.
- Developing an approach and a high level work plan for the implementation phase to follow.

Project Benefits

Business benefits with the introduction of the MSR solution would include increased sales and a reduction in inventory holdings as well as faster inventory turns.

Operational benefits include improved in-store availability, lower inventory holdings and quicker stock turns. It was also expected that staff effectiveness and efficiency would improve with increased automation.
Appendix C: Overview of MSR Workshops:

Source: MSR Project File

The MSR Project File detailed a number of workshops targeted at different groups (suppliers or users) and offering different levels of information. (e.g. Introduction of system vs. detailed discussion of system). The different workshops offered are detailed below.

- Introductory buying group workshops which covered
  - The MSR framework
  - The phased implementation
  - The general product selection criteria
  - The general supplier selection criteria

- Detailed buying group workshops which covered
  - Supplier capability requirements in greater detail
  - The supplier negotiation process
  - Detailed system training

- User group member presentations to buying groups facilitated by project team
  - Broad conceptual overview of MSR
  - High level time line
  - Impact on jobs
  - Support mechanisms
  - Future training

- Introductory store/distribution centre workshops which covered
  - Broad conceptual overview of MSR
  - High level time line
  - Impact on jobs
  - Support mechanisms
  - Future training
• Follow up workshops to the store forum which covered
  o Phase II overview
  o High level time line
  o Key benefits of phase II
  o MSR store impact areas
  o Future training requirements

• Initial discussions with suppliers which covered
  o MSR overview and benefits
  o Supplier impact areas
  o Practical implications and requirements
  o Proposed timeline

• Follow up discussions with suppliers which covered
  o Review of MSR progress to date
  o Benefits realisation
  o Issues resolution
  o Phase II overview
  o High level time line
  o Key benefits of phase II
  o MSR store impact areas
  o Future training requirements
Appendix D: Interview Guide

An interview guide with structured questions (see below) was used as a template. However we encouraged interviews to remain semi-structured so as to gain a richer insight into the factors affecting implementation. We viewed our template questions as means of encouraging the subjects to speak. The interviews ranged from exploratory to semi-structured but in each case five key questions were asked (the key questions are italicised and underlined below).

1. *What was the purpose of implementing the MSR supply chain system?*
2. What factors had influenced you to implement the system?
3. How did you justify the implementation?
4. *What was your role in the implementation?*
5. What were the key factors that had to be established before the project was implemented?
6. What was important in implementing the project?
7. How did you implement the project?
8. How was the project team established?
9. Why was it established in this way?
10. What were the initial steps?
11. Over what length of time?
12. *What do you think were the key steps in the implementation process?*
13. What were the key factors that had to take place during implementation?
14. Were your expectations met once the project was implemented?
15. *Do you think it was a successful implementation? Why?*
16. What do you think were the key factors that made the implementation successful/unsuccessful?
17. *If you had to do the implementation over again, what would you do differently?*
18. What has Woolworths gained from the implementation of the MSR system?
19. What have suppliers gained from the implementation of the MSR system?
20. What have customers gained from the implementation of the MSR system?
### Interview 1: Textile Head of Merchandising

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<tr>
<th>AR: What was the purpose of implementing the MSR supply chain system?</th>
<th>Identification factors</th>
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<tr>
<td>CR: To offer the customer a better service, I mean basically we need to, we wanted to get ourselves into a position that we bought what we sold.</td>
<td>Customer solutions</td>
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<tr>
<td>AR: What factors influenced you to implement the system?</td>
<td>Motivation</td>
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<td>CR: The factor that really does what that the basic entry point to the wardrobe wasn’t always available to the consumer.</td>
<td>Customer solutions</td>
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<tr>
<td>AR: What was your role in the implementation?</td>
<td>Manages and stakeholders</td>
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<tr>
<td>CR: The sponsor of it.</td>
<td>Organisational climate</td>
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<tr>
<td>AR: That’s fine. What was important implementing the project to you? What did you have to do to make sure that it was implemented properly?</td>
<td>Customers solutions</td>
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<td>CR: I had to create an environment that would single-mindedly focus on having available, at any one time wanted basic product for the consumer.</td>
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<td>AR: Do you think the implementation was successful?</td>
<td>Customer solutions</td>
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<td>CR: Um, initially not.</td>
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<td>AR: Why?</td>
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<td>CR: Because it was a lot of um, there was a lot of negativity that came out of the buying groups because it was perceived as us taking something away from that, taking away their power base.</td>
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<td>AR: And why do you think it has become successful?</td>
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<tr>
<td>CR: Simply because, there’s a simple philosophy behind all this, that is, that if you always have available for the customer what they want, you’re going to be successful.</td>
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</table>
AR: What about the environment and the people that implemented the project? What did you do to make sure that the implementation of the project itself you know putting actually the systems in and that was successful?

CR: People that reported to me on that were successful because I smoothed the way for them to be able to do what they needed to do.

AR: If you had to do the implementation again, how would you do it differently?

CR: I would make sure that the system was better able to cope with a greater success than we actually anticipated it.

AR: What do you think Woolworths has gained from the implementation of the MSR system?

CR: Well Woolworths has been able to just simple deliver on their promise to their consumer. I mean, we’re mass merchants selling half volume merchandise at high quality and kind of never out of stock.

AR: And suppliers? What have they gained from it?

CR: Well the suppliers have gained first of all the relationship with suppliers has changed or moved from one of being an emotional relationship to one of being purely objective. So we don’t, we’re not in a situation where and sadly it was, but we used to have a number of buyers or managers who moved merchandise from one supplier to another based on price as opposed to based on objective sales information or objective (projective) performance information. Also what has happened is that a supplier is closer to the consumer because they simply, we simply buy what we sell and therefore there’s no human intervention that manipulates figures or numbers or anything like that. And they’ve became very successful and wealthy out of this.

**Interview 2: Project Manager**

AR: What was the purpose of you implementing the MSR supply chain?
BS: The main reason we implemented is because Woolworths has such a large amount of core products that are used for six months, twelve months across the year and we were finding that we are out of stocks of these basic items on a regular basis and we wanted to address the availability for that.

AR: What factors had influenced you to implement the system? Were there any sorts of trends etc.?

BS: Woolworths actually came to supply chain management quite late. By the early 90’s a lot of other companies, specifically retail has had implemented an MSR type system or a replenishment system so it was also motivated by trends in the market place.

AR: What was your role in the implementation?

BS: I was the Woolworths representative on the team. Most of the other project members were from xxx. What they did, is they mirrored our roles in the business as in the project team.

AR: How long was the implementation?

BS: It was about 18 months of initial implementation and then a year later we implemented the second plan.

AR: What do you think the key steps were in the implementation process?

