

MESG
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**Change Management in Fresh Food Retail:
challenges and opportunities**

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Master Thesis

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Para os meus. A minha família.

Abstract

The purpose of this thesis is to analyse the change management process on a retail company that is introducing an uniformization of processes concerning a new technology implementation in the fresh area of food retail. The methodology used on this thesis was a qualitative case study. Data was gathered through six semi-structured interviews, one follow-up interview and one unstructured interview. Understanding how to manage change in such a big company is the biggest challenge that this thesis aims to address since there were several difficulties addressed by employees on the interview process concerning change management, the motivation is to understand how to implement the new system using change management strategies, namely Agile Change Management, so that the uniformization of processes and new technology implementation is as smooth and successful as possible, involving not only the system implementation but also the people involved in managing those systems. It is also important to analyse the current change management process in order to be able to understand its challenges or difficulties. This allows a well-grounded proposal for a new change management strategy.

Keywords: Change Management, ERP, Fresh Food Retail, Processes, Uniformization

Resumo

O objetivo desta tese é analisar o processo de gestão da mudança numa empresa retalhista que está a introduzir uma uniformização de processos relativos a uma nova implementação de tecnologia na área de frescos do retalho alimentar. A metodologia utilizada nesta tese foi um estudo de caso qualitativo. Os dados foram recolhidos através de seis entrevistas semiestruturadas, uma entrevista de acompanhamento e uma entrevista não-estruturada. Compreender como gerir a mudança numa empresa tão grande é o maior desafio que esta tese pretende abordar, uma vez que houve várias dificuldades abordadas pelos funcionários no processo de entrevista relativo à gestão da mudança. A motivação é compreender como implementar o novo sistema utilizando estratégias de gestão da mudança, nomeadamente a Gestão Ágil da Mudança, para que a uniformização dos processos e a implementação de novas tecnologias seja tão eficaz e bem-sucedida quanto possível, envolvendo não só a implementação do sistema, mas também as pessoas envolvidas na gestão desses sistemas. É igualmente importante analisar o atual processo de gestão da mudança, de modo a poder compreender os seus desafios ou dificuldades. Isto permite uma proposta bem fundamentada para uma nova estratégia de gestão da mudança.

Palavras-Chave: Gestão de Mudança, ERP, Área de Frescos do Retalho Alimentar, Processos, Uniformização

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Table of Abbreviations

BIT	Business Information Technology
CAP	Change Acceleration Process
CDP	Centro de Distribuição de Pescado (Fish Distribution Centre)
ERP	Enterprise Resource Planning
FEUP	Faculty of Engineering of University of Porto
MESG	Master's in Service engineering and Management
PDA	Personal Digital Assistant
WM	Warehouse Management

1. Introduction

This dissertation is integrated in the Master's in Service Engineering and Management at Faculty of Engineering of University of Porto, and it is focused in exploring how uniformization is implemented in retail companies. The main focus of this study is understanding the change management process on a retail company that is introducing an uniformization of processes following the implementation of a new technology system. Change Management is something that is important in any company. As years go by the world changes and so does technology, laws, organization strategies, people, and management. It is important that a company stays up to date. Change Management is “(...) about handling the complexities of travel. It is about evaluating, planning, and implementing operational, tactical, and strategic journeys.” (Robert & McCalman, 2008).

The implementation of new technologies is often the cause of change, leading to a change management process. Replacing a new software is always difficult in any kind of company, but when it comes to a big retail company the challenge is bigger – SONAE is one of the biggest retailers in Portugal, according to a study by Deloitte (2021) it is the second national retail company to be on the 250 list of the biggest retailers in the world, making it the second biggest retailer in Portugal. With SONAE being such a big company, it also means that they employ a lot of people, and it is important to know how to manage those people in situations of change like the new software implementation.

The problem that is being addressed is the change management challenges brought by the introduction of a new ERP in a big retail company. In order to do so, there are several steps that need to be taken into consideration, those being: analysis of the current processes being used in the fresh area; analysis of the processes implemented in other business areas of the company; understanding the best practice to adopt in order to implement the uniformization without a huge change impact and finally, understanding how to manage change. The fresh area in supermarkets is usually divided in these parts: fish shop, bakery, butcher, fruits and vegetables and charcuterie. There are several critical aspects regarding this type of products and according to (Bruzzone et al., 2009) those aspects are:

- Perishability, which implies the need for very rapid logistics processes.
- The very high profile needed from an organoleptic quality and freshness point of view
- Traceability
- Special processes required for preparing food along the supply chain: slaughtering, meat cutting, packaging or modified atmosphere packaging (MAP)¹.
- Strong seasonal behavior of demand and production
- Difficulty in creating an efficient and optimized platform due the interaction among many logistics flows
- Presence of direct distribution flows from producer to final consumer (stores)

¹ Principle of MAP is the replacement of air in the package with a fixed gas mixture (Sivertsvik et al., 2002)

In the case of, for example, fresh fish, the European Union and other organizations set out a list of rules, in particular about thermal regime (Bruzzzone et al., 2009) that need to be followed in order to maintain the freshness of the products. Fish retail is an operation (Trafialek et al., 2016) that stores, prepares, packages, serves, and provides fish for the supermarkets fish stall that needs to make sure that the fish is iced enough in order to maintain its good nutrients. “Perishability” is also an important topic because it is the biggest concern of food retailers, not only because it negatively affects the customer perception of quality, but also because of the monetary loss it creates (Marques et al., 2022).

1.1 Research Questions

Following the challenges posed by change management in a fresh food retail company dealing with the implementation of a new technology, the research questions that are addressed by this study are the following:

RQ1: How does Change Management work in Fresh Food Retail?

RQ1.1: How is the process of change managed?

RQ1.2: What is Change Readiness and Resistance?

RQ1.3: How does Change Management work in New Technological Systems?

RQ2: What are the opportunities to manage change in fresh food retail?

These research questions will help both the writer and the reader understand the focus of the current research by providing a path through the research and writing process (GMUWC, 2018).

1.2 Study and Project Development at SONAE | BIT

SONAE MC is one of the biggest retailers in Portugal, being the first on the industry to open a hypermarket back in 1985 in Senhora da Hora, Matosinhos. SONAE MC evolution throughout the years has been remarkable, owning a multi-format business portfolio: Continente (hypermarkets), Continente Modelo and Continente Bom Dia (convenience supermarkets), Meu Super (proximity stores in franchising format), Bagga (coffee shops and restaurants), Go Natural (healthy supermarkets and restaurants), Make Notes, Note! (bookstore/paper shop), ZU (products and services for dogs and cats), Washy (Self-Service Laundries), Home Story (Specialized in home décor) Well’s (health, wellness, and optics), Dr. Well’s (dental clinics and aesthetic medicine), Arenal (Offer of parapharmacy and perfumery products, located in the north of Spain) (SONAE MC, 2022).

BIT (Business Information Technology) is SONAE’s Information Systems area, responsible for creating new solutions, contributing to the evolution of the retail experience offered to Customers (Costeira, 2016). This project took place in BIT, responsible for all technological projects for the various brands of Sonae MC.

The Portuguese food retail market is characterized by having supermarkets, hypermarkets, proximity stores, traditional stores, mini markets. There is a diversity of options to choose from, but the options that Portuguese consumers choose the most are: hypermarkets and supermarkets, which account for approximately 70 percent of the total

food sales (Medina, 2021). Every supermarket and hypermarket are characterized by having different sectors – Seafood, Produce, Bakery, Deli and Meat (Renner et al., 2019). On this thesis there will be a focus on the Seafood products that includes fresh and dry fish (like codfish, for example).

1.3 Report Outline

This dissertation consists in five different parts. Those being: Introduction, Literature Review, Methodology, Results and Conclusion.

After introducing all the concepts and goals of this study, we move on to the Literature Review. The Literature Review is “the selection of available documents on the topic, which contain information, ideas, data, and evidence written from a particular standpoint certain aim of (...) topic and how it is to be investigated” (Hart, 1998, p. 13). The Literature Review on this thesis will consist of the explanation and contextualization of the key concepts of this project, by using scientific articles to validate and explain those concepts. The concepts that will be taken into consideration are Change Management; The Process of Change; Change Readiness and Resistance; Change Management in New Technological Systems and Processes for Process Uniformization. The Literature Review is also an important tool for “discovering important variables relevant to the topic, synthesizing, and gaining a new perspective (...), establishing the context of the topic or problem” (Randolph, 2009, p. 2).

After analysing all the concepts, it is important to analyse the Methodology as it is the next phase. In this section all the techniques and methods used will be explained in detail, in order to make the reader understand how it was possible to achieve the aims of the study.

The next section is the Results where the results of the project will be discussed and explained in a detailed way - what were the findings that resulted from the interviews made, as well as all of the data that was collected and analyse. A proposed solution for the problem will also be addressed. Finally, there is the Conclusion, where all the changes and findings will be discussed and explained.

2 Literature Review

The Literature Review is “the selection of available documents on the topic, which contain information, ideas, data, and evidence written from a particular standpoint certain aim of (...) topic and how it is to be investigated” (Hart, 1998, p. 13).

2.1 Change Management

Every company in any country must manage, at some point of its lifetime, the process of change which is inevitable. As time passes by, technologies evolve, processes are reorganized, people change, everything changes and there is a need to accompany this change, to do better. Change Management allows companies to do just that.

Change Management can be described as “the process of continually renewing an organization’s direction, structure, and capabilities to serve the ever-changing needs of external and internal customers” (Moran & Brightman, 2001). Change Management is always present among companies, it can be an operational change, a software change, a management change, or even strategic change (By, 2005). Even though change is something so constant among companies, a study by Ewenstein et al. (2015) states that there is a failure rate of 70% of all change programs due to employee resistance and lack of management support. It was also stated by Ewenstein et al. (2015) that when people become invested in change it is 30 percent more likely to stick. It is very crucial that manager pay special attention to the way they implement change in order to make the people involved aware of the change that is being made and invested, by doing this the change implementation will become easier.

