Change Management Plan: Ice Cream Yeti

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Problem Statement

As a 50-year-old organization operating 300 stores in the US, Ice Cream Yeti (ICY) sells various form of ice cream. In last two quarters, its revenue was below expectation and its competitors have been releasing new seasonal flavors that occupy more market. ICY want to appeal to new customers with seasonal new flavors too. VP Marketing created an initiative that increases two customer-identified recipes ice cream monthly. One issue is store managers don't have the capacity to train employees to remember more seasonal recipe. Currently, they usually don't remember recipes because recipes often change, another issue that reprinting new laminated menus every month would be too costly, and hardly catch on schedule of change. VP Technology suggested a solution to solve the above issues. Using iPad in each store, iPad will auto-update the product lists and recipe lists monthly.

At the current stage, people who agreed and aware of the desired implementation are COO, VP of Operations, VP of Marketing, VP of Information Technology, Directory of Technology, and VP of Finance. A plan need be made to implement this change to all stores. There are following problems still need be solved: How to find two costumer-identified recipes monthly, what should be taught to employees and managers to support the change by behavior, what should the top leader team do to support the change, how to evaluate the process and the impact of the change, how to keep the change sustainable if it is helpful for

business.

<p align="center">**Plan**</p>

As the change manager, I prepared a thorough plan for **implementation**, it contains following parts: Costumer-identified Recipes Collection, Store Service Upgrade, Evaluation, and Sustainability Strategies,

Costumer-identified Recipes Collection

To collect two most popular customer-identified recipes, a process need be designed that disseminate these choices to as many customers as possible, improve their **awareness** and **desire** to engage in this process. I use three ways to improve the **awareness** of potential customers: Store posters, street posters, and social media.

Poster. The content of the poster is just introducing ICY has a new game held monthly, "Your flavor, your enjoyment". Customers can attend the game once per month to get a free ice cream by using their Instagram or tweet to vote on all identifiable recipes provided by ICY. To win a free ice cream, customers only need to scan the QR code on poster and justify a mobile number. This process avoids much privacy exposure, takes only 2 mins for attending and winning the small game, and prevents one person submitting many votes. After permission of relevant public administration, these posters can be posted on streets and schools where in 2 mils distance to any ICY stores. Since the poster content needn't change during the monthly renewed game, it will be easily prepared once for all stores and all future months.

Social Media. Same QR code is published on ICY official website and social media account. In ICY's website and social media account, vivid and attractive photos and introductions of recipes can be exhibited, further increase the awareness and desire for customers to craft their favorite ice cream. The social media vote channel provides a convenient way for customers to

vote and share this game with their friends and families, using personal smart phones or computers to vote at any place. This channel requires no special **knowledge** or **ability** for customers to behave and win a free ice cream. **Reinforced** by monthly free ice cream prize, with nearly no cost, it is very easy to sustain in customers' behaviors.

QR code and Recipes for new month. The QR code will link to the monthly voting system webpage, which exhibits monthly choices of identifiable recipes. These votes of recipes will be counted till every 28th day in a month, and the system is set to automatically select the top 2 recipes and upgrade to new products for next month's menu. Since all material for identifiable recipes are in constant supply, there will not happen a material shortage for whatever new recipe is selected. When the 2 new recipes are confirmed, the system will record the vote result of this month in a sequential record of new monthly recipes and restart a new round of voting for next month. The stores which don't have enough material for new recipes can send the request to ICY's central storage warehouse, and central warehouse will arrange carriers to supplement their storage of materials.

With the above arrangement, the process of collecting customer-identified 2 new recipes in monthly interval and preparing materials for supplying these new ice cream in each of 300 stores in US for ICY's customer can be finished as scheduled.

Store Service Upgrade

To upgrade ICY's service for this plan, **awareness** and **desire** should also be built in all managers and employees of ICY. This plan is addressed on increase of earnings of ICY, with all participants effort, the plan should increase ICY's competitive ability to win more market share and profits and increase the chances of survival in market.

Implementation Approach. First, VPs of each department will introduce current problems to

their subordinates, that ICY's revenue is below expectation, competitors are promoting new products and occupy market, ICY need face the challenge and improve its service by new change. The details of change will be instructed by the change manager, all employees should cooperate as guided by the change manager. The success of this plan will bring bonus income for every employee, as well as increase ICY's competitivity.

   As the change manager, I will send detailed plans and instructions to each department manager and CC to all VPs. All questions or ambiguity can contact me directly and solve in first time. Detailed instructions for these departments are as follows. A) In store department, store employees and store managers will earn bonus income if the number of customers who attended voting of new recipes ice cream is in third quartile of 300 stores, they can still win bonus if not in third quartile of voting number but get in third quartile of the revenues of 300 stores. This bonus is calculated and paid monthly. Store managers will introduce the new policy to all store employees, prepare the places to exhibit posters. Since employees are never required to remember recipes before, new recipes will not bring much difference of working procedure. The only difference is the monthly renew of recipe that supported on iPad. B) Marketing department will prepare website, social media, and program of automatically record voting result. If ICY's revenue has substantially increased by earnings from new policy, marketing team will get bonus. C) The Information department will take charge of all hardware upgrades for the new policy, including iPad, TV, etc. Technology trainers will make an instructional video introducing how to use the new ice cream producing guidance on iPad. An in-person or video-chat training will be arranged if any store finds difficulties learning by instructional video. Supporting other departments is the duty of the technology department, successfully achieving these objectives will count to their annual performance evaluation. D)

To help stores win their bonus, the Finance department will prepare all posters and send 50 posters to each store. Preparing these printings is a traditional duty of the finance department, their performance will count to annual performance evaluation.

