
“MANAGEMENT OF CHANGE”

THE PROGRAMME BY EURO- LEBANESE CENTER FOR INDUSTRIAL MODERNIZATION (ELCIM)

The new training package “Management of Change” was developed by ELCIM for provision of business support services to Lebanese manufacturing SMEs. It addresses key issues of business environment change, growing entrepreneurs’ risks and globalization impacts aiming to identify practical instruments for entrepreneurs recognizing the Lebanese situation. The package provides a structured and practical approach to dealing with Change by targeted, hands on and experiential training rather than a formal, seminar style of training consisting of the of **four modules** and **follow-up** as follows:

- 1. Strategic planning at industrial enterprises**
- 2. Strategic performance management, it’s monitoring and benchmarking using UNIDO methodology and Pharos software.**
- 3. Production performance management, it’s monitoring and benchmarking.**
- 4. Marketing**
- 5. Enterprise follow – up**
- 6. Certification**

The package integrates learning targets with applications, bringing knowledge and measurement of results together. It contributes to managerial capacity for improving competitiveness, productivity, quality, business efficiency and use of enterprise resources with effective combination of knowledge capital, industrial engineering methodology and simple Pharos information technology tools by UNIDO. The training prepares the participants to further certification “Enterprise Business Excellence in Performance Management – Management of Change” acknowledging enterprise achievements in business performance capacity.

THE FOUNDATION PRINCIPLES

The following considerations had been put into the ELCIM package design:

1. Facilitating stakeholders' recognition that systematic management of change requires operational knowledge of methodology and current results. The package addresses these issues by setting best practices and its putting in place within the follow-up implementations.
2. Accommodating the experiences and practices developed in various **UNIDO upgrading and training programmes in countries which applied** UNIDO Pharos - Business Navigator, FIT and Produce Plus software for entrepreneurs.

THE PARTICIPATING ENTERPRISES LEARN HOW

- To improve capacity of managing the change, systematically implementing of best practices of continuous improvement, monitoring and measuring businesses results, optimizing decisions, eliminating inefficiencies and maximizing use of available resources for increasing competitiveness, productivity and quality with overall result of business culture change
- To use these knowledge capital for facilitating trade, exports, investments, introduction of innovations as well as overall sustainable growth of business results
- Obtain best practices for gradual improvement of Key Performance Indicators (KPI) within the anticipated range of 10% - 45%, including Gross Profits, Productivity (e.g. Added Value per Employee), Competitiveness, etc. and use of available resources by gradual cutting down of hidden inefficiencies
- Understand of benefits of self-assessment using Pharos benchmarking and national benchmarking references
- Have follow-up and acknowledging of achievements and best practices by UNIDO – ELCIM Certificates in “Enterprise Business Performance Excellence”.

TRAINING MODULE 1.

“STRATEGIC PLANNING AT INDUSTRIAL SMEs”.

Background The planning of development strategies taking into consideration of needs for change and adapt to changing business environment, accommodate potential risks and maximize competitiveness is the major factor successful business development. That there is a need for management of change training, that seeks to change the attitude and approach of the enterprises, especially that of the owner and / or management, to meet with the demands of a competitive market place, the opportunities and the threats produced by EU – Lebanon Association Agreement and that within the Arab world. The ability to successfully meet such change requires that the management of manufacturing SMEs recognize that such change is occurring, that this change will require an adjustment in the way that their SME operates and the need to embrace effective management tools – the management of change process is the procedure that allows this paradigm shift to occur. The module content includes as follows:

INTRODUCTION TO MANAGEMENT OF CHANGE

- What does it mean to Manage Change? What it consists of and how can be done?
- Key Competencies for Change Leaders: Understanding change management, preparing for change, planning and managing the change, building necessary skills, learning from results
- Indicating the need for Change, avoiding complacency and stagnation, diagnosing and analyzing the impact of Change
- Managing the Change as process: why Change is difficult, identifying people responses, negative and positive ones, managing the responses and transition process, making a case and visions for Change, designing a communication strategy
- Building Capacity for Change Management: key skills, understanding resistance to Change, its overcoming, facilitating openness and understanding, creating the plan and its stages
- Learning from results - the relationship between change and learning, obtaining feedback and monitoring the implementation, why Change efforts fail: key reasons.