Change can be triggered by the most numerous factors, it can by momentous events or even by a single person who believes something is not right and wants to make it better (Senior et al., 2020, p. 53). The trigger of change is defined as “disorganizing pressures that make current systems, procedures, rules, organization structures, processes, roles, and skills inappropriate and ineffective” (Buchanan & Huczynski, 2017, p. 634).

Change can also be triggered by internal and external factors to the organization. External and internal triggers for organizational change include (Buchanan & Huczynski, 2017, p. 634-635):

External:

- Economic and trading conditions, domestic and global;
- New technology and materials;
- Demographic trends, silver tsunami, Gen Y, Gen C;
- Changes in consumers’ demands and expectations;
- Activities and innovations of competitors, mergers and acquisitions;
- Legislation, regulation, government policies, corporate social responsibility demands;
- Shifts in local, national and international politics;
- Changes in social and cultural values

Internal:

- Design of new products and services;

- Low performance and morale, high stress, and staff turnover;
- Appointment of a new senior manager or top team;
- Inadequate skills and knowledge base, triggering training programmes;
- Office and factory relocation, closer to suppliers and markets;
- Recognition of problems triggering redistribution of responsibilities;
- Innovations in the manufacturing process;
- New ideas about how to deliver services to customers.

It is important to be aware of these triggers in order to know how to act when this kind of trigger is activated. Managers have an important role when it comes to Change Management, they must be the ones to give out an example to their leaders and they must be certain of the change that is being implemented, that is, when asked about the change they should communicate it well, explain the advantages and disadvantages, promote training and leader education on the matter that is being changed so that the impact of change is lower. This strategy is often used by Marketers because when faced with a bigger “figure” example, individuals feel the need to be accepted and replicate the example in order to be accepted (Williams, 1982 apud Aladwani, 2001, p. 272). It is also important that the leader has a good relationship with its team so that the communication between the leader and its teammates is better and flows a little smoother (Choromides, 2018).

2.1.1 The Process of Change

In order to manage change it is important to understand its processes. According to the Project Management Institute (2013) “(...) change process tests both the human aspect and project management’s need for control and requires the capability to deal with ambiguity.”

There are many approaches that explain what the processes of change are about, on this section of the literature review there will be an analysis of three different approaches: The Revision of (Personal Compacts), Kotter’s Eight Steps to Transform Your Organization and Custom Change Models.

2.1.1.1 The Revision of (Personal) Compacts

Personal Compacts can be defined as when “employees and organizations have reciprocal obligations and mutual commitments, both stated and implied, that define their relationship” (Strebel, 1996). This personal compacts need to be taken into consideration when doing the Revision of Personal Compacts.

The revision of compacts occurs in three distinct phases those being:

1. Drawing attention to the need of change
2. Revision of the initiative with employees
3. Formal and Informal rules list

The first phase is important because it is where the employees will understand that there is a need of change. The second phase is also important because it is when the organization will pay close attention to their employees and their needs, they will readjust and listen to its employees need when doing change. The third and final phase is all about resuming the past two phases in a list of formal and informal rules that need to be followed by both the employees and the organization.

2.1.1.2 Eight Steps to Transform Your Organization

Another approach that is being taken by consideration is Kotter's (2021) eight steps to transform an organization, those being:

1. Establishing a Sense of Urgency
2. Forming a powerful guiding coalition
3. Creating a Vision
4. Communicating the Vision
5. Empowering others to act on the vision
6. Planning for and Creating Short-Term Wins
7. Consolidating Improvements and Producing Still More Change
8. Institutionalizing New Approaches

The first step is establishing a sense of urgency which means that organizations should try to convince managers how important the change is, how it is worse to stay with the same status quo than to dive into the unknown. It is about explaining how crucial it is to change and "(...) examine the market and competitive realities for potential crises" (Kotter, 2021). The second step is to form a powerful guiding coalition which means that it is important to assemble a cohere group of managers who are aligned with the change that is going to be implemented and committed to implement it with success. The third step is to create a vision in order to direct the change effort and develop strategies for its implementation. The fourth step is to communicate that vision with the employees, it is important to make a clear statement of what the strategy is, how it will be implemented and teaching "(...) new behaviors by the example of guiding coalition" (Kotter, 2021). The fifth step is to empower others to act on the vision in order to make them aware of the risks and encourage them to make the move on the risk. The sixth step is to plan for and create short-term wins in order to "(...) define and engineer visible performance improvements" (Kotter, 2021). The seventh step is to consolidate improvements and produce more change, on this stage it is important that employees who implement the change successfully are rewarded with promotions and training. It is also important to "(...) reinvigorate the change process with new projects and change agents" (Kotter, 2021). The eighth and last step is to institutionalize new approaches by "(...) articulating connections between new behaviors and corporate success and creating leadership development and succession plans consistent with the new approach" (Kotter, 2021).

2.1.1.3 Custom Change Models

Custom Change Models are change models that have been created to satisfy the needs of specific organization. According to the Project Management Institute (2013) there are two custom models that need to be taken into consideration, those being:

The American Express Six Steps to Successful Change Management (Stone, 2018):

1. Define the Why
2. Be Transparent About the Change
3. Train, Train, and Re-Train
4. Frame The Story
5. Leverage the Data
6. Build and Maintain Governance

General Electric Change Acceleration Process (CAP) (Linn, 2009):

1. Leading Change
2. Creating a Shared Need
3. Shaping a Vision
4. Mobilizing Commitment
5. Making Change Last
6. Monitoring Process
7. Changing Systems and Structures

As a conclusion, research suggests that implementing effective change management processes is associated with positive change attitudes (Rafferty et al., 2013, p. 122).

2.1.2 Change Readiness and Resistance

It is a great concern that people inside the organization that is going through the process of change are prepared for it, are ready for it. According to Robbins et al. (2017) people can be resistant to change for many reasons but the one that stands out is the fact that change will replace the known with the unknown which cause uncertainty for the people who are used to the past practices.

An individual is more likely to resist change for the following reasons: uncertainty, habit, concern over personal loss, team dynamics, and the belief that the change is not in the organization's best interest (Robbins et al., 2017). When faced with change employees will likely feel uncertain about several things (Bordia et al., 2004, p. 509): how this change can affect their current role on the company; what is the impact that the change will have on their life (it can be both good and bad); why will this change be happening. Schweiger & DeNisi (1991, p. 135) listed 21 sources of uncertainty which included the uncertainty regarding layoffs, relocation (transfer), changes to the culture of the organization, promotion opportunities, and if there will be a pay cut.

Another trigger for resistance is habit. When people are used to a certain working mode it is hard to change their mind, employees usually would rather continue on doing what they have always done than change to something they do not know much about (Garvin & Roberto, 2005). But habits can be changed and there is an approach that will be mentioned later on that describes how change can be implemented with an "habitus" approach.

The third reason for change resistance is concern over personal loss, this meaning that when employees have invested a lot in the system that was being used the harder it will be for them to not resist change since there was an investment of knowledge and time in mastering that system. Employees fear that with the change they might lose status, money, authority, friendships, or personal convenience (Robbins et al., 2017, Chapter 12).

Team Dynamics can also be a reason for change resistance since they are defined as "Cohesive teams with performance-oriented norms act as a substitute for most leader interventions (McShane et al., 2021, p. 328)." Which means that it is important that this teams are aligned with the change intervention, otherwise it will be hard to implement it since they can be a point of connection with other employees. The last cause to change resistance is that some employees might believe that the change implementation is not in

the organization's best interest, therefore they will be more likely to disapprove that change because they believe there are no benefits for that implementation in the organization.

2.1.2.1 How to Reduce Change Resistance

After realizing why employees are resisting change it is important to explore how the organization can reduce that resistance. According to Robbins et al. (2017) change can be resisted by taking several types of actions. Those actions include communicating well what the change is about, getting feedback from employees, choosing when to do the change (it has to be the right time, according to the organization and employee's feedback) and providing support for employees when dealing with change – change can stress out a lot of employees -.

2.1.3 Change Management in New Technological Systems

As it was stated above, change can be very difficult to implement and even more difficult when it comes to the introduction of a new technological system.

An ERP (Enterprise Resource Planning) can be defined in three different ways according to (Klaus et al., 2000): An ERP can be defined as a “(...) commodity, a product in the form of computer software. Second, and fundamentally, ERP can be seen as a development objective of mapping all processes and data of an enterprise into a comprehensive integrative structure. Third, ERP can be seen as the key element of an infrastructure that delivers a solution to business”.

When it comes to ERP implementation there are several strategies that need to be considered so that the ERP can be successfully implemented, those being: organizational, technical and people strategies (Aladwani, 2001). Organizational Strategies include “(...) change strategy development, change management techniques, project management, organizational structure and resources, communication, and coordination” (Al-Mashari and Zairi, 2000; Gable and Stewart, 1999; Sarker and Sarker, 2000 apud Aladwani, 2001)”. Technical Strategies include the ERP installation process and its complexity and time and cost of implementation. The people strategy includes staff and management attitudes, involvement, and training.

Introducing a new system to users is never easy, there are several reasons for user resistance to new technological systems and innovations. Sheth (1981) has developed a framework that analyses the different reactions that users might have against innovation (such as the implementation of an ERP system). According to this framework there are two sources of resistance to innovation: perceived risk and habit.

2.1.3.1 Aladwani's Integrated Process-Oriented Conceptual Framework

In order to manage change when implementing a new ERP system Aladwani (2001) suggests an integrated process-oriented conceptual framework consisting of three phases: knowledge formulation, strategy implementation and status evaluation.

Knowledge Formulation Phase

On the first phase of this framework, it is important to identify the different attitudes of the potential users of the system. According to (Aladwani, 1998 apud Aladwani, 2001)

there are four questions that need to be answered in order to understand the user's attitudes:

1. Who are the resisting individuals/groups?
2. What are their needs?
3. What beliefs and values do they have?
4. What are their interests?