BS: The initial was doing the business case, which actually passed through the system quite quickly, and then it was writing up the systems and planning. It was the systems that took most of the time. We implemented the initial product, but that was not rolled out further. Further roll out of the actual system only happened six to seven months later.

AR: Why was it that roll out only happened later?

BS: We realised that within the current structure of Woolworths we could not roll out the system. What we had done is we’ve taken the current Woolworths system with all their characteristics and just used them as part of MSR and what we actually needed to do was adjust them slightly before we rolled out further, so adjust them accordingly before we

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rolled out to the rest of the business.

AR: Do you think it was successful implementation? Or what made it successful?

BS: Yes, I do think it was successful and if you look at the availability that most certainly is what’s made it successful.

AR: If you had to do the implementation over again, what would you do?

BS: We would change the structure of the organisation first before we implemented it because once we realised when we did the initial implementation that unless the structure changed to accommodate the MSR and it’s principle, it was impossible to roll it out any further.

AR: What do you think suppliers have gained from the implementation?

BS: Well they have gained in a lot more business; we have made their businesses grow.

AR: Anything else to add?

BS: It is important to implement, to really cover the whole business. The only thing about MSR and why it was a successful implementation. It affected the entire business, it affected the planning functions, it affected the buying functions, it affected the supplier functions, and it affected logistics. So you had to take all that into account before you could actually start implementing it and do the training and do the set up and understanding the impact of it was significant. If we had to ever do it again, the one thing I would say as well is that if the business was not prepared for the extent of the change. They think it’s exciting, they think it’s nice, but they think it is not going to affect them and what you have to probably communicate better is how much the change is actually going to affect the people doing their daily work.

Interview 3: Consulting project team leader

AR: What was your role in the implementation

SV: I was a Project Manager from xxxxxx
AR: What was the purpose of implementing?

SV: The Merchandise Availability Programme within textiles was aimed at improving in store availability and reducing markdowns. And critical to that was getting the right product, in the right store, at the right time. So the types of products were divided into two primary supply chains. There was the push supply chain for fashion items. And the pull supply chain for replenish items. So MSR was focused on the replenishment and um they were effectively um because the programme was uh approximately a two and a half, a three-year programme, my role changed over the programme.

AR: If you can just give me the composition of the project team and why it was set up like that.

SV: When we looked at what needed to be done there were a number of dimensions that needed to be addressed. At a technical level putting the applications in place to be able to determine the order quantities and create the order and interface with all the other elements of the project was critical to the success of the project. So there was a technical component to the project. There was a process component or an analysis component, which determined which products were most appropriate to put onto MSR, and that required a very, very strong business understanding and an understanding of the suppliers involved and clearly xxxx was critical to that role. So it was what products, what suppliers, what could be done, could not be done in terms of displays in store. So how you had to merchandise the products. Is there minimum display quantity that could not be reduced for display purposes so that you’re merchandising effectively to those display quantities. Um OK so there was a process analysis of product determining what product should be going and that was based on both the behaviour of those products as well as supply capability. And a third component was how you actually worked with the suppliers to get them to hold that model stock and work with the stores so that they understood the requirements for accurate dating and integrity making sure that the product moved from the stock room and onto the floor.

AR: How do you think that having an outside company involved benefited the company because it was introducing quite a big change?
SV: I’m obviously a consultant so I’ve got to respect it. From a generic perspective I believe that consultants will bring to the party an external viewpoint, will allow you to introduce thinking that is maybe not part of the current thinking and the way that organisations operate.

What are other organisations doing from a replenishment perspective and also from a change management perspective you know how do you go about bringing about these changes as oppose to somebody within the organisation standing up and down and you know waving and shouting and flying the flag for something uh without necessarily having enough resources to be able to do it or enough you know different people have different skills sets and I believe what we did do was we brought a tremendously complementary set of skills to the project.

On that particular project somebody like the project manager was indispensable.

Because she understood, I mean she’s been involved with WIR which was always integrated with replenishment project, that led directly into I mean that was really a piloted test case for what was done with MSR and even MSR was never seen to be the end of the line. It was effectively a set of systems that was developed and a set of processes that would develop an interim solution and that was largely a kind of sticky tape and glue sticking together.

AR: Had you done some similar work on it before?

SV: We had worked with other retailers.

AR: On replenishment systems?

SV: Yeah. What Woollies wanted to do was quite specific though. And I think that what they’re looking at doing now with this Retec two? Implementation is taking it to the next level. What Woollies wanted to do was work, replenish to display. Not so, it basically means you could be sitting with tremendous overstock position because you’re replenishing to display. You always have got like one medium, one large, one small, one whatever, one size on the arm or you’ve got a wall full of towels or whatever it is that you’re replenishing to display. What many of the other retailers are doing are
replenishing to forecast.

AR: Yeah because that is quite a key difference. Do you think the MSR project implementation as such was successful?

SV: I think that it was successful, I think they were and I think it depends on how you measure success.

AR: OK. Why do you think it was successful and then if, why do you think it wasn’t successful.

SV: OK. From an outcomes perspective, without doubt it was successful. The sales of MSR products outstripped all other products.

The business case that was set out and the goals that were set out for MSR were certainly achieved. Um the way that it could have been done or things that could have improved the implementation were already on the process side from a how quickly can you roll it out and to some extend you are bound by your internal capability or your internal capacity to absorb the change. And given that it was never intended to be the be all and end all of systems, many of the changes that were introduced recognised the need for high levels of manual intervention, both in terms of planning the model stock of suppliers and planning at the store SKU level, what number of items were going to be held in each?

AR: If you had to look at the whole implementation process, what do you think the key implementation steps were that you sort of had to do to make sure that it was implemented?

SV: OK. Any implementation require, any successful implementation depends on high level of analysis and planning and desire. So what are you going to achieve, how are you going to do it and then you get on and do it. The problem if you get straight in and try and do it is that you often back track and then you’re repeating things. So there was a very high degree and very comprehensive design that was put together, both at a conceptual level and then at a more detailed technical level and it was against that specification that the application was built. Um so once you got the system and you know that it’s doing what it needs to be doing, the challenge is getting people to use it. So and with MSR there
were challenges that resided within the business and with suppliers. I mean when I talk about in the business at Head Office as well as its stores and suppliers.

AR: OK

SV: So the suppliers I think were quite initially a little bit reluctant because they were obviously holding stock, but when they saw the upturn in sales I think there was a much greater receptivity to what it is that was being done.

Um within Head Office the challenges were two-fold. The one was around how do you manage the budget and how do you integrate the budgeting for something that is basically an open to sell versus an open to buy type of concept. Um so that was one challenge. And the second was really how do you introduce people, do you manage this within the merchandise groups or do you manage it in a centralised function? And I think managing it in a centralised function for the introductory phases was great. I think, I understand that it’s now moved back into the merchandising groups.