Evaluation Strategy

Level 1, Level 3 and Level 4 of Kirkpatrick's four level will be evaluated. Level 1 and Level 3 valuation will be used in online questionnaires that be sent to store employees and store managers, collecting their feedback about the arrangement and cooperation about the whole process of change implementation, the attitudes of other supportive departments, and the behavior improvement. Level 4 evaluation will be based on monthly data collected by system, showing the number of customers attending voting, earnings from new recipes, and total earnings. This quantitative data will provide objective proof to show the impact of the new plan.

The evaluation questionnaires will have following questions with Likert scale and open comments items:

1. Do you satisfy with the implementation process of customer-identified recipes monthly voting game?

2. Do the webpage, voting system and recipes introduction system provide sufficient support for providing new services to customers? If not, please comment:

3. Do the posters express our game and free prize in an attractive and clear form, and effective for introducing new customers? If not, please comment:

4. Does technology department provide enough support for hardware and training for

new service? If not, please comment:

5. When providing ICY's new recipes ice cream to customers, can you finish the new product with clear guidance, faced with no chaos or ambiguity?

6. When introducing ICY's new recipes game to customers, can you clearly introduce the attending method, prize, and interval for the game to customer?

Sustainability

The sustainability of the new policy comes from the benefit it creates for ICY and their employees. Currently, ICY's competitors are successfully using new recipes to attract new customers, it is reasonable to assume the customer-identified recipes can attract new customers even more efficiently. New customers will contribute earnings not only for new recipes, but also for all products ICY sells. To improve the motivation of store managers and store employees, they should have a bonus linked to their implementation of the new policy, if Yeti's earnings and profits are increasing. Suppose the store earning increased 20 ~ 30 percent, 5 ~ 10 percent can be allocated to that store as the bonus for its manager and employees. Market employees should also be rewarded by this initiative, 3 percent of earnings might be great motivation for their contribution. By allocating the increased earnings, all store employees and marketing employees should be able to keep their passion on the change and bring more earnings to ICY.

The bonus will not be sent to stores that both in last quartile of number of customers' voting and last quartile of monthly revenue, that might be 10 percent of stores. This strategy keeps the motivation for stores to try to do better and provides more incentives to be active. If there are some stores that always stay at the bottom, a thorough investigation may be needed.

If the reason is objective, such as local residents are far less than other stores, then their bonus should be considered to be awarded as normal.

Store employees should be encouraged for their good service, excellent employees should be awarded by company honor or more bonus, or both.

If there are some customers who can successfully pick up the winning recipes for several months, they could be considered as **opinion leaders** of customer. They should be awarded with more prize than one free ice cream. Possible prize could be dozens of ice cream, honor for ICY's creative customer, special recipe's consultant for ICY etc. Their ability might introduce precious popular recipes for ICY and create more earnings.

Sponsorship/Governance

To implement this plan, especially for assuring all employees their efforts are meaningful for whole organization of ICY, and the reward will be allocated to their contribution accordingly, the sponsorship from top leader is indispensable. I suggest the CEO and COO express their support for this plan by announcement in company meetings and emails. VP of Operations, VP of Marketing, VP of Information Technology, Directory of Technology, and VP of Finance will be the change agents, they will provide essential support for collaboration between departments and help to implement each step of change. The change manager will be following up the whole process of the implementation, figuring out difficulties and solutions with all departments.

Resistance Factors

The Store managers and store employees might be most important **resistance factors**, because their activities need to be change in whole process to implement new plan in future.

300 stores certainly have tremendously different contexts, maybe the most popular new recipe just not popular in some store's area for demographic reason. As long as the plan is successful in terms of ICY's total earnings, this resistance should be addressed specifically to their context, compensated with a bonus when reasonable.

The marketing department might have some resistance when they take the responsibility to upgrade social media, create the new voting system on websites because of the difficulty to do so. But, Since the initiative was created by VP of Marketing, and they will share the benefits of new earnings, they shouldn't have much resistance.

The Technology and Finance department may have some resistance because they will not share the benefits from the new earnings of this plan. But in this plan, they are just providing their duties, so their behavior should be managed and evaluated routinely. If some employees can't understand their duty, the human resource department should arrange some more training in employees' career development and responsibility accordingly.

Top leaders may be resistant to this plan, if after several months of implementation, the plan couldn't increase ICY's earnings. If the new earnings are not substantially higher than before, the plan may be considered failed or need further investigation and adjustment.

Conclusion

With the collaboration of all participants and stakeholders of ICY, the new plan to introduce 2 customer-identified recipes ice cream for customers, may bring new customers and more market share to ICY, improve ICY's earning and all participants benefits. The detail of implementation is introduced in this paper, the cost and efficacy of it are considered. If new problems appear, some new solution can be discussed in future for further improvement.