After analysing all the answers to these questions, it will be easier to understand the user's needs and how to act when doing the official system implementation: how to communicate, how to treat the user, etc. There are many perspectives that might come up after: there are users that will be interested in the system implementation, there are users that might think they are good how they are, there are users that might think they do not have the knowledge needed to master the new system. It is important to take into consideration all the perspectives to develop adequate solutions.

Strategy Implementation Phase

The previous stage is valuable for the current stage because strategies can be elaborated considering the feedback from the users. On this phase there are several steps that need to be considered, the first one being the communication strategy. Knowing how to communicate with managers is crucial so their message to the employees is clear and appealing. The first step is to communicate to managers the advantages of the ERP implementation: why it will be valuable for both the organization and the employees.

After communicating the benefits of the implementation, it is important to explain how the system will work. According to Stratman & Roth (2002) teaching the different users how the ERP works is a crucial step to create awareness. The second step is doing a cost minimisation strategy, by doing this, employees will have a positive adoption attitude towards the ERP implementation since the perceived cost for each employee will be minimized. Differentiation is also a strategy that can be valuable. If the user perceives the value of the ERP as unique and high in quality (and therefore different) he will have a more positive attitude towards change. Another strategy that is important is hands-on training. Hands-on training is one of the best ways to show the potential user how the system will work and will make the user more comfortable to use it.

Status Evaluation Phase

This phase is where the previous stages are analysed and monitored in order to understand if the change management strategies were well received. This phase is important because it provides crucial feedback information to management. According to (Aladwani, 2001) “(...) feedback should be timely, accurate, and systematic.

2.2 Agile Change Management

Agile Change Management can be defined as a means to help organizations approach change – to have the ability to move quickly and easy when faced with a change challenge. Using Agile Change Management will provide organizations an easy path to realize benefits from change as soon as possible (Franklin, 2021a)

There is a question that should be asked since we already know from the previous sections what change management is, but what is Agility? Agility can be defined as “(...) the

ability to think quickly and clearly” on which “(...) a company is always in a position to take account of market changes” (Cambridge Dictionary, 2022). When considering agile as a methodology it is important to talk about the AGILE Manifesto that was created more than twenty years ago, back in 2001.

The AGILE Manifesto has **twelve principles** (Beck et al., 2001):

1. Our highest priority is to satisfy the customer through early and continuous delivery of valuable software.
2. Welcome changing requirements, even late in development. Agile processes harness change for the customer's competitive advantage.
3. Deliver working software frequently, from a couple of weeks to a couple of months, with a preference to the shorter timescale.
4. Businesspeople and developers must work together daily throughout the project.
5. Build projects around motivated individuals. Give them the environment and support they need and trust them to get the job done.
6. The most efficient and effective method of conveying information to and within a development team is face-to-face conversation.
7. Working software is the primary measure of progress.
8. Agile processes promote sustainable development. The sponsors, developers, and users should be able to maintain a constant pace indefinitely.
9. Continuous attention to technical excellence and good design enhances agility.
10. Simplicity--the art of maximizing the amount of work not done--is essential.
11. The best architectures, requirements, and designs emerge from self-organizing teams.
12. At regular intervals, the team reflects on how to become more effective, then tunes and adjusts its behavior accordingly.

Agile change is a way to identify, plan and implement change, applying principles from the Agile community and techniques from the change management profession. According to Franklin (2021) change activities are usually delivered by two different parties: tangible change and behavioural change. It is stated by the same author that it is crucial for Agile Change Management to combine these two parties. The two parties are characterized by:

Tangible Change: It is characterized by change that is created by project teams like developers, engineers, HR, accountants, etc. Their main goal is to deliver a certain outcome within the time stipulated.

Behavioural Change: This type of change is characterized by individuals that decide to incorporate change, to do things differently. The people responsible for behavioural change are those who are required to make the tangible change happen. This is the most difficult type of change because it is the one who breaks bad habits and introduces new habits that most of the times are not taken lightly by employees.

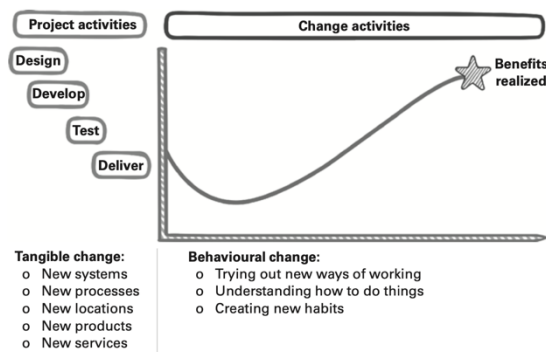


Figure 1 - Change Elements (Franklin, 2021a)

According to le Grand & Deneckere (2019) there is a model called: **The Agile Change Management Model** that consists of three different phases: Define, Experiment and Anchor. This model is used for implementing the Agile Change Management.

Define Phase: Starts before the project takes place. During this phase it is expected to establish a roadmap that will be key for the extent of the whole project. This phase is considered to be the diagnostic phase where questions are asked in order to understand who the actors and the context of change are (le Grand & Deneckere, 2019).

The roadmap of the define phase can be characterized with the following core elements (Franklin, 2021): processes, best practise techniques, document templates, guidance notes, role definitions, role questionnaires, checklists, and acceptance criteria. It is very important that the roadmap is an intuitive process making it easy for everybody involved to follow it. The roadmap offers advantages like clear communication of the change that is being implemented, increases motivation, and can improve the quality of the outcome (Franklin, 2021b).

Experiment Phase: Consists of two cycles – workshop and control cycle. On the workshop cycle stakeholders are able to understand the need of change and are involved on the design of change. The control cycle consists of “(...) carrying out (...) measures of change in progress, and the means of surveying individuals who are beneficiaries of change” (le Grand & Deneckere, 2019).

Anchor Phase: is the final phase of the project, from this phase there are two outcomes: a global vision – of the projects progress – and analysis of the ability to change the company. On this phase everything is analysed: individuals’ reaction and readiness to change, possible mistakes, solutions and so on and so forth.

Agile Change Management can be a great tool for a company that is already using the agile methods because agile software engineering is not only meant for applying suitable processes, but it is also important for managing change (Berger & Rumpe, 2010). Change

Management is a vital part of the agile development processes, it is even recognized on the agile manifesto that was cited a few paragraphs back, saying: “(...) Welcome changing requirements, even late in development. Agile processes harness change for the customer's competitive advantage (Beck et al., 2001)”.

3 Methodology

3.1 Method Used in the Project

According to Eisenhardt (1989), there are three types of Research Approach: quantitative research, qualitative research or combining both two types.

Quantitative Research usually involves investigation of data through statistics, mathematics, and processing of numeral data. According to Goertz & Mahoney (2012) quantitative research data is usually analyzed in numerical form. The statistics used in quantitative research are usually used when (Basias & Pollalis, 2018): there is a need to process large volumes of quantitative data, there is uncertainty related to theories under consideration, when questionnaires containing simple questions and short answers are used and when the data used can be quantified and compared.

Qualitative Research can be defined as “(...) a situated activity that locates the observer in the world. It consists of a set of interpretive, material practices that makes the world visible (...) These practices... turn the world into a series of representations including fieldnotes, interviews, conversations, photographs, recordings, and memos” (Denzin & Lincoln, 2018)

Qualitative Research is usually used to learn about social phenomena. Qualitative research allows people to have a better and in depth understanding about activities, situations, events, people, or artifacts (Leavy, 2014). This type of research is usually advised when the purpose of the research is to explore, describe or explain.

The Combination of Qualitative and Quantitative Research Approaches results in what is called the **Mixed Approach** which is an integration of the two forms of data. According to Creswell & Creswell (2018): “The core assumption of this form of inquiry is that the integration of qualitative and quantitative data yields additional insight beyond the information provided by either the quantitative or qualitative data alone.”

A method that can be also used is the **Case Study Method** which is characterized by Goode & Scates apud Sharma (1997) as: “The essential procedure of the case-study method is to take account of all pertinent aspects of one thing or situation, employing as the unit for study an individual, an institution, a community or any group considered as a unit. The case consists of the data relating to some phase of the life history of the unit or relating to the entire life process, whether the unit is an individual, a family, a social group, an institution, or a community. The complex situation and a combination of factors involved in the given behavior are examined to determine the existing status and to identify the casual factors operating.”

3.1.1 Qualitative Case Study

After a lot of research of the several approaches that could be used on this thesis it was decided that the best methodology to be conducted in would be the **qualitative case study** because it would allow the collection of data through various sources of information (like it is stated on the quote below) and also allows the writer to explore a case in an in-depth way. This method combines the best of both worlds: the qualitative research method and the case study method. The following quote gives us the perspective of Creswell & Creswell (2018) of the definition of a qualitative case study.

“(…) A qualitative approach in which the investigator explores a bounded system (a case) or multiple bounded systems (cases) over time, through detailed, in-depth data collection involving multiple sources of information (e.g., observations, interviews, audiovisual material, and documents and reports), and reports a case description and case-based themes” (Creswell, 2013, p. 97).

This qualitative case study was conducted in the company BIT by SONAE MC, which is SONAE’s Information Systems area, responsible for creating new solutions, contributing to the evolution of the retail experience offered to Customers (Costeira, 2016).

3.1.1.1 Data Collection

Data was collected through several interviews that “(…) unlike survey research, in which the number and representativeness of the sample are major considerations, in this type of research the crucial factor is not the number of respondents but the potential of each person to contribute to the development of insight and understanding of the phenomenon”(Merriam & Tisdell, 2016a, p. 127).

In order to collect data for the project it was decided to use interviews since an interview is defined as “(…) a process in which a researcher and participant engage in a conversation focused on questions related to a research study” (DeMarrais, 2003, p. 54). Interviews in the organization would be very valuable for the thesis because it would allow us to have the real perspective from inside the organization the case study was taking place in, that it why it was decided to conduct interviews.