AR: No, it’s actually still a centralized function

SV: There’s obviously the challenges then at an operational level if you’ve got one item in your range that is MSR then there’s a kind of split responsibility for that. Yeah, so that remains a challenge I’m sure.

AR: Because from what I’m understanding is that initially it was actually launched within the groups and then pulled and then made a centralised function.

SV: But it only really picked up once it was a centralised function.

AR: That is actually, she was saying you sort of had a launch and then a launch again.

SV: It became very difficult for, particularly the Merchandise Controllers to operate two different systems. And the way that they managed to get scaled was to pull it into a central function. So you know if we did it again, probably we would have put it into a centralised function. There might have been other challenges like in the buy-in of

innovation and values

Congruency of innovation and values

Manages and stakeholders

Work teams

Work teams

Congruency of
the merchandising groups to that concept.

AR: What would you say, if you had to look at it, do you think you did anything or the project team as such did anything to ensure that it was successful? Was there something particular that you did?

SV: High level. Uh two things or one thing really, but covering different areas was the high levels of buying involvement. The suppliers, I went with xxxx and a number of other people from the project team to a number of visits with suppliers to understand their processes, to understand what the challenges would be and then holding model stocks and convincing them that by doing this there was going to be an uptake of stock. Reducing things like ? as an example to convince them that there were benefits both ways, so it wasn’t just a benefit for Woollies.

So I think the buy-in from the suppliers was critical to the success and the buy-in of users who were ultimately going to use the application I think was important. Um it was difficult because it was a completely different, it wasn’t a, one of the things that was good I think was it wasn’t a very difficult application to use, it was very easy to use and it wasn’t you know massive of forms and fields and stuff that needed to be completed, it was relatively simple. It was quite a nice interface.

AR: Would you saying buying or people only sort of took to it once they saw the successes of it? Do you think you had to pick the sort of low hanging fruit?

SV: We did pick the low hanging fruit. I think that that’s right, I think that that’s absolutely right. With any um with any project like this the quicker you will get wins on the board, the better, the better chance you have of actually ramping up to scale.

AR: And did you do a little bit of a trial with one or two projects that you actually handled as a project team before you took it.

SV: Sure, you know to some extend there was a carry over from WIR so there was a conversion of the WIR products that was basically handled within, that was the first set of products to be brought out.
And the guys sat with the merchandise controllers you know hand holding sorry, although it was within the project team it was very kind of you know cotton woolled to an extend to make that they’re and that is always going to be important. So you know if you look at critical success factors of any projects and this one is a good one to use, it’s about high levels of involvement, ensuring that the system or the processes are workable. So there’s no good giving something somebody who they’re going to grapple through you know. I think that one of the challenges that was with the merchandising planning project, which was probably before your time, but you know people were ready to pull their hair out because it was very slow. And although it did what was needed, but it was very detailed and quite a laborious process and you know it had it challenges in that respect.

Whereas MSR was easy to use, it was quite quick until the volumes built up there wasn’t performance problems. There were later when the volumes were up, but initially there were no performance problems. So it’s about user involvement and by ensuring that the system is being used, making sure that you measure very closely what’s happening because that ongoing measurement and showing the sales are outstripping those of the other products and showing what the uptake is and how many suppliers you’ve converted and how many SKUs that was very, very motivational for people and also kind of kept the momentum going.

Um making sure that you, as I say that you pick the quick wins and that you show the wins and demonstrate what, so not only do you measure it, but you actually demonstrate successes I think is also another criteria. And those are generic principles in any kind of project that you would look for.

xxxxxx was an unbelievable champion. You know she’s an incredibly passionate person and she championed the cause, both within Woolworths and with suppliers in an unstinting, unrelenting fashion. I mean she just went at it and went at it and that’s also critical for the success of the project.

AR: And support from higher up?

SV: xxxx was the project sponsor, the program sponsor. He was absolutely involved and he was very supportive of

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<th>Team and team-leaders</th>
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<tr>
<td>Work teams</td>
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<td>Team and team-leaders (aligning mind sets to goals)</td>
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what was being done.

**Interview 4: Consulting project team member**

AR: What would you say the MSR implementation was successful, if so, why and also the amount of things that didn’t make it, not that it was unsuccessful, but things that weren’t as successful as others.

CB: OK, from my perspective I would say it was and I’m obviously going to comment more on the technology side of things.

It was a fairly complicated um system that went, and yet it went live successfully. Obviously when you’re writing software that is kind of doing theoretically things and coming up with erratical numbers it’s a little bit easier. But when you’re writing software that is intended to control things like orders which is what happened in the case of MSR you know it needs to be fairly accurate otherwise you’re going to have boxes going the wrong way and stock.

Stock ending up in the wrong places etc. and I mean based on how that went and the logistical side of things um I’d say it was quite successful.

AR: What would you say what did you do when you did the implementation, the key steps in implementation that you felt really lent itself to the project? To the success of it.

CB: Certainly the biggest factor I’d say was the way we rolled it out.

CB: You know the fact that we pilot it first and then phased the roll out so you know to gradually increase the number of, I think it was the number of stores that gradually increased, that came on line and that made it so much easier A because the volumes we were dealing with were much smaller.

CB: And obviously the impact of what you’re doing was quite uh was a lot smaller.

AR: And the impact on suppliers? How did you find that?

CB: Again, I think and I’m not 100% sure, but if I recall
correctly we also took a similar approach where we did not bring all the suppliers on line at the same time that we phased them in.

CB: And that went quite smoothly as I understand yeah.

AR: The other question, do you think working with a company like xxx, which was from the outside, brought different skills and the combination of the Woolworths team, do you think that was a good one or add to it?

CB: I think so. I mean typically the value that we bring to you know to the environment is the structure and the approach that we follow you know the rigid sort of project management principles that we follow and I would say that played an important role in the success. On the Woollies side there was some very specific um retail skills you know.

CB: You know that we did not have that depth of retail skills in that specific detail area someone like xxxxx.

CB: And then also on the IT side I mean there were some developers with various specific technical skills that we didn’t bring to the table. So at the end of the day it was quite a good marriage of um more generalists project management skills at various specific points skills from the Woollies side.

AR: What would you say were the major challenges that you had, that you felt you had to overcome?

CB: I think um, I think one of the difficulties was uh OK first of all, the one I was specifically involved with there was some technology challenges.

CB: And that was around the infrastructure at the time um because we were doing communication to stores.

AR: OK. The infrastructure of the organisation?

CB: No, the infrastructure, the technical infrastructure that links stores to Head Office because you know to be able to do replenishment you need to have an accurate reflection of what is in store.