METHODOLOGIES OF STRATEGIC PLANNING:

- Concepts & Tools & Techniques, SWOT & PEST analysis, Porter’s 5 Forces assessment of competitiveness, application of Productivity and Performance methods, business measurement, management and benchmarking

- Linkages between performance measurement systems and strategies, Balanced Score Card and Pharos approaches, other major business performance methods, Key performance indicators used in UNIDO software suite and its application for simple enterprise benchmarking models

HOW TO DEVELOP AND IMPLEMENT A STRATEGIC PLAN?

- Consolidating the enterprise position and setting a realistic objectives to achieve: Goals and Objectives, Mission, Strategies, Segments, Products, Utilization of Resources, External Business Environment Impact Analysis - Local & Global Components, Human relations - Trust and Conflict Resolution, Shared Leadership, Control and Procedures, Effective Interpersonal Communications, Preparing the Decisions, Experimentation & Creativity, Monitoring => Evaluation => Control
- Design of the simple decision simulation methodology for assessment of strategic decisions, its consequences and key risk factors in Pharos software suite: Basic principles, transforming the decision into data, introducing the unknown and uncertainties into the decision making, running simulations, evaluating the results, making comparisons, selecting of the “best” option, practical exercises
- Implementing the strategic plan considering Core Strategies, Resources, Customer Interface, Suppliers Partners, Associations and Coalitions: Defining Targets and Milestones, Timetable, Organigram, Organizational Culture, Monitoring and Benchmarking of Key Performance Indicators, Comparing assumptions vs. realities of Threats & Opportunities.

TRAINING MODULE 2. “IMPROVING THE FINANCIAL ASSESSMENT, BUDGETING AND INVESTMENT CAPACITY”.

Background The Monitoring and Benchmarking of the business results including finance, quality, competitiveness and customer sales performance of an industrial SME are among key issues of success in Management of Change . The module enables the company management to develop and put in place best practices for complying with business targets including the budgets, quality, productivity, sales, etc. The personalized UNIDO Pharos information technology tools for managers and management assistants help increasing overall performance through a more efficient however easy monitoring and benchmarking of business results.

ENTREPRENEURS LEARN AND PRACTICE UNDERSTANDING:

- Costs and pricing, Budgeting, Business targets setup, Financial performance, Cash flow and Profit margins, Improvement of competitiveness

- Benchmarking of major business results and comparison of decisions
- Presentation of business results for prospective investments programmes
- BASEL II Standard implications on enterprise capacity for investment: How to ensure the compliance to minimization of credit risk applications when preparing investment plans?
- How to use UNIDO Pharos personal management software for business results measurement and benchmarking: user interface, basic features, functions, indicators, graphs, applications, main menu.
- What are the other underlying concepts of Pharos:
 - Key Performance Indicators (KPIs): Descriptions, Formulas, Selection, Information compressing for making the users analysis simple
 - Main modules: Costs, Performance, Quality, Competitiveness, Product Contribution, Sales, Utilities, options, user preferences
 - What is in the enterprise database, how it is prepared and updated, Data required for Costs, Performance, Production, Quality, Competitiveness Customer sales
 - Defining business targets in practice: Basic principles, Formulas, Setting up the variation limits, Setting up best practices, advanced approaches for defining business targets as goal functions
 - Using advanced export-import module: data exchange with third party software and decision simulation, export wizard and defining the data export procedures, saving the procedures in schemes, applying the schemes for data transfers between departments and decision simulation.

BUSINESS BENCHMARKING AND REPORTING:

- The basic principles and implementation decisions (averaging, reference date and period), KPIs used in benchmarking, benchmarking results and its tuning by using averaging and referencing, report presentation and preparation, data used in benchmarking, reviewing benchmarking graphs
- Comparing the enterprise performances in industrial sectors: self-assessment and positioning against other enterprises, static and dynamic views, obtaining the industrial trends
- Practical exercises: Developing sample enterprise database, Defining business targets, Making production planning, Simulation of major decisions, Running data export-import, Preparing benchmarking reports, Analysis of pitfalls, Troubleshooting and optional solutions

- Developing best business performance management practices: problems and how to address them, Managerial dedication, Value of unmeasured and unknown, Staff attitude, Training and stimulation: Who is really interested in the measurement results? Making the measurement, management and benchmarking the component of a business culture, Expected results and realities in practice

STRATEGIC PERFORMANCE AND CAPACITY FOR INVESTMENT EVALUATION WITH FINANCIAL IMPROVEMENT TOOLKIT (FIT):

- Presentation of business results to prospective investor or evaluation of capacity for investments: How to have financial results available just in right time (when an investor knocked the door, my bank requested financial report, etc), presented in my language but viewed & printed in English?
- FIT roadmap, installation, example enterprise database
- Overview: user interface, basic features, functions, graphs, applications, main menu
- Utilities, options, user preferences
- Database preparation and update
- Preparing reports and setting up best practices
- Key Performance Indicators (KPIs)
- Applications for credit risk assessment and compliance to Basel II standard

The module integrates concepts, methodology, training and reference materials, practical exercises, combining lecturing, action learning, team work/group work, case studies, simulations and games and computer-based training.