The interview phase started by writing a script where there was a careful review in order to maintain the script the least bias as possible. The final script of the interview (appendix 1) consisted of a semi-structured interview ²with seven questions with some of them having subtopics - if counted with the subtopics there would be a total of twenty-one questions. After writing the script for the interview the next step was to write a script for the e-mail (appendix 2) where there was a presentation of the interviewer, an explanation of the interview content and goals, the interviewee was given the choice of taking the interview online or face-to-face, there was information about the duration of the interview and also a set of dates that the interviewee could choose from in order to schedule the interview later on. The next step was scheduling the interview with the people that were up to be interviewed. The e-mail was sent to seven people and there was feedback from six of them. The interview process was done between the 10th and the 26th of may and there was a follow up interview with one of the interviewees on the 22nd of June and an extra non structured interview on the 28th of June with a Business Partner Analyst from the In-Store Area in order to have more input about the change management process.

An important topic to mention is that when each interview started each and every interviewee was asked if there was an authorization to record the interview and were also informed that at the end of the interview, they would be handed an informed consent (appendix 3) where they would consent to be giving this interview.

² “(…) semistructured interview that is guided by a set of questions and issues to be explored, but neither the exact wording nor the order of questions is predetermined” (Merriam & Tisdell, 2016b, p. 136).

The interview sample consisted of six interviews that were done inside the organization with people from several different areas of expertise like economy, applied mathematics, engineering in industrial management, mathematics, and computer science as well as different roles in the company like project managers, business partners analysts and computer analysts. This sample was selected because of their role in the company, since the area they are working on goes along with the thesis outline and their knowledge of the topic (change management and uniformization of processes in the fresh area in food retail) was very vast so they would be a great resource of information for the collection of data. On the table below there is a detailed characterization of the sample that was interviewed as well as the duration of the interviews that were made.

Interview Sample				
Role in the company	Background Education	Duration of the interview	Area in the company	Online or Face-To-Face
Project Manager	Economy	17 minutes	Supply Chain	Online
Project Manager	Applied Mathematics	33 minutes	Logistics	Online
Operational Architect	Mathematics and Computer Science	27 minutes	Supply Chain & Logistics	Online
Project Manager	Industrial Engineering and Management	36 minutes	Logistics	Online
Business Partner Analyst	Industrial Engineering and Management	22 minutes	Supply Chain	Online
Project Manager	-	24 minutes	Fresh Area	Online
Average Interview Duration: 26 minutes				

Table 1 - Sample Characterization

As it is stated on the table above the interviews had an average duration of 26 minutes and 100% of the interviews were conducted online through the platform Microsoft Teams, by choice of the interviewees. After the interview process was over it was time to move on to the interview analysis which will be explained on the next paragraphs.

3.1.1.2 Interview Analysis

The interview analysis started by transcribing each and every interview into a Microsoft word document in a full verbatim transcription – “(...) a transcript that includes absolutely everything that is said, exactly how the speakers say it (Caitlin, 2012).

After transcribing the interviews, the content of each of them was analyzed and then there was a creation of two excel tables: one that was related to change management (appendix 4) and another that was related to the process for uniformization of processes (appendix 5). There was a need to make this division because these were the main two topics that were analyzed on the interviews. The structure of both excels is available on the table below (the content of the tables will be able on appendix 4 and 5 of this thesis). Topics:

- Change Management
 - Change Resistance
 - Stakeholders and Partners
 - Employees
- Process for Uniformization of Processes
 - Business Processes
 - Advantages of Process Uniformization
 - Better Technological Capabilities
 - General
 - Disadvantages of Process Uniformization
 - Stakeholders Dependency
 - Legacy Operations
 - Process Uniformization
 - Difficulties in Technological Implementation
 - Costs
 - People Involved
 - Warehouse
 - In-Store

Analyzing the interviews with this method made the information more visual and easier to access, analyze and understand. It made it even easier to compare each interviewees answers with each other's.

4 Results

On this section an exploration of the qualitative study will be done in order to understand what the findings and lessons learned. Throughout this section of the thesis there are going to be explored containing information about the interview process. As it was stated on the methodology section there are two tables: the change management table (Appendix 4) and the process for uniformization of processes table (Appendix 5). Both have different topics that will be displayed and explained on the following paragraphs.

4.1 Change Management

4.1.1 Process of Change Management

Change Management is characterized for being a process that is very complex when it comes to dealing with people. On the organization that is being analysed the same is happening but according to the people that were interviewed BIT is not following any specific change management method, they are rather making their own path when it comes to change management. According to a Project Manager from the Supply Chain Area: “Worse than development is monitoring change management” (Project Manager)

According to the follow up interview that was made with an operational architect from BIT the change management process steps are the following: the first step is to define the *AS IS*, that is, what is being done currently at the company, the second step is defining the *TO BE*, that is, what can be done in the future. The *TO BE* process takes into consideration the processes and activities that were defined in the *AS IS* process and tries to come up with new and innovative ideas to change the *AS IS* to something more current and up to date. Here is how BIT defines the *TO BE* according to one of their Business Partner Analysts: “That's what we do, which is: what is our goal? And then, what are the steps, what are the changes that we have to make to get there?”

After defining the *TO BE* there is a process of several workshops where employees are informed of the change that is going to be implemented. This is done through Kick-Off meetings where everything that is being changed is explained and there is an openness to opinions, the audience can participate by giving feedback to the speakers – for example if they do not agree with something within the content of the Kick-Off meeting, they are allowed to give suggestions that meet their needs. This process does not happen in weeks, it takes months until it goes live. The go live process of the project can happen in one-shot or it can be phased. According to a Project Manager that was interviewed in a non-structured interview, there is very minimal one-shot projects since it has more risks when compared to others; the less complex the project is the less phases it will have; the more complex the project is (bigger one) the more phases it will have. On a big project the go live phases start with experiment stores (according to the interviewee, a maximum of three stores) where the new system is tested, after the experiment stores the next phase is pilot stores (according to the interviewee a maximum of ten stores) where the system is implemented and starts getting officially used and then it is transferred to all the other stores of the company, starting with the hypermarkets (Continente) and ending in convenience supermarkets (Continente Bom Dia).

After the change process goes live there is no coming back, employees can no longer try to suggest changes to the change because on the go live phase the change is already implemented and changes cannot be made.

4.1.2 Challenges on Change Management

When analysing the information that was collected during the interview process it was easy to conclude that the biggest challenge on Change Management was **resistance to change**. Most interviewees stated that the biggest problem concerning change management was the fact that employees and even business partners were not very open to change, they would rather stick to the processes and systems they are used to than to give in on evolution and change. Many people considered that change is bad and do not give it a chance, do not listen, there were even interviewees that literally stated that “(...) people do not want to change!”.

Another factor that influences the resistance to change is the implementation of new technological systems when people are used to use a certain system or technology it is hard for them to get used to it. A good example that is very current is the Instagram Story example. A few years ago, Instagram updated its platform and basically copied the Snapchat Stories feature. That update was not taken lightly by Instagram users because they were used to record stories on a separate app, there were several tweets going off about how bad that feature was, but as months went by Instagram stories became more and more used and ended up dethroning the Snapchat legacy that nowadays is barely used. People got used to the stories feature on Instagram and ended up enjoying the fact that they could have the best of both worlds inside on single app: stories that captured instant moments and feed pictures that captured special moments.

One other good example on the new technology implementation is an example that happened inside on of the retail stores of SONAE, and it was a story told by an employee. When visiting a store on a hands-on workshop an employee stated that a few months back (almost a year ago) the store suffered a technological change that was not welcomed by the employees. That change consisted of using portable PDAs (Personal Digital Assistant) to print price labels (the labels were printed on portable machine called “zebra”) instead of using one of the stores computers. The employee said that at first, they were against that change but nowadays they cannot know how to live without it. Before, to print labels they had to walk all the way to a computer and walk back to the section where they wanted to place the price label, nowadays they only need to carry the PDA with them and can print the label directly at the spot. They save time and are more productive.

As it was stated earlier, change resistance can be observed on both employees and business partners. Business Partners usually resist to change for almost the same reasons as the employees, they do not feel the need to change so they resist it because they feel comfortable doing what they have always done. Sometimes Business Partners can be harder to convince because the companies do not have as much control on them as they have on their own employees, so it is important to try to convince partners that change is good for both companies, it is important that both companies are on the same page.

TOPIC		
Change Resistance		Type
Stakeholders Partners	"The (...) business team, not wanting to adapt, not wanting to change because <u>they feel good</u> , because the <u>stakeholders complement their business.</u> " Operational Architect	Habit
	"The resistance to change was very strong because they will no longer have a very strong network, which was a partner who was with them and who was included in the business team, it was a great challenge." Operational Architect	Habit
Employees	"The change of people, the reticence to change, the opposition to change, is the biggest challenge of all. (...) opposition to change, total reticence, loss of control of the process." Project Manager	Habit
	"It is not easy (...), that is, making the team realize that change is also good and that there really is a best practice in another operation/team that can be replicated there and that will bring benefits (...) it is usually not so easy for them to accept these suggestions" Project Manager	Habit
	"When people suffer repeatedly, often the same problems, they end up getting more tired, so I understand that there is some resistance" Business Partner Analyst	Exhaustion

Table 2 - Change Management - Interview Analysis Feedback

The main conclusion from this section of the thesis taking into consideration the data gathered from the interviews is that it is very important to find a strategy that fights the change resistance problems that the company is facing. There is several feedbacks from employees saying that the change resistance problems (like not being open to change, employees thinking the change will not be helpful, employees being tired, employees not wanting to break their habits) are the hardest part of the implementation of the new technology.

4.2 The Process for Uniformization of Processes

The process of uniformization of processes in SONAE is a complex process. That process starts by defining the *AS IS* - what is being done at the moment – the *AS IS* has to be as close to the *TO BE* (what needs to be done in the future) as possible. On the *AS IS* it is very important that the processes that are being currently used are well described, it is also important to address what are the current problems that that process brings, it is important that when this part ends there is well understanding of the problem that is being addressed and what are the changes that can be made and the opportunities that need to be taken into consideration.

