



How Change Management Strategies Can Help Organizations Implement AP Automation Solutions Effectively

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What is Change Management?

Organizations are continually evolving and changing, and it's essential for teams of all sizes to be agile when adapting to new circumstances. While successful businesses regularly undertake projects to improve performance, address operational problems, or to seize fresh opportunities, these vital initiatives can create new problems if staff are not adequately supported. This is where change management comes into play.

Change management is simply defined as the process of determining how teams can be best prepared for change. It drives organizational success and outcomes by making teams more flexible and receptive to shifting priorities, goals, and processes. This structured approach is designed to support the individuals within your team and help them prepare for the future.



The discipline of change management dates back to the 1960s and its roots lay in the study of grief. Pioneers of the discipline drew inspiration from the Kübler-Ross model, more commonly known as the five stages of grief: denial, anger, bargaining, depression, and acceptance. Academics wanted to understand how applying this model to the loss of employment could help organizations better manage employee off-boarding.

Everett Rogers, the sociologist who originally coined the term "early adopter," identified four questions that can be used to determine how successful organizations are at adapting to change:

1. What is the innovation?
2. How is it communicated?
3. How quickly is it implemented?
4. Who is ultimately responsible for making the decision?

The world of business has been radically transformed since Rogers first outlined his understanding of change management, especially with the rise of the internet and the plethora of digital technologies. Today, there are several different models for change management and each has its own merits. Determining which model is most suitable for your organization will depend upon the type of change you are implementing and the circumstances that prompted the change in the first place.

Solid leadership provides the fundamental building blocks of organizational success. When instigating change, it's crucial that the entire team accepts and supports the new direction that has been chosen. Whether you're aiming for a minor process amendment or a complete organizational overhaul, the process will be a lot easier if the individuals involved have been adequately briefed and feel comfortable with what the transition will require of them.

Change often means that individuals will be required to alter their behavior, adopt new mindsets, or learn skills and practices that were previously unfamiliar. This can pose a significant challenge for organizations large and small, particularly if teams are already stretched thin. Leaders should, therefore, take care to identify all stakeholders that will be affected by changes and ensure the benefits of the proposed changes are communicated to them.

Technological advancement is a frequent driver of change. The rate of innovation is continually accelerating, and the disruptive impact of digital tools is felt more and more deeply by businesses that struggle to modernize. As companies become increasingly dependent upon the latest innovations to maintain their competitive advantage, change management will become an ever-more important organizational skill for business leaders everywhere.

Levels of Change Management

It is generally accepted that there are three levels of change management: individual, organizational/initiative, and enterprise capability. This section will explore each of them.

Individual Change Management

In the 1950s, psychologist Kurt Lewin began to study the way that individuals respond to change. Lewin found that while some may claim to be open to change, people's behavior shows that they consistently resist changes that could disrupt the work patterns they are familiar with. However, when individuals are supported through times of change, the impact is significant: They become much more willing to adapt, and they're much more likely to succeed.

Individual change management examines how people experience change and what they need to do in order to react well to change. It also involves knowing how to assist people in transitioning from one role to another when change takes place. One of the most commonly used models for individual change management is the ADKAR® Model, which was developed by Jeff Hiatt, a project manager at Bell Labs. ADKAR is an acronym for the five milestones an individual must navigate before change is successful behaviors. In general, it's about figuring out what makes changes "stick" with someone in the workplace.

- 1. Awareness of the need for change**
- 2. Desire to support the change**
- 3. Knowledge of how to change**
- 4. Ability to demonstrate new skills and behaviors**
- 5. Reinforcement to make the change stick**

Individual change management builds upon research in the fields of psychology and neuroscience to establish actionable frameworks for how to change individual behavior most effectively. This can involve determining which messages people need to hear, when they need to hear them, and who they need to hear them from. It also deals with determining the best time to teach someone a new skill and how to coach people so they begin to demonstrate new behaviors. Broadly, it's about figuring out what makes changes "stick" with someone in the workplace.

Organizational/Initiative Change Management

While all organizations rely on individuals to enact change, organizational change management recognizes that it's often far too much of an administrative burden to work with every single stakeholder individually when implementing new strategies. When there are teams of hundreds—or even thousands—of stakeholders involved, projects need to take a big-picture approach and initiate change at a systemic level.