TRAINING MODULE 3. “IMPROVING OF THE PRODUCTION EFFICIENCY AND PERFORMANCE”.

Background The competitiveness of the Industrial SMEs is highly dependent on their ability to produce good quality products with minimal defects, optimized costs and to deliver on time. The implementation in the company of a lean manufacturing culture will assist the company management into achieving such goals. The owners, management and personnel capacity to prepare and evaluate major decision options in detail would empower enterprise to manage the change with maximum efficiency.

To ascertain the production and performance of an SME, including, but not limited to the

following issues:

- How to determine which manufacturing operations add value to the SME?
- How to improve product and production performance?
- How to prepare and measure major decisions regarding changes in manufacturing, introduction of innovations and business restructuring to adapt to requirements of change?
- How to prepare and run diagnostics / benchmarking for business actual results evaluation?

The need to find out practical ways of addressing the issues led to selection of methodology and tools provided in the Produce Plus software as a party of UNIDO Pharos suite.

ENTREPRENEURS LEARN AND PRACTICE UNDERSTANDING AS FOLLOWS:

- Introduction to Performance Measurement in Production, the relation between lean manufacturing and production performance measurement, measurement, diagnostics and benchmarking,
- Overview Indicators, Lean Manufacturing Tools enabling Implementation of the Results, such as Pareto, Value Stream Mapping, Waste Scans, Ishikawa (Fishbone Diagrams), the work through examples and applying both manual calculations and using Produce Plus
- Working with Produce Plus: the components, user interface, Diagnostic Questionnaire, Diagnostics results overview and reporting, overview of Produce Plus indicators, data collection and entry
- Production: Calculation of standard work rates, Measuring Actual Work Rates, Method of Data Entry
- Quality: Defining Losses & rework, 'Right first time' approach, Quality Data
- OEE – Overall Equipment Efficiency: What OEE measures, calculation of OEE, data needed to obtain on OEE figure
- Performance/Efficiency: Production efficiency terminology, calculation of measures based on actual, line running efficiency, line utilization
- Costs: Producing a complete Ex-Factory Cost, calculation of standard labor hours and cost, costs data entry
- Labor Performance: its calculation, Data Collection and Entry Methodology, Use of factory floor control sheets

TRAINING MODULE 4. “MARKETING”.

Background Enhancement of competitiveness is a basic aspect of most marketing strategies. Many industrial companies can improve their sales result and their product image by implementing the correct marketing strategy. Managers and trainers receiving training on the subject will benefit from an upgrade of their marketing skills, and will benefit their respective companies. In particular it shall allowing SMEs to understand the importance of marketing practices, including, but not limited to the following:

- What marketing is and is not;
- The need for market research and to use market research tools to develop strategy;
- Implementing the marketing strategy;
- Competitiveness – products that are profitable and meet customer demand.
 - General marketing guidelines including detailed definition of marketing strategy, marketing plan, and marketing research and other marketing terminologies.
 - The importance of marketing research in commercial decisions.
 - Establishing and implementing marketing strategies for Industrial SMEs.
 - Internet media as growing international marketing option: methods, tools, solutions and its efficiency

THE VALUE OF THE NEW ELCIM PACKAGE

The participants would benefit receiving the integrated package of services including as follows:

1. Knowledge capital increase by training and best practices delivered in 4 modules
2. Follow-up consulting by the recognized group of leading ELCIM consultants
3. Complete UNIDO software suite (EDU) with 6 software items Pharos-Business Navigator, Pharos Enterprise Benchmarking and Advanced Data Export-Import, Financial Improvement Toolkit and Produce Plus as well as relevant comprehensive set of training and reference materials, provided with 2 user licenses per enterprise for use in strategic and production management
4. UNIDO-ELCIM Certificates of Business Performance Management Excellence

The package “Management of Change” by ELCIM implements unique combination of methodology, best practices, reference materials and software tools. Its integrated content does not have direct analogues on the international market of business support services. However if the estimation of the package value is made by counting the value of its components the totals comes up to **7500 Euro per participant**.