AR: Stock.
CB: And obviously that’s quite dependent on reliable infrastructure between the stores and Head Office in terms of communication so I think there was some significant technology sort of dependencies. And then what was interesting about this is that at the same time there were other initiatives happening which there were stronger tendencies I think one was the supply management initiative was happening at the same time and there was also the distribution management um which was more about the implementing the distribution centres which was happening at the same time and you know changing those different areas made it very difficult to co-ordinate.

AR: Were you involved in any of the training or anything like that of any of the staff?

CB: No, no I was not.

AR: So where did you sort of end up, where did the project end for you once you’ve written the systems?

CB: Um we facilitated the implementation.

AR: In what way?

CB: Sorry, my specific role was around the technology so the technical implementation.

CB: And if I recall correctly the actual roll out of it our involvement became less and a lot of responsibility was taken by I think it xxxxxx

CB: But I think the approach was more to um hand over at that point to the Woollies people to do the roll out.

**Interview 5: Project team member**

AR: What was your role in the implementation, the MSR project?

DP: I’m the Systems Manager for MSR so I head up a team of developers and so my role was really to make sure that anything that had to be technically done was co-ordinated properly.
AR: Do you think the project was successful? Do you think it was a successful implementation?

DP: Yes, I do, I do.

AR: Can you give us reasons why you thought it was successful and perhaps if there were other reasons, what didn’t make it.

DP: OK, I don’t know if you’re talking purely technical or at a broader level, the whole project.

AR: No, if you can give me technical and at a broader level.

DP: Oh OK. Um look I think it was successful because xxxx running the implementation from a business point of view and then formed a central merchandising team for all the MSR merchandisers so there was a lot of dedicated focus put on it from the business side.

And also from a technical side, quite a small team and focus just on MSR.

So I think that’s why it was successful, we all concentrated purely on the roll out.

AR: You weren’t on other projects at the time.

DP: Exactly and that was it really.

AR: If you had to look at the implementation of the project and you look at sort of the key steps that had to be done for it to be implemented successfully, what do you think those were along the way.

DP: The key steps um look we used to get together every Monday and I think that is key to have regular weekly meetings because otherwise a lot of things slip through the cracks. So the IT, myself and xxxx and her key merchandising managers got together once a week and we had a project plan and we used to go through that meticulously. And then I also used to meet with my IT people weekly. So I think the key steps are you know to approach it in a planned fashion and to track what you’re doing.
AR: OK and if you were to look at the implementation itself and the sort of subsequent roll out, what do you think made the business take it, the integration, I’m sort of looking for answers into the integration of the business. What do you think made it successful or not?

DP: The whole buy in? There were lots of communication. I know that xxxxxx gave lots of presentations in the auditorium to suppliers because suppliers also had to change the way they were doing things. And there were frequent visits to suppliers by guys like xxx? all the merchandise managers and I know that they regularly also met with the buying groups. to explain what they were doing, what the process was about and we also had to change-control-person, xxxx at the time on the team.

And I think that is also quite key because technical people focus on the technicalities, business people focus on their processes and I think having a change control person is very important to make sure that all stakeholders are being communicated to.

AR: If you had to do the implementation again, what would you do differently next time?

DP: What would I do differently, let’s think um maybe if I had a smaller team. In the beginning um I said we had to have these weekly meetings, there were a lot of, there were too many chiefs and not enough Indians almost.

DP: We had a full-time project manager, I don’t know if you can remember xxx?

AR: No.

DP: He was brought in and um there were yeah too many people treading on other people’s territory

DP: Um so I think next time we’d have clearer defined roles because that’s another thing I don’t think people’s roles were always that clear um and it caused, I think like any project it has quite a lot of friction in the beginning and people aren’t really sure exactly what they should be doing so what I would do differently next time is to maybe have one of these sessions where you actually set people’s goals and have a team building session, role clarity.
AR: OK role clarity…

DP: Yeah because we didn’t do that and I think that caused problems down the road.

AR: Once the project was implemented, how did the process continue? Did you have a role in that or did you pull back and work on another project then?

DP: No, the teams actually are still in place. Look I’m still looking after amongst other things MSR.

DP: So I didn’t pull back. Um I think from the business side quite a lot of the business people they’re a bit bored.

DP: And uh looked they moved on to other things which is why none of the people are left there anymore.

DP: Um so I think that is a bit of a risk in that a lot of people like to implement things, but they don’t want to be involved in the so-called maintenance.

AR: Yeah or the follow-ups.

DP: So there is a risk of losing people which do happen certainly on the business side.

AR: What do you think Woolworths gained from the implementation?

DP: Well I don’t know all the exact figures, it’s something I don’t concentrate on, but I know MSR is doing very well.

DP: And so they gained a hell of a lot in terms of bottom line.

AR: And suppliers, what do you think they gained?

DP: Um I don’t really deal that much with suppliers. I just want to think of the comments that have been made. I think they are able to plan better. You know they’ve got to keep a model stock now.

So they are more assured of regular orders and they are more able to plan their production better.
But that’s on a positive side, I know there are also some negatives, I’m not sure of all of that.

AR: From your side, did you ever work with the suppliers?

DP: Not really. I didn’t at all, but for my own education, I did arrange for xxxxxx to take me to meet some of them and I also took some of the technical guys to some of the factories just to get a little bit more of the feel, but it wasn’t necessary.

AR: Once the whole project was implemented, were your expectations met. At the beginning you set goals for how the project should run, were you very comfortable with the way it had run all along. Were your expectations met once it had been implemented?

DP: Um yes, they were met in terms of what we used to speak about how many styles we were going to put on MSR.

DP: So we certainly did achieve the goal. I think there’s about one and a half thousand styles or something like that now on MSR. So those goals were achieved, but I think that there was quite a bit of frustration from the business in terms of the technical functionality. I mean even today there’s lots of things that the business wants us to implement to make their lives easier in MSR. That’s how we’re now getting this forecasting package going.

DP: So um I think it comes back to when I said to you in the beginning one should have role players with people and one should also very clearly maintain your scope. You’ve got to keep re-stating, this is what we’re going to do and this is the scope because continually there’s always this tension where the business wants more than IT can provide them. And I’m sure it’s the same with what’s going on in the business.

DP: Yeah so I’m sitting here saying we did achieve it, but maybe somebody in the business will say no, you didn’t achieve everything you wanted to do because there’s still so many things that they want to enhance?

AR: But from your perspective view a very comfortable, that you delivered what was in the scope of the project.

DP: Yes, yes.
Interview 6: Project Team member

AR: Can you just tell me what was your role in the original project? What did you do?

IB: I came in at the stage where xxxx had virtually finished the specs.

IB: And they wanted somebody to do development in both visual basic area and in the mixed batch front area and I had both those skills.

AR: If you had to look at the project, the implementation of the MSR Project, if you had to look back at it, what do you think made it successful and what factors do you think didn’t make it successful.

IB: I think that the specs were based upon a lot of fairly good research and lots of interaction with the xxxx of this world.