Organizational change management, sometimes referred to as initiative change management, attempts to determine the groups and individuals who will be most affected by the proposed changes. Once the key stakeholders have been identified, the focus becomes about quantifying what the impact will be and how to understand the risks and opportunities involved.



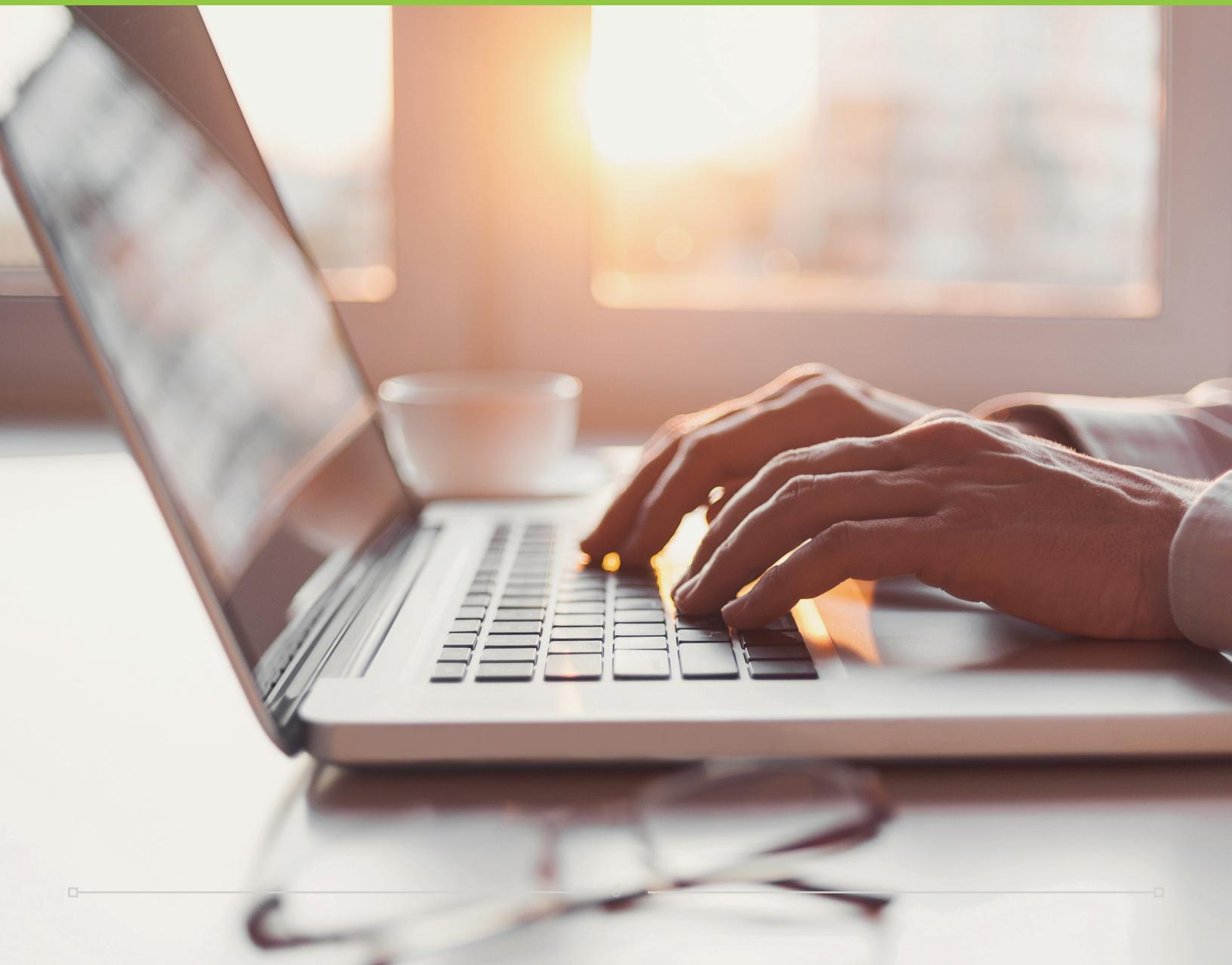
The most effective organizational change management strategies involve establishing a customized plan for ensuring that impacted employees are targeted for support. This can involve making sure that they have the awareness, leadership, and training necessary to implement change successfully. By ensuring that those most affected by change are the most likely to succeed, organizational change management helps larger teams avoid