On the *TO BE* process it is of crucial importance that the process works correctly. The *TO BE* needs to be well defined according to the findings on the *AS IS* part, the improvements need to be considered as well as the opportunities.

According to a Project Manager from the Operation Area, the process nowadays consists of "(...) the purchase from the supplier, which in the case of fresh fish is from the suppliers or at the auction, you have the sales forecast to be able to make that purchase, you have the store supply based on the sales forecast, stocks, and the supply model. (...) You have the production after the warehouse, and you have the shipment to the store."

According to the information gathered from the interview process, there are several people that are involved in the process for the uniformization of Processes and it is important to understand what their roles are and those are: stock managers, project managers, admin area, financial area, commercial management, quality control technician, pickers. The stock managers are intitled of managing the stock that enters and leaves the warehouse, the project managers have the role to make sure that everything in the project is flowing smoothly and if not they act fast to solve it by communicating, the admin area is the area responsible for the admin work, the financial area is the area responsible for understanding the costs of the whole process and suggesting improvements to reduce those costs, the commercial managers are responsible for assuring that the articles for the system are created, the quality control technician ensures that the quality of the products (for example, fish) is good, if not that products go to the devolution process and last but not least the pickers are operators from the warehouse that are responsible for picking the products from the different shelves on the warehouse and place them on the right store batch.

Process for Uniformization of Processes	
Business Processes	"We have all the processes for receiving merchandise, (...) we also have to control the quality of that merchandise, (...); after our reception, checking, and quality process we will direct the merchandise to the correct operation, that is, in the case of CDP (Centro de Distribuição de Pescado – Fish Distribution Centre), for example, we can take it to production." Project Manager
	" (...) Purchase from the supplier, which in the case of fresh fish is from the suppliers or at the auction, (...) sales forecast to be able to make that purchase, (...) the store supply based on the sales forecast, stocks, and the supply model, which is what we are here to change. (...) You have the production after the warehouse, and you have the shipment to the store." Project Manager
	"First you have to define the AS IS and then you have to define the TO BE. Since the TO BE, in most daily processes, should be approximated to the AS IS. You also have to be aware of what transformations you are going to make, what are the main points and what this requires. And what opportunities do you have to improve your process? " Business Partner
People Involved	"Everything that is stocks or store supplies, all the stores themselves, because they will change the way they make reviews, they do it in one system they will change to another, the warehouse itself will have changes

	due to the financial component, so they are stores, the managers of stock, warehouse and the administrative and financial area" Project Manager
	"(...) stock management, (...) auction managers, (...) warehouse operations manager." Business Partner Analyst
	"(...) stock management, (...) commercial management for the creation of articles, (...) stock management (...), critical point which is ABS – accountable business services –, the PCG (Control and Management Processes), you have the commercial, stock management, logistics and operational warehouse itself" Operational Architect

Table 3 - Business Processes and People Involved - Interview Analysis

4.2.1 Advantages and Disadvantages on the Uniformization of Processes

4.2.1.1 Advantages

During the whole interview process – which started by writing a script in order to make the questions to the interviewees – it was crucial that all the questions that were made would not be bias to the interviewees, therefore the opinion of the interviewer would not be taken into consideration and also there were no questions that would lead the interviewee to answer something that the interviewer wanted that person to say. There was a careful review and even with that review there was one question on which every interviewee answered in the same way, the question where they were asked about the advantages and disadvantages of the Uniformization of Processes. The interviewees only ranted about the good aspects of the uniformization of the processes, on how it would be both good to the employees as well as the company itself.

The Uniformization of Processes brings a lot of advantages to the company since instead of using several systems in different retail areas the employees will be able to use one single system for all those areas. For example, – according to people interviewed – on supermarkets it is very usual that some employees or even the supermarket managers will need to go to a certain area and use their system, for example an employee from the butcher section might need to go help a colleague out on the fishery section and in order to do so it is important that that employee is familiar with the system, otherwise, we will not be helpful. Without the uniformization of processes that would not be easy, the employee would not be able to help because the system from the butcher was different from the system in the fishery so he would not know how to work it out. With the uniformization of processes, all the systems would be the same among all the supermarket areas and, therefore, any employee from any area could be helpful.

According to a Project Manager from the Logistics are "(...) it makes perfect sense in terms of systems, to uniformize systems because you are creating synergies. In other words, you have the synergies to support your systems and even the way it works. If you are making an improvement, you can also get those best practices for all operations, you have that ability."

Another perk is the fact that if an employee from the vegetable area wanted to change areas to the fishery it would be easier because there would be one less training course to attend since that person would already have formation on handling the system. There was a statement from an Operations Architect that stated that difficulty of before uniformization: “(...) the fish stock manager was used to working in RAM, he couldn't, for example, advance in his career and go to the freshers or to other types of articles because the systems were completely different and he had to relearn all the work.”

One other perk that is also very crucial is the fact that the uniformization of process will allow the company to have more up to date technology. The previous technology that was being used was outdated and had been operating for several years, it was in a need of refresh and change. The new one will reshape the company in a way, that is why the resistance of change was so hard on people, but hopefully afterwards employees and even partners will understand the perks of updating the system.

TOPIC	
Advantages of Process Uniformization	
Better Technological Capabilities	"The advantages are technological, because RAM is a technologically outdated system , it has databases that are no longer supported and by taking features from there (RETEK) we reduce the risk." Project Manager
	“(...) you have synergies in support of your systems and even in terms of operation, that is, when you are making an improvement in the system, you do not have to make another improvement in RAM or WM (Warehouse Management) as well.” Project Manager
General	"And, therefore, for me this (process uniformization) is a very big advantage because it makes the sales forecasting tool an official tool of the company and it is much more assertive - the numbers show this - than what we have today" Project Manager
	"The uniformization of processes gives us this advantage that people from the commercial teams, the stock management teams and ABS itself have standardized processes and not have to be always differing to handle this process" Operational Architect

Table 4 - Advantages of Process Uniformization - Interview Analysis

4.2.1.2 Disadvantages

Where there are advantages there are always also disadvantages. The Disadvantages of the Uniformization of Processes come in a few different directions, those being: disadvantages with partners, possible costs, and disadvantages in general.

Partners take part in a lot of processes inside the company and the uniformization of processes is one of them and the only disadvantage that the partners bring to the company is the fact that the company depends a lot on the partner because he is the one that provides

the technology necessary for the success of the process, so, if for some reason something happens to that partner (for example, a cyberattack) the company will be also in trouble.

According to a Business Partner Analyst that was interviewed the possible costs of the uniformization process are also something that brings risks to the implementation of this project. It is crucial to be aware of those costs in order to be cost efficient as much as possible, if the management of costs is not well managed it can be really problematic for the company.

The last disadvantage is the fact that with uniformization of processes you will have the same system on every single area in the business so if something goes wrong inside that system all the business goes sinking with it. In order to avoid this problem, it is important that the company has a backup plan and in SONAE's case they have that.

The passage to the uniformization of processes is occurring on the Sonae's facilities in the North part of Portugal and there is another facility in the Centre part of Portugal where they are still using the old system, so, if something goes wrong with the uniformization (when doing the tests) the Centre will ensure that the stores in the north will be supplied through their warehouse (the Centre) warehouse.

According to a Project Manager from the Logistics Area "(...) the example of our passage from Bacalhau (Codfish) to WM: in this we are not going to make a one-shot ³ uniformization, that is, we are going to transfer the cod to the new system in the North while we keep the old system in the South, which is to ensure that while we do this passage, if anything goes wrong we don't lose everything because we still have the other one in the old system and we can always supply our stores through that warehouse"

TOPIC	
Disadvantages of Process Uniformization	
Stakeholders Dependency	"We have (...) a great dependence on the partner, which is a small company and if something happens to the partner we are completely hung up on the partner – Creator, the RAM supplier" Project Manager
Legacy Operations	"(...) there are things that maybe become a little more difficult for the operation, for example, because nowadays they always have orders" Project Manager
Process Uniformization	"(...) the challenges, the first one is being able to assemble the AS IS correctly (...), because they are complex processes that involve many people (...) Then, being able to assemble all the parts in a TO BE and ensure that the process works correctly at least with the same performance that it has today throughout this process" Business Partner

³ A one-shot is when a process is implemented right away without going through testing.

	"When you are standardizing you are also very stuck with that reality, you can lose a little bit of innovation and flexibility, that is, we too when we had AX (name of a project) in which we threw everything down, that is, you you have a problem with one system but the other remains operational makes it possible for you to continue working on it." Project Manager
Difficulties in Technological Implementation	"In terms of systems, it's..., normally and thinking about our reality that if we have to talk about, I'm going to change an entire software that manages orders... invoicing" Project Manager
Costs	"How are you going to define what the cost of each transfer is, it is something that can bring you problems, which is due to the size and complexity you end up having problems in defining the TO BE, because there are different areas, there are different people, are different groups." Business Partner

Table 5 - Disadvantages of Process Uniformization - Interview Analysis

4.2.2 Main Business Processes of the Uniformization of Processes in the Fresh Area of Food Retail

There are several business processes inside one company. Those processes defy from project to project. On the project of the process of uniformization of processes in the fresh area of food retail the main business processes are the **stock provision** and **stock distribution to stores**. Both of these processes were supported by the implementation of a new technological system.