IB: Things of that sort. So it’s when they ended up with a structure for the whole system. It was a sound structure.

IB: The only area that I had a problem with was that I’m normally happiest in the role of coming in at grassroots and taking it through inception through to finality, instead I came here at the stage where all the analyses and design had been done and you got specs. And I think that their skills are more in the business processes etc. I think they tried to go a little bit too far. I suppose that’s the role they were paid for?

AR: Yeah OK so if we had to look at it as a person from Woolworths and understanding the Woolworths process, it would probably be easier to pick up that right from the beginning.

IB: Yes, yes.

AR: What were the key steps when you were busy with the implementation, what were the sort of key steps that you had to do along the way to make sure that it was successful?

IB: Each time we developed the code for a spec,
absolutely thorough in that testing and all sorts of spread sheets was set of what was the expected results should be and what the actual results and then put them together and then highlight the differences.

IB: So it was fairly automated and made it not easier to feel happier that the program was doing what it should do.

AR: So in a way you did pilots for…

IB: Yes, yes and we were testing little things as we finished program C you test for program C did. Instead of having to wait for the whole lot to be there before you could start.

AR: If you had to do this implementation again, how would you do it differently?

IB: I suppose the only aspect from my personal point of view, I would have been involved in it for a much earlier stage.

AR: Do you think it would have helped you to understand it more or?

IB: Yes because I came with none of the business processes, nothing at all in my head. Then you’ve got to interpret what somebody had done without necessarily understanding why.

AR: For what length of time were you involved?

IB: I started in January and we actually went live I think in about July.

IB: So round about seven months as well.

AR: What do you think that Woolworths has gained from the implementation?

IB: I think it has been a rip roaring success. I think it’s largely got rid of a problem of things that are your core items not being available here in the shop.

AR: And suppliers? Or weren’t you really involved with them?
IB: I wasn’t involved, but I can imagine that side makes it a lot more comfortable to have dribbles going rather than huge, big things.

AR: Did you want to implement it? Did you then leave the project or was there a process that you continued with once the project was completed.

IB: I’m still with it.

AR: Are you still with it. So you still monitor it on a daily basis?

IB: Yes, yes. If the xxxxxx people saw it now that we’re involved with the design they’ll probably not recognize it because there’s so much changes.

AR: And why did you have to change it?

IB: Well little things that we had included upfront like um this whole business of linked styles.

IB: Where that top is going out and the new one is replacing it, but you want those sales to. That turned out to be incredibly complicated, I think sometimes the users don’t actually understand fully.

AR: So as you’ve gone along you’ve been quite involved with adapting it and that’s…

IB: Yes, yes.

AR: So it’s been quite smooth sailing.

IB: Yes, it has. It has actually been a very successful one and very stable and apart from missing Monday SOA’s because the main frame suppliers are late.

AR: Any major changes coming up in the future?

IB: The one thing we’re doing is this whole business of this report for example called…

IB: This is one which is often very late on a Monday.
IB: And we’re now getting the mainframe to do a lot of the work that we’re doing on our Unix boxes which would speed things up a lot.

**Interview 7: Group Merchandise Manager**

AR: Did you have a role in the implementation of the MSR?

AT: I was part of the initial program that was implemented by xxxx. It came from a manual process written by xxxx called WIR - Woolworths Integration Replenishment or something like that which was run in hosiery quite successfully because beauty was the next core group. Um we were promised to go on WIR for these deficiencies.

AT: xxxx was then given the project of implementing an MSR type project which she did and piloted in the WIR departments and “beauty” was the first real division that had kind of rolled to the successes of WIR

AR: And what was your capacity there as planner?

AT: Planning Manager. xxxxx were the planners.

AR: Do you think the implementation of MSR were successful? If you do, what do you think people did to make it successful or do you think if it was unsuccessful why was it unsuccessful, the actual implementation.

AT: I think the implementation of MSR has been highly successful and I think the concept no doubt is successful, it has proven as such. There are a couple of schools of thoughts and this is where there was a little bit complexity I guess and change in direction of MSR.

AT: I’ve always viewed MSR as an allocation program versus a straight logistical program and the subtle difference is that the original parameters to get onto MSR was that you had to have um constant sales, proven sales, no highs and lows, a very flat um something that I would call the bake beans of any department, would never change.

AT: That was the main criteria to get onto MSR. We in
cosmetics, I think because of our group we changed it slightly because we said we wanted to put things going to run for a season like lipstick colours.

AT: And because of the enormity of the um requirement of availability. I mean in cosmetics you literally got to have 100% availability every day of the year, all day kind of thing.

AT: So that’s why we started to putting things on straight onto, launch straight onto MSR and that’s where it was all piloted from and proven that it can happen as long as you plan the shape of MSR similar to how you would plan the fast goods.

AR: But what do you think made it successful? What did people do, what did the implementation team do to make sure that it was successful?

AT: xxxxx’s team?

AR: Yeah. Or you as a department do to make sure it was successful, as a user?

AT: Well firstly um to make it successful there were two good planners, the knowledge base was strong. The skills, our planning skills were strong, the bonding was strong, the planners. They had planned the old fashioned way if I can call it. So they understood more that what the computer was offering, they were using the computer to get to an end.

AR: As a tool.

AT: As a tool. So that was part of the success. It was quite lengthy um, but it made sense because we thought and planned at that level and it didn’t make it complicated and I think that was really the success of it.

AR: Um did they do any training to be able to use it?

AT: Funny you say that, we had training on how to press the buttons.

AT: But the knowledge was actually residual in the department anyway. Fundamental thinking was of how to plan, not MSR planning, of planning in general was in place. And that’s why I’m saying the success was they were able to
use the MSR tool to get their result.

AR: Did you have to provide any incentives or do anything to make share the planners went onto that? What motivated them to use MSR?

AT: Funny you say that, that’s a very good question I think because at that time there was a lot of debate whether a planner should do both or shouldn’t be splitting the task. So group eight also getting picked that and they both they did fast and MSR as a one planner. I guess an incentive was me because I drove it home. And they weren’t adverse to it because we could see the benefits of it so it was a bit of a slogg up front to get the plans in place and things evolved because the MCs actually change and they actually took a lot of the finger work out of the planning, off the planner and did a little bit, it became like part of the allocation. So the job transferred it to the MC (merchandise controller)

AT: It didn’t really, it didn’t complicate their lives. It was actually bloody good.

AR: What do you think, if we had to do the implementation process again, what do you think they could do better next time? What would you do differently?

AT: That’s really tough, a tough question.

AT: Why I say it’s tough it’s because one is proven and one’s unproven. The proven one is that by taking it up to the sixth floor they were able to be, if I can use the word mindless, um they just had a workload and they put it on the process. It might have been 50 or 60% correct going on and I think that was good in terms of the implementation. I always come from the view that the planner should do the planning in MSR and I think the quality would have been better. We might have been a little bit behind the program, but I think the quality going on would have been better. So I think the implementation that they did do was good, I think it could have been, I might have done it slightly different.

AR: OK. Differently related to the structure.

AT: Related to the structure and how they put it on. I mean there was a requirement to try and get on as much as possible as soon as possible so that supported the current
structure.

AR: They were just literally work horses?

AT: They were work horses yeah.

AR: What do you think Woolworths has gained from the implementation of the MSR system?

AT: Firstly, the easy ones, availability and? But planning, planning is simple philosophy and it’s all around units, you’ve heard me go on and on about this.

AT: It’s all around units and I think it’s making people conscious of units it takes to actually satisfy our stores and unfortunately our current MSR team are not powerful enough to drive that home a little bit more than the buying teams. Um but in my mind that’s where it’s starting to make a lot more sense, it’s starting to impact on general because that’s the? that’s what it takes.

AR: That’s what it takes. OK, and from our suppliers? What do you think they have gained.

AT: Well suppliers benefited from consistency, one is two-fold there’s certainly an increase in volume. Because of availability. And they took that human element out so you didn’t have the dumb planning manager monitoring dumb budgets. If there was a sell out you’ve got stock. So that was really a major benefit. And as a result of that you know our suppliers used to get, you get your money, the guys? like hell at the beginning of the month so they’ve got a huge workload and then it’s settled off into the last two weeks of the month, they’ve got nothing, they got staff sitting. MSR made a consistent flat workload which was nice, the suppliers enjoyed that.

Interview 8: Group Planner

AR: What do you think are the key factors that make MSR successful and what do you think, are there any factors not successful? 

Alison: I think in theory it’s a wonderful system.
Alison: Um we haven’t perfected the practice. One of our major problems is that the stock situation in stores is never as it should be. We have data integrity problems because the stores are not going stock as often as they should and because the system is worked on sales in other words? replenishment system if your stock in store is not accurate, you’re never going to replenish accurately. That is the biggest concern.

AR: Do you think when they implemented the system there was anything they could have done to sort of tidied up that sort of loopholes?

Alison: I think and I mean I’m not technical enough to say, but I think a system should have been put in place where there was a more accurate stock count being kept and I don’t know if it’s a manual stock count, I think there should have been some system where they could have done it where um I mean I know as you sell something it supposed to be scanned in, I don’t know how accurately that works. Um and obviously you get the normal theft and that sort of thing, but I think there is a system and I think the system could have been put into place.

AR: If you had a look at this project or MSR itself, if they ever had to do the implementation again, what would you tell them to do differently?

Alison: Um quite difficult because I wasn’t involved in the implementation.

AR: But now as a user of it, I mean as a planner in another department, how’s it affecting you other than the stock??

Alison: I don’t know, it’s working as a system it’s working maybe the model stocks aren’t as high as they should be. I think they’re trying to keep the stock levels terribly tight and in theory that’s a good system. Um I don’t think they took into account the stock in transit issues because they include stock in transit as stock.

AR: OK explain that to me a little in detail.

Alison: Once an item is sold it gets replaced, but the model stock might be two units so they sold one, they’ve got one left, they replace it. Unfortunately it takes two weeks to get to the supplier so you’ve got a two week gap and that is
something they haven’t addressed and in fact it is an issue. So what we’re doing now we increase the model stock which is???

Alison: You just inflate the next stock levels.

AR: Do you think it is a success, this system?

Alison: I think it’s for a core line, I think it’s the only way to go and I definitely do think it’s improving and it can improve even better, but it is ???

AR: What do you think Woolworths has gained from the implementation of the MSR?

Alison: Um definitely improved sales, definitely. I mean lines that were not on MSR before that went on MSR, definitely improved sales.

AR: And from a supplier perspective if you look at your suppliers? What do you think they have gained?

Alison: Um look improved sales obviously bigger quantity that make the supplier happy. Is costing the supplier more because he’s holding stock that he wouldn’t be doing. It involves a huge commitment from the supplier because they’re forced to hold more materials, they’re forced to hold a model stock at all times and they’re forced to produce in theory as you send an DI, they produce to that DI, it doesn’t happen because they can’t make 25 units one week and 25 the next week. So what they end up doing is they make what they think you are going to sell in a month in advance.

AR: So it’s theoretical, it’s not really adjusting time system?

Alison: No, it can’t be.

Interview 9: Group Planner

AR: What role when MSR was implemented, what role were you playing at that time?

BW: Well I was in Planning, but I was also in the user
group as part of testing. And getting ready for implementation.

AR: OK and exactly what did that involve?

BW: It um they took us through the processes you know sort of like flow work on you know how it works in theory and sell one, buy one ?? it was more to see how the system works than anything else. Um also some kind of reporting, they were looking at that stage what our requirements were. But they never actually happened OK..

BW: In terms of roll out and then once there was a pilot system we tested.

AR: OK. If you had to look at the actual implementation of MSR, what would you say was successful about it, factors, what sort ? did they do to implement the system to work well, what would you say did they not do well.

BW: I think um the fact that they went for quite an extensive pilot was good. OK it ironed out a lot of bugs before they rolled it out to the rest of the business. I was in the cosmetics at the moment and being a particularly good MSR area, it was a good case study.

BW: Um it highlighted a lot of things for us we were doing wrong in the department especially our pack sizes and our display quantities and so on so that was a good thing, it highlighted those things at the time so that when they had a roll out those were learnings they could take and actually work it out. Implementation was, it was good, it went very smoothly for us. We actually did run into a stock problem um, but that was due to um stock that was already in stores not being in correct ratios so then it cause perfect models so you went overstocked in one situation.

AR: OK and things like colour.

BW: Correct yeah. And I think in terms of what didn’t go so well was there was absolutely no reporting information attached to the system at all so you actually got the, you got it working, but when you wanted to see some results or whatever or see what was performing, how were they performing against their planned sales, what was their model against ?? There was nothing at that time that we could
AR: Now why do you think they didn’t have that in place?

BW: I think the urgency from xxxx at the time he’s thinking was this is a perfect DI system and they had to work on it immediately and that was 80% than what we had at the moment and that the reporting could take longer, but it wasn’t as urgent as getting availability and sales up in the stores. That was the kind of trade off they were using, they knew it wasn’t perfect without the reporting tool, but it was a matter of prioritising.

AR: If you had to do the implementation again, what would you do differently?

BW: I think the lack of reporting caused a huge amount of frustration. We were guinea pigs in the business and because there wasn’t information, people were asking things, we couldn’t give answers so we made assumptions which we knew weren’t actually correct, but you had nothing to substantiate any of your findings with you know to actually go and do the work and find the information do correct? And it caused a lot of frustration and we actually got quite demoralised um throughout that you know.