The **stock provision process** is very important because it is the process that allows the company to know how much stock they have on the warehouses in order to later on proceed to the next phase of the process which is the stock distribution to stores. The stock provision process is very well explained by the one of the interviewees – a project manager at the logistics area. His explanation was adapted into this image:

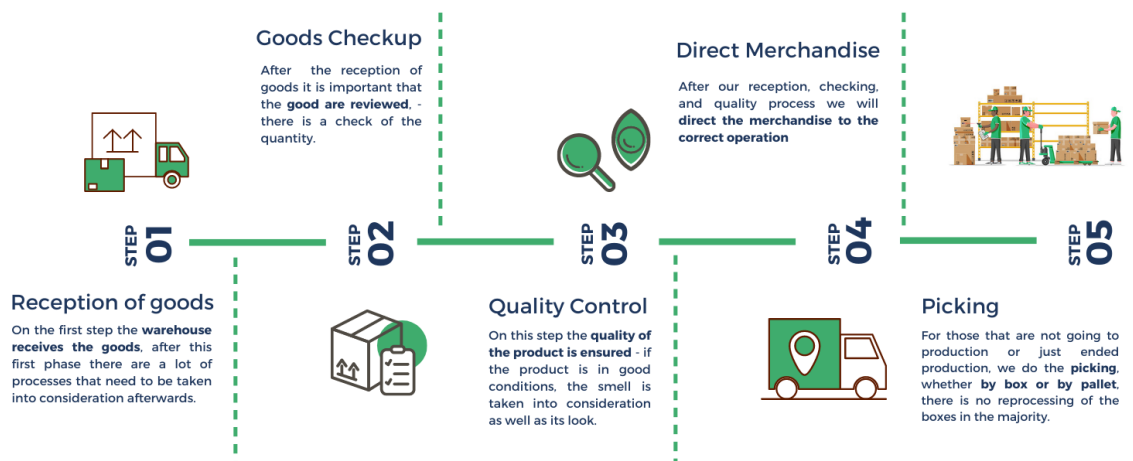


Figure 2 - Stock Provision Process

After distributing the merchandizing, the next phase of the process is to do the **stock distribution to stores**. The stock distribution to stores starts with the picking of the products that need to go to each store. Everyday there is a picker that does that job of distributing the merchandizing to each store. After that picking is done the merchandize is distributed to each and every store that the warehouse works ending the stock distribution process to stores.

4.3 Possible Solutions

The literature review on this thesis has addressed several different approaches regarding change management. On this section the Agile Change Management approach will be explored and adapted to Sonae's needs taking into consideration the data gathered in both interview and the literature.

4.3.1 Agile Change Management

As it was stated on the literature review of this thesis the Agile Change Management has three different phases, those being: Define, Experiment and Anchor. On the next paragraphs each phase will be explored and adapted to Sonae's needs and processes (that were collected during the interview process).

To answer the research question 1.3: "How is Change Management applied with New Technological Systems?" there is a new system that is going to be implemented on Sonae's warehouses and on the stores – specifically the fishery, since according to the interviewees, the other areas from the stores already have the RETEK ⁴ technology – RETEK is the name of the system, which is operating on other store areas, like the vegetables area, for example. The previous system that was being used was called RAM – it is the name of the system – and according to interviewees it was in the company for many years, and they believed it was outdated, and that is why there was a need to change. There was also a need to switch technologies since RETEK was operating on most areas of the supermarkets and there was an opportunity to uniformize all the technologies, making RETEK operate in all supermarket areas. The next paragraphs of this section will also explore how change will be managed in order to implement this new system and fight the change resistance that was noticed during the interview process.

A roadmap was created taking into consideration the three phases of the Agile Change Management, on the following paragraphs the description of each phase will be explored.

4.3.1.1 Define Phase

The define phase happens before the change is officially on progress. On this phase the main action that needs to be done is the creation of a roadmap where all the changes and actions that need to be considered are visible and easy to understand. The roadmap that was created for Sonae is the following:

⁴ "Retek Merchandising System is the foundation that records and controls virtually all data in the retail enterprise and ensures data integrity across all integrated systems" (RETEK, 2002)

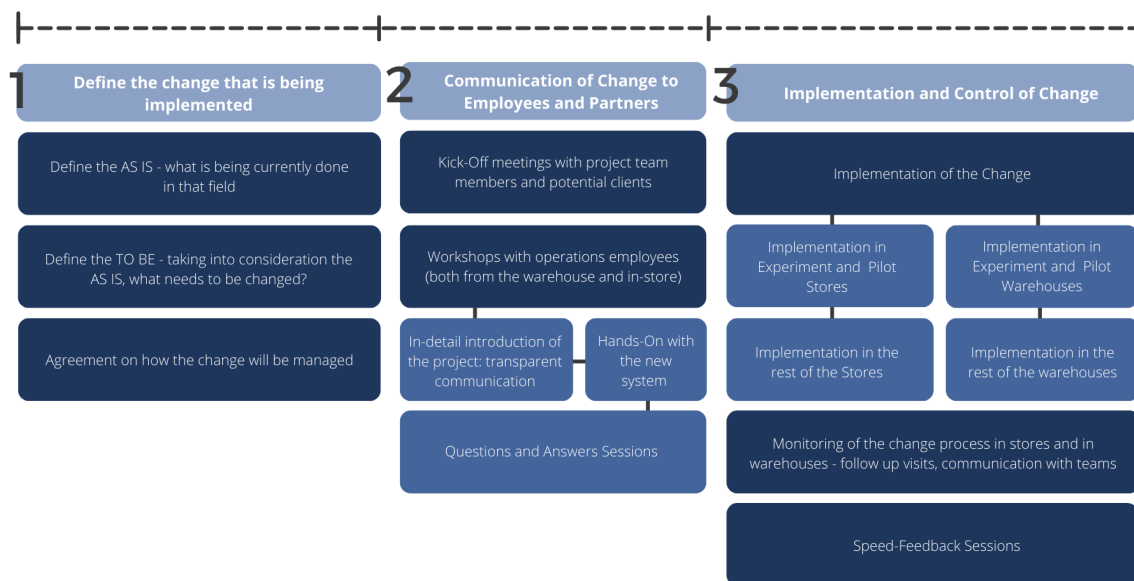


Figure 3 - Agile Change Management Roadmap for SONAE

The roadmap above suggests that the **first phase of this roadmap** is to define the change that is being implemented, that is, understanding what needs to be changed and discuss the possibilities and it is expected to take, at maximum, a month to be done.

The first process inside this phase is the definition of the *AS IS*, that is, what is the system that is being currently used in the warehouse and stores (fishery). According to a Project Manager from the Logistics Area (this information was retrieved from Appendix 5 from the Business Processes Column) the system that is being currently used in the warehouse and stores (fishery) is RAM – which is the name of the system – and according to people that were interviewed this is a system that has been operating for several years and is separate from other areas of the business (RAM is not used in the Food Area, for example) and there is a common need among interviewees (Appendix 5, advantages column) to have the same system in every area of the business, so that the processes are easier to understand and uniformized among all business areas. This is the *AS IS*.

After defining the *AS IS*, the next step is to define the *TO BE*. The *TO BE* can be defined according to results in the *AS IS*. Taking into consideration the feedback from that phase it is possible to conclude that in the future it would be important to use the same system in every business and that system would be RETEK, an ERP that would help uniformize the fresh food area, specifically the fresh fish and codfish. RETEK is the ERP that is being currently used on every business area from the Sonae's supermarkets, making it the best option for uniformization.

After defining the *TO BE*, it is important to understand how to introduce this new change to employees and partners that worked previously with RAM. It is necessary to understand the impact that this change will have and the best approach plan to use to communicate the change to the people who will be directly impacted with it, on this phase

there should be a meeting with all managers in order to find the best solution to communicate the change to their teams.

4.3.1.2 Experiment Phase

The **second phase of this roadmap** is the communication of the change to the employee and partners that will be directly impacted with this change. This phase is expected to have the duration of a month.

The first process inside this phase is doing kick-off meetings⁵ where the project is presented to the project team members and potential clients. The structure of the kick-off meeting should have the following topics (Atlassian, 2022): introduction of the background of the project, explanation of why the project is happening, explanation of the project scope, what is the action plan, explanation of the roles in the project of each person present and, finally, what does success look like (what is the future of the project, its advantages for the company).

The second process of this phase is to do workshops with the operations employees (in the case of this project there needs to be a workshop with employees from the warehouse and from the store – specifically, the fishery -, since the implementation of the new system affects both sides). This workshops should start by introducing the project (new change) to the employees in detail, let them know about every change that is being implemented, how it will be implemented, how the change affects the employees, solutions to possible problems that the change might lead to, explanation of the advantages and disadvantages of the change process, the main goal of the first phase of the workshop is to be completely transparent with the employees in order to build trust. After the detailed introduction the next phase of the workshop is to have a more hands-on approach, that is, letting the employees meet the new system with their own hands. According to Cridlin, L (2007) “Hands-on learning allows students to incorporate what is being taught into real world situations, thus allowing the student to retain more information.” At first it is important to give a kick tutorial on how the new system works and afterwards spare some time of the workshop to let the employees explore the system by themselves. On this phase the speaker should be monitoring how the employees are exploring the system and provide help if necessary. The last phase of the workshop is the questions and answers where the employees are given the freedom to ask questions about the topic and also provide feedback about what they thought about the system as well as give advice on how to improve the system – what they thought worked well and what they thought could be better. Being receptive to feedback is very important.

4.3.1.3 Anchor Phase

The **third and final phase of the roadmap** is the implementation and control of change and according to one of the interviewees its duration can be up to three months.

The first phase of this process is, of course, the change implementation. The change implementation can be done in one-shot, or it can be phased, usually (according to

⁵ “A project kick-off meeting is the first meeting with the project team and the client of the project where applicable. This meeting is the time to establish common goals and the purpose of the project.” (Atlassian, 2022)

interviewees) there are not many one-shot implementations in Sonae, the only projects that are one-shot are projects that are safe to implement (with no errors or barely any).