AR: Tell me when they implemented the system, as a planner, was there any incentive for you to use the system?

BW: We’d recognize that the nature of our product was perfect for us OK. I mean we were constantly up against availability figures - every day about no stock in the store so we recognized the opportunity. So in terms of incentive and whatever, it was nothing, we just knew it was the best thing for the product and that’s why we worked so hard at getting it out.

AR: What do you think, what sort of key steps took place in implementation that you felt worked quite well or even in the pilot group you felt doing that worked quite well.

BW: In terms of the actual department we had to do our own base ground work first, we actually had to physically get units in and lay them out in terms of ?? product, introduce ?? how to ? look at the pack ? all of that had to be in place before we could actually go live. So there was like a kind of check

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list that we had to do along the way um before we actually got there. Systems wise, um in terms of actually doing the planning, the physical planning itself, it had been done from a very technical point of view. By the time we were actually delivered the pilot system to use, it wasn’t that user friendly. And um so we could recommend changes, but the system we had to work with was a very unfriendly system.

AR: The pilot system?

BW: Yes the pilot system.

AR: And then when they implemented it was it something different, did they do adjustments?

BW: Slight. OK and then refined to where it is now. Um so I suppose the general user community actually got a good user friendly system, but as a pilot it was like one difficult uh, but we managed it. It wasn’t like a huge problem.

AR: What do you think Woolworths has gained from the implementation of MSR?

BW: Um well I think it speaks for itself actually um you know the thing is before if you take the manual system I’m not sure if it’s ?? if we had to put the system that we use ?? You know a lot of things changed at the same time before MSR ?? I thought we still had ?? Where stock was counted and you actually, your sales were ? they weren’t scanned ? They took your opening stock minus your closing stock and said these are your sales and stores only did this every two weeks so you only ? two weeks. So I think it was a very poor system we had beforehand. MSR has increased frequency which is ? of allocation to increase sales so yes they got brilliant, brilliant results through something quite basic actually.

AR: And suppliers Bonnie, what do you think they’ve gained?

BW: Look through constant availability and increased sales and I mean that has been huge with them, I think also it’s formed actually partnership between suppliers and ?? you know just by seeing the rewards on both sides it actually made stronger partnerships with suppliers.
Interview 10: MSR Manager

AR: If you look back on the implementation of MSR, do you think it was successful?

ZG: Yeah.

AR: If you sort of look at it in total opening, are there factors that made it, what do you think made the implementation successful and what do you think, I mean there are obviously some factors that made it slightly unsuccessful, what do you think they were?

ZG: As I say only commenting where I’m at at the moment.

ZG: I think the single-minded approach, single-minded focus on just rolling out and not worrying about the 150% solution was the first best prize and it’s definitely the success story of it all. I think that the drawbacks and the downfalls now is now that we’re fully rolled out it’s not, the system is not dynamic enough to take it to it’s next level. Um but the single-minded focus of we got to get it rolled out, no matter what, let’s just do it and go ? is what worked.

AR: And what do you think, what did Woollies do to get that single minded focus?

ZG: They buy in from, it was driven by xxxx who was very much in contact with the team and the directive was I expect a third of the business by a certain time and that is what they went for.

AR: If you sort of have a look at the way it has gone, there have been key steps that have happened on the way, what do you think were the key steps that made it quite a successful implementation currently?

ZG: What I think I’ve heard and you know from the feedback. I think it was a case of showing it to xxxxx saying you know, this is what we can achieve, it was x percent, adding x percent to the bottom line so there was some real tangible difference. xxxx picked it up and said we got to do this and we got to do it properly. Properly get a roll out plan, got a project team together, a very small project team and they managed the suppliers together with the departments and the
MSR structure supported just the roll out. So you know I just think that the way that they did it, the way they had planned and the fact that they had commitment from the highest level.

AR: OK. If you had to do it over again, what would you have done differently? What would have been easier for you now if they had done it slightly differently.

ZG: I must be quite honest. I think in terms of what they’ve achieved in terms of what they’ve achieved in the three years that they got it up and running, I’d be tempted not to want to do it differently.

ZG: I think it was a case of you know the business was in a space and you basically had to get this thing up and running and do it and they went and did it. If I look at where we are now, I think the things that we missed out on and that we could have managed better and differently had we had more time is the communication and understanding of stores, of the buying departments in getting their sort of commitment buying into it more, understanding the accountabilities and um just sort of working on the relationships a bit more.

AR: You’ve seen a lot of suppliers, when it comes to suppliers, what do you think they’ve gained from the implementation?

ZG: In terms of how we implemented or in terms of the process?

AR: No, no currently the process you know the implementation of MSR what has it done for them?

ZG: Well certainly I think for them besides the fact that it has added money to their bottom line, it has given them the sort of more consistent way of managing so they, because things are more consistent, they can put their management structures into place and they can manage the process better. Um the downfall in terms of from a suppliers perspective is that we do not have enough processes and management or reporting tools in place to jointly manage the commitments and that is one of the biggest drawbacks in terms of from supplier perspective and where we could get ? Woollies in terms of ? raw materials ? made of goods or whatever. So from a supplier perspective I’d say that is an opportunity to rise above that. So the suppliers have gained in terms of they
can manage it differently, there’s less intervention, there’s more of a trust factor and they’re making more money.

AR: What about relationships with suppliers? Have you seen it changed in the time that you’ve been there?

ZG: Yeah I think definitely. I think that they understand, they’re more accepting of the fact that they know we don’t have the tool although that doesn’t make it right, but they are getting better at managing it themselves and we’re all getting a little closer to taking the focus away from roll out to management of commitment and management of process as a more holistic approach.

AR: What is the next phase?

ZG: The next phase is definitely about getting a more dynamic forecasting tool in place where the system which currently is very much a high maintenance, a lot of manual intervention which takes up all of the planners time or too much of the planners time so they don’t spend time managing their process, maximising those sales, spending the time talking to the suppliers, managing those commitment more dynamically. It’s about getting a more dynamic forecasting tool in place with I pray an exceptionary tool facility so that we spend our time analysing the exceptions and managing the suppliers and the commitments better. Also with that I hope we’ll bring on line direct management thing like a web base thing between the suppliers and us.

**Interview 11: MSR Planner**

AR: If you had to look at MSR, do you think the implementation as it currently were, do you think it was successful and if so why do you think it was successful and if you think it was not successful you know what do you think has not made it successful.

NN: I think it is successful based on where we are coming from in terms of the differences between where MSR is compared to the past allocations because at least we’ve got a base that we’re working on and at least we can be able to rate where we are. We got our points where we can uh what do you call them, we’ve got parameters that we’re working with, we got parameters where we can be able to check as to how
far we are to where we want it to be. That’s why I think it is so successful.