The suggestion on the roadmap is to do a phased implementation, which means the implementation will start in a couple of experiment stores and warehouses, that is, change will be implemented in a number of stores – according to an interviewee from a non-structured interview a maximum of three stores – and warehouses (one warehouse) and will be monitored in order to understand if the process is flowing smoothly and if there is a need to make any improvement. After a few weeks of the change implementation in experiment stores and warehouses it is phased to others, but not all at once. In the case of warehouses, the experiment will be the Maia Warehouse and after the experiment phase there is the pilot implementation that will follow to other warehouses (Azambuja Warehouse, for example). On the case of stores the retail business in Sonae has the following structure, as it was stated in the introduction of this thesis: Continente (hypermarkets), Continente Modelo and Continente Bom Dia (convenience supermarkets). After the experiment phase (that can be done in a few Continente stores) the implementation is phased in the following order (according to one of the interviewees): implementation in pilot stores – according to an interviewee, at least ten stores – and after that pilot implementation it will follow to other stores, first Continente (since they are the bigger stores with more customers), then Continente Modelo and lastly Continente Bom Dia. When the implementation is over it is very important to keep on monitoring change – which was a problem that was stated by a Project Manager, according to Appendix 4, column “Process Monitoring” –, that is, doing follow up visits to stores and warehouses to understand how the change impacted the stores, if the employees are managing change well. This approach was a suggestion made by an Operations Architect on a follow-up interview. It is also important to meet up with the team leaders of the teams in the warehouses and stores in order to have insight from the team leaders and gather their feedback.

One suggestion that would be valuable to integrate is Speed-Feedback Sessions, this is an approach that is used by Netflix to gather honest feedback from both employees and managers. According to Hastings & Meyer (2021) the Speed-Feedback Sessions consists of gathering employees in one room and pair them. Each pair will exchange feedbacks and then after a few minutes you change pair and exchange feedbacks again. After all the pairs talked there would be a discussion of the topic and all feedback would be gathered. The discussion of the topic is the most valuable part of this exercise. On the case of change management in Sonae a suggestion would be to adapt this approach, that is, a few months after the change was implemented managers could gather the employees that were directly impacted with the change and do this exercise: pair employees and make them exchange feedbacks and later discuss them all together. This would help understand better how the employees are dealing with the change process and possible improvement that could be made. It is important to be receptive to good and bad feedback.

5 Conclusions

This project provided an in-depth understanding of what change management is and what the process for uniformization of processes in the fresh area of food retail consist of. After collecting all the data for this project (not only interviews but also book sections and scientific articles) there was a conclusion that there are both positive and negative aspects regarding the topic of this thesis.

At the beginning of this thesis there were two research questions with one of them being split into three sub questions that were:

RQ1: How Change is Managed in Fresh Food Retail

RQ1.1: How is the process of change managed?

RQ1.2: What is Change Readiness and Resistance?

RQ1.3: How is Change Management applied with New Technological Systems?

RQ2: What are the opportunities to manage change in the Fresh Food Retail.

The answer to the first question is that in Fresh Food Retail there is not a method that is being currently used, the company follows their own steps. According to information that was retrieved from the interviews the company starts the change process by establishing an *AS IS* – that allows the company to know how the current process works –, then they establish a *TO BE* – that allows the company to establish the change according to what was defined in the *AS IS* –, after the *TO BE* the company does workshops in order to maintain employees aware of the change and finally, the company makes the change go live. There was no information about change monitoring.

Regarding the second sub question, because the first one was already answered on the paragraph above, it was possible to understand the concepts of both change readiness and resistance. Change readiness regards the openness that the employees might have to change, they might not be ready for it now, but they might be ready later. When it comes to change resistance, as the word indicates, it is when an employee or stakeholders is not willing to change, even when the change is fully explained, they just do not accept it.

The last sub question was one of the hardest to find answers to because there was very little literature about that topic. After reading some articles and analysing the interviews it was easier to understand. There are several techniques that are used when implementing change regarding a new technological system, it is important that when managing change in this kind of situations the manager takes into consideration who are the employees that are resisting to change, why they are resisting to it and after collecting that data it is crucial that the manager has a good communication of the change with employees, showing them what are the advantages and informing them that there will be workshops to help them understand the new system better.

Regarding the second research question there is an opportunity that will allow the company to follow a specific method, rather than making their own path. The method is called Agile Change Management and it is a method that would be very suitable for the company since they already follow the agile methodology in the software areas of the company. On the results section of this thesis the Agile Change Management Method was adapted to Sonae's needs taking into consideration the information that was provided

through the interviews. Based on the information collected the Agile Change Management Method would be a valuable approach to fight the change resistance which was one of the main problems mentioned on the interview process regarding Change Management.

The interview process was crucial to collect data that would support these statements. By carrying out the interviews it was possible to fully understand all the processes that were part of the process for uniformization of processes in the fresh food area. The interviews made it possible to understand the impact that this process will have on the fresh food area. Every interviewee stated all the advantages that were associated with this change, the fresh food area will be uniformized, it will be easier for people that work both in stores and in the warehouses to manage the systems since everybody will be working with the same system and if they ever want to change areas they will not need to complete a workshop related to that system because they already know how it works.

For what concerns future work that can be developed, based on the project that was carried out, it would be interesting to implement the agile change management on the company since most of the employees are already very aware with the agile concepts. This research – being inserted in a case study methodology – is better applied on the retail industry rather than other industries.

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7 Appendix

7.1 Appendix 1 – Final Script of the Interview

Duração: 30'

O meu nome é Daniela Bessa Moreira e estou neste momento a frequentar o Mestrado em Engenharia de Serviços e Gestão (MESG) na Faculdade de Engenharia da Universidade do Porto.

Enquadramento:

Esta entrevista está enquadrada na minha dissertação de mestrado no MESG que tem como tema: Uniformização de Processos na Área de Frescos no Retalho Alimentar. O setor do retalho é um setor caracterizado pelos seus inúmeros processos de logística, sendo que muitos desses processos utilizam diferentes tipos de software. Nesta dissertação vai ser analisado o processo de uniformização de processos na SONAE MC na área de frescos e perceber como é feita esta uniformização e quais as vantagens e desafios de o fazer.

Questões:

1. Pode dizer-me qual a sua profissão e formação?
2. Podia-me explicar quais os principais processos de negócio na área dos frescos (bacalhau e peixe fresco) e como estes decorrem?
 - a. Como é que estes processos são geridos?
 - b. Em que plataformas são geridos?
 - c. Quais as pessoas envolvidas?
3. Qual a sua opinião sobre a uniformização de processos?
 - a. Vantagens e Desvantagens?
4. Como é que decorre o processo de uniformização de processos?
 - a. O que é mais relevante para si no **processo de uniformização de processos**?
 - b. Como acha que este devia decorrer?
5. Que desafios traz o processo uniformização de processos, na sua perspetiva?
 - a. Desafios tecnológicos?
 - i. Quais são as tecnologias utilizadas?
 - ii. Quais os desafios que traz?
 - b. Desafios RH/formações?
 - i. Como é feita a logística de formações para implementação da uniformização?
 - c. Desafios organizacionais?
 - i. Quais as equipas alocadas?
 - d. Desafios logísticos?
6. Tem alguma sugestão de pessoas que sejam relevantes entrevistar?
7. Gostaria de acrescentar algo relevante para este tópico que eu não tenha abordado na entrevista?

7.2 Appendix 2 – E-mail Script

Boa tarde, (nome)

O meu nome é Daniela Bessa Moreira e, no âmbito da realização da dissertação do Mestrado em Engenharia de Serviços e Gestão na Faculdade de Engenharia da Universidade do Porto (FEUP), venho por este meio solicitar a sua colaboração através da realização de uma breve entrevista para perceber melhor como funciona o processo de uniformização de processos na área de frescos (bacalhau e peixe fresco) na SONAE MC. O objetivo da nossa conversa é perceber quais são os principais processos de negócio na área dos frescos; como decorre o processo de uniformização de processos e quais os desafios que este traz.

A **entrevista poderá ser em formato online ou presencial** tendo em conta sua preferência e terá uma duração aproximada de **30 minutos**.

Para facilitar o tratamento dos dados, peço a sua autorização para efetuar a gravação da mesma através de um consentimento informado.

Neste sentido, solicito que me informe se teria disponibilidade para realizar a entrevista num destes dias a um horário à sua escolha:

2ª feira / 9 de maio

3ª feira / 10 de maio

5ª feira / 12 de maio

2ª feira / 16 de maio

3ª feira / 17 de maio

Será extremamente relevante conhecer a sua perspetiva e experiência, pelo que agradeço, desde já, a sua atenção.

Qualquer questão que tenham, deixo os meus contactos abaixo para que vos possa esclarecer.

Atenciosamente,
Daniela Bessa Moreira
dbmoreira@sonaemc.com
918 697 543

7.3 Appendix 3 – Informed Consent



Consentimento Informado

Eu, _____ aceito participar de livre vontade no estudo da autoria da aluna Daniela Bessa Moreira, orientada pelo professor Jorge Teixeira, no âmbito do protocolo de colaboração para o projeto “Uniformização de Processos na Área de Frescos no Retalho Alimentar” estabelecido entre a Faculdade de Engenharia da Universidade do Porto e a empresa SONAE MC.

Este estudo tem como principal objetivo perceber quais são os processos necessários para proceder à uniformização de processos na área de frescos no retalho alimentar.

Foram-me explicados e compreendo os objetivos principais deste estudo. Entendi e aceito responder a uma entrevista que explora questões sobre o processo de uniformização na área de frescos no retalho alimentar.

Compreendo que a minha participação neste estudo é voluntária, podendo desistir a qualquer momento, sem que essa decisão se reflita em qualquer prejuízo para mim.

Permito que a entrevista seja gravada de forma a poder ser referenciada no processo em estudo, podendo revogar a permissão a qualquer momento.

Entendo que a informação recolhida neste estudo é estritamente confidencial e será apenas utilizada no âmbito do mesmo. Entendo, ainda, que a minha identidade nunca será revelada em qualquer relatório ou publicação, ou a qualquer pessoa não relacionada diretamente com este estudo, a menos que eu autorize por escrito.