AR: If you had a look at the way it was implemented, are there any key steps that you think they followed to make sure it was implemented properly.

NN: In terms of the whole process?

AR: Yes.

NN: OK I think developing the new systems like having floor management and having special requirements those are the key things because they are linked up with. You can have ?, but if you don’t have those other systems that you can always check the information on against as to whether it’s still the same because you can change but you’ve got those other systems that keep the old information that you can always reference with and then you can see where you’re coming from.

AR: And was this something that they implemented after they implemented MSR or was it implemented altogether?

NN: I think it came altogether because um they were in the second group and those things were already there.

AR: If you had to do the implementation again, what would you do differently if you were running the program.

NN: What we’ll do differently is what now we some of the that we put through now is what they’re busy doing it now with having a system where you can be able to, that can forecast, that can do the replenishment because this one was more manual, it was very manual compared to what we should be at where there’s not too much manual intervention. It’s time-consuming that’s what it is.

AR: If you had to look at our relationship with suppliers before MSR and sort of after MSR as such how do you think our relations, how have our suppliers benefited? How do you think it has changed.

NN: Our suppliers have benefited. I’ll give you an example of one supplier. He says he’s happy about MSR because one thing now he doesn’t have to rely on the fact that there is no Congruency of innovation and values
money to send out stock because if something sells we don’t have to hold back because now that it is running automatically. And in some instances we will pick up only after the sales because so much that we sold. Whereas before the MC will decide on the money that they have as to how much they give to the style and how much they give to the other style so to them in terms of their money they’ve gained out of that. But the only problem that they have is sometimes if the style tends to sell and we got to put the planner in place that they style is going to sell so much. And we’ve got model stocks at the supplier. There’s an advantage to them but the fact if the style sells they’re getting the flow of that, they know that they’re going to get the sales.

AR: What do you think the departments have gained, the individual departments like a lingerie or a homeware?

NN: Um I think from them they’ve gained because now there’s more manage in terms of styles because before they’ll change the style without actually knowing as to how far the style can go because the styles that we were putting on MSR and they were selling very small units. That is not because the style did not have potential it’s only because there was so much because they were concentrating on other things and buying less on certain lines. Whilst when they came over to MSR, MSR expanded those lines because as you sell more you re-plan and you increase, as you sell more you re-plan and you increase whilst there in their department there was not that opportunity because there are all other things around available to concentrate on.

AR: What do you think our customers have gained?

NN: Customers have gained in terms of continuity and also in terms of the size of availability.

**Interview 12: Group Head**

AR: If you look back on the implementation of MSR, do you think it was successful and if so, what were the factors that made it successful and what do you think were some of the factors that made it slightly unsuccessful if I can put it to you that way.

FS: Of course something new always will always have teething problems and hiccups. How do you learn from those?
I think the biggest problem for MSR you find the resistance to change from people. So there was a huge amount synergism towards MSR in the first rollout. How is it going to work etc and that somehow isn’t easy to go away. When you actually look at what happened, and I mean it has been a huge, huge success. And if you sit and you look back now and you say well you know we had these problems and we had those problems in actual fact they weren’t major problems, they were just sort of things. And the critical thing is to improve. And came along with this process. At a completely different meeting. One of the points on the agenda the MSR to say to us how well it’s working, but there are a couple of little things that needed to be done to make it even better. So you know maybe from myself and I have been here a long time - it has been a huge success.

AR: Do you think people only started buying in when they started seeing the success?

FS: Yeah even then it was at the time when there were a lot of data integrity problems so again the synergism of you know is the information correct. Um is it sort of justify ?? I think as well what was required to put the right people behind it and when people started seeing that not anybody was on it but as sort of real development of people, real succession planning people. We put into the position that were serious planners. People realised this is serious. Also when stores started seeing the benefits. When you get down and analyse it from virtually day one it has got stronger and stronger and better and better. I mean I was amazed to find out that MSR was xx% of their total turnover. And our ladies outerwear is at xx%.

AR: Well bathroom for us is xx%. If you had to say you know whenever you implement anything like the key steps that they did, what stood out for you that the team did when they were implementing it, that was quite key to it’s success.

FS: I wasn’t too involved.

AR: No, I know like things like communication I mean often people cite xxxx who was someone who was very focused who was driving it. I mean if you can just sort of from implementing it within your team, what were they things you felt they did that.
FS: Yeah I’ll tell you what was good, first of all xxxx and the work with the manufacturers. XXXX sometimes, mainly with the team and I think the manufacturers had a better understanding of it than us, than some of us. They saw her having to hold a lot of stock, another change, another system from Woollies, we have major problems with the systems and here’s another system change. What was the investment money and benefits? There’s not a single manufacturer out there that won’t tell you how efficient it is running this business. So that was a positive. Yeah I’d say that probably manufacturers, having the team, having people from xxxx.

AR: If you had to do it over again, what do you think we should have looked at?

FS: I would approach more tactically to everybody and all the planners. The amount of time to plan and they were looking at it if I do this store like this, then I can do these six stores like that. They were going to be slightly wrong, but that’s a start. You can see that very quickly as soon as you roll it out it started changing. So they were literally working through every single way rather than saying our percentages and averages of ten stores together. So you had the planners up in arms as they did not have the time to plan by way and they were doing far too much. I would also structure it from the beginning, People felt threatened and I would have structured, exactly as we got it structured now. I would have started like that from the beginning.

AR: What do you think Woolworths or specifically your department has gained from the implementation.

FS: Huge sales.

AR: Other than the huge sales.

FS: What we’ve gained from it is well first of all I’ll tell you is team work and the mutual co-operation of the MSR and the department. I’ve said to the MSR people they’ve got a dotted line responsibility to us, if they feel the dotted line is no there, they don’t feel they’re part of the team. We’ve seen the benefit so it’s actually extended that to say the same thing to Marketing. So we really have seen the benefits of working together as a team, it’s not them and us and we have applied that to a lot of the things.
Appendix G: Interview Quotes

The following comments were elicited during our interviews (appendix E). Whilst not directly related to the research question under investigation, we found them of interest and worthy of recording as they may lead to further research questions.

- The structure of the organisation should first be changed to accommodate the principle of MSR. In this case the structure was adapted only after the MSR had been implemented.
- Implement a system from the beginning that can cope with the momentum and increased business it might gain.
- Communicate with all stakeholders, which include stores, as to exactly how the change is going to affect their daily lives. The emphasis should be on honestly communicating what benefits and drawbacks there may be.
- Ensure there is clarity as to each person’s role in the implementation process prior to setting up the initial team. This should include team goals as well as individual goals.
- Earlier involvement of Woolworths staff from a technical perspective.
- Implement a system that had a reporting function. The lack of reporting continues to cause enormous frustration.
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