Assinatura do investigador: _____ Data __/__/__

Assinatura do entrevistado: _____ Data __/__/__

Contacto do investigador:

Daniela Bessa Moreira

Mestrado em Engenharia de Serviços e Gestão

Faculdade de Engenharia da Universidade do Porto

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Telemóvel: +351 918 697 543

7.4 Appendix 4 – Change Management Table – Interview Analysis

TOPICS		
Process Monitoring	“Worse than development is monitoring change management” Project Manager	
Change Resistance	Stakeholders	"The resistance we have from business, not wanting to adapt, not wanting to change, because it's fine, because the partner complements the business, the partner is there and helps the business. They don't want to or it costs them a lot to make the transfer, they're very resistant to making the change." Operations Architect
		"The resistance to change was very big because they're going to let go of a very strong network, which was a partner that was with them and included in the business team, it was a big challenge. It's being, I think it's still a big challenge." Operations Architect
	Employees	"The change of people, the reticence to change, the opposition to change, is the biggest challenge of all. Here it really is the worst of all. So 10 to 0. It's opposition to change, the total reticence, the loss of control of the process." "(...) People don't want to!" (make the change) Project Manager
		"Sometimes it's hard, change management is sometimes hard on people isn't it (...)but then people realize that it's quite a bit better, and they gain time, you just have to have a time gain that's all right, isn't it?" Project Manager

		"But I think the worst part really is some resistance to change that exists in large companies" - "When people suffer repeatedly, often the same problems, they end up getting more tired, so I understand that there is some resistance, and also because of the market we have today, there is a lot of turnover within teams, so processes have to be simple. Which are not good allies when it comes to defining process. " Business Partner Analyst
		"Uniformization is not easy between different operations in the issue of change management, that is, making the team realize that change is also good and that there really is a best practice in another operation/team that can be replicated there and that will bring benefits. This change management is usually not easy because people also see their reality as being different from other operations, it is usually not so easy for them to accept those suggestions, so this change management process is complicated " Project Manager "We, in this very complex process, are managing not to do rollbacks, that is, to be going backwards, but the rollouts, let's say, the transitions that we do by steps, are very hard to do because there is always that resistance, that comparison. And often, we are comparing the incomparable. As I told you, processes change, so it's often hard to compare A with A', and they have a hard time with those points a lot of times." Operations Architect

7.5 Appendix 5 – Process for Uniformization of Processes – Interview Analysis

Process for Uniformization of Processes	
Business Processes	"The business processes we are dealing with here in the project are procurement and financial processes." Project Manager
	"You have the purchase from the supplier, which in the case of fresh fish is from the suppliers or at the auction, you have the sales forecast to be able to make that purchase, you have the store supply based on the sales forecast, stocks and the supply model, which is what we are here to change. (...) You have the production after the warehouse, and you have the shipment to the store." Project Manager
	"In this change, we are dealing first with supply and then supplying the stores, these are the two major processes. And the objective is more transformational" Business Partner Analyst
	"First you have to define the AS IS and then you have to define the TO BE. Since the TO BE, in most daily processes, should be approximated to the AS IS. You also have to be aware of what transformations you are going to make, what are the main points and what this requires. And what opportunities do you have to improve your process?" Business Partner Analyst
	"In our case, we have a system that controlled everything and that had all the areas from the merchandising part, which is the creation part, of articles, price, all this reference of information so that the articles can be used in our chain of supply. After pricing, we have the purchase part, the sales part, part of the sale of the warehouse to stores, to partners and also the sale to our end customers. We have the services part, the auctions part, which is a very relevant part in our fresh fish, reception, production, picking, distribution to stores, and then the final, more analytical part, which is stock accounting, all that is operational analysis" Operations Architect
	"We have all the processes for receiving merchandise in which we have to check what arrives at our warehouses; we also have to control the quality of that merchandise, so this entire process of receiving merchandise along with the entry of

	our suppliers into the warehouse is something we want to control (...) ;after our reception, checking, and quality process we will direct the merchandise to the correct operation, that is, in the case of CDP (Centro de Distribuição de Pescado – Fish Distribution Centre), for example, we can take it to production where we will process the fish that comes in a 20kg box, we will put it in the desired store packs, that is, we make an optimization taking into account what each store needs and we will put into a store box 5kg, 6kg, whatever was ordered that day. For those that are not going to production or just ended production, we do the picking that happens in our operations - in most of them - both in fresh produce and in ambient, which is: the merchandise arrives, and we do the picking, whether by box or by pallet, there is no reprocessing of the boxes in the majority.” Project Manager	
	“Your fish operation that was in RAM, which had a system for cod and for fish, what we want is to standardize our systems in the company; first, RAM up until now for fish management worked a little like an ERP, we could do everything inside - we made purchases, we did stock management, invoicing - all the company's processes were done in RAM. The standardization is being done in two phases. We have Ana Laranjo's part, which is the standardization of the purchasing and forecasting processes in which we are taking them out of RAM and moving them to RETEK, which is where we already do these processes for the rest of the company and therefore standardize this more commercial component of the process.” Project Manager	
Advantages of Process Uniformization	Technological	"The advantages are technological, because RAM is a technologically outdated system, it has databases that are no longer supported and by taking features from there we reduce the risk." Project Manager
		“And then, with the standardization, we realized that the ERP had to be unique and our stock management had a hard time moving around, i.e., the fish stock manager who was used to working in RAM, couldn't, for example, progress in his career and go to freshers or to other types of items because the systems were completely different and he had to relearn all the work.” Operations Architect
		“In other words, you have the synergies of supporting your systems and even of operating mode, i.e., when you are making a system improvement you don't have to make another improvement in RAM or WM as well.” Project Manager

	General	"Uniformization of constant areas and not having a specific process just for the fishmonger" Project Manager
		"And, therefore, for me this (process uniformization) is a very big advantage because it makes the sales forecasting tool an official tool of the company and it is much more assertive - the numbers show this - than what we have today" Project Manager
		"The uniformization of processes gives us this advantage that people from the commercial teams, the stock management teams and ABS itself have standardized processes and not have to be always differing to handle this process" Operations Architect
		"I think it makes perfect sense in terms of systems, to uniformize systems because you are creating synergies. (...) There are also synergies in your operations in the sense that an employee who is in one environment can go to the fish and can work in the fish (having the same system) because he knows how to do the picking because it is the same, he knows how to do the receiving processes. Project Manager
Disadvantages of Process Uniformization	Dependency on Stakeholders	"We have (...) a great dependence on the partner, which is a small company and if something happens to the partner we are completely hung up on the partner – Creator, the RAM supplier" Project Manager
	Operations	"There are things that maybe become a little more difficult for the operation, for example, because nowadays they always have orders" Project Manager
	Uniformization Processes	"The advantage of being a large company is the delegation of responsibilities. But the challenges, the first one is being able to assemble the AS IS correctly (...), because they are complex processes that involve many people (...) Then, being able to assemble all the parts in a TO BE and ensure that the process works correctly at least with the same performance that it has today throughout this process" Business Partner Analyst

		"when you are standardizing you are also very stuck with that reality, you can lose a little bit of innovation and flexibility, that is, we too when we had AX (name of a project – not sure) in which we threw everything down, that is, you you have a problem with one system but the other remains operational makes it possible for you to continue working on it." Project Manager
		"Not having a specific process just for the fish market, which many people end up not knowing, people don't dominate the process, there is a rotation of resources, and with the lack of knowledge and support we have, it is a risk. By standardizing, it becomes the same in all areas." Project Manager
	Technological	" The example of our passage of the cod to WM, in this case we are not going to do a one shot standardization, that is, we are going to pass the cod to WM in the North while keeping in the South the RAM that is to ensure that while we make this passage, if something goes wrong we don't lose everything because we still have the other one in RAM and we can always supply our stores through that warehouse, so, in terms of systems this standardization can also bring some risks in that sense" Project Manager
		"For the operation, but only for the operation, there may be a disadvantage here in this standardization process because from the moment all the store orders are created in Retek, they are only available in the warehouse when Retek releases them. So, the people who are on the warehouse side won't be able to start preparing earlier because they don't even have orders yet, right." Project Manager
	Costs	"How are you going to define what the cost of each transfer is, it is something that can bring you problems, which is due to the size and complexity you end up having problems in defining the TO BE, because there are different areas, there are different people, are different groups." Business Partner Analyst
People Involved	"Everything that is stocks or store supplies, all the stores themselves, because they will change the way they make reviews, they do it in one system they will change to another, the warehouse itself will have changes due to the financial component, so they are stores, the managers of stock, warehouse and the administrative and financial area" Project Manager	

	"In this process of effective reception at the warehouse, there are warehouse teams and... (...) checkers, you must have administration and someone quality control technician. And then, in the production part, you have the people (...) who are on the scales making this change, to take the fish out of the boxes and move to specific boxes where, and that weigh on the scales how many kilos they are going to put in that box, there is a label that tells them that and they do this task, and then you have the pickers" Project Manager
	"Many people in the warehouse, not operational, we have stock management, we have commercial management for the creation of articles, we have stock management for the provisioning part and we also have a critical point which is ABS – accountable business services –, the PCG (Control and Management Processes), you have the commercial, stock management, logistics and operational warehouse itself" Operations Architect
	"We have several teams in the fresh produce area. We have our warehouse operation, an operational manager that reports to the director of the general warehouse, but it is an operational manager for fish and cod that manages this specific warehouse, this operation. And then there are team leaders: one for receiving, one for production, one for picking, who then manage all of our employees inside the warehouse." Project Manager
	"You have several points that are quite important, first you have stock management, where you do the daily process to know what the needs are in the stores; you have auction managers, because being a fish market process, the auction is a relevant part, where you buy most of the products, it ends up being between the auction managers because of the merchandise that comes from the auction and the stock managers because of the merchandise that comes from the suppliers. Then you have connection with the stores in the change process, which is the team that is responsible for then communicating changes and being able to manage the new processes after changes. You have the warehouse operations manager, who is responsible for changing operations in the warehouse, and we have to be able to transport merchandise by going from 1 to 2." Business Partner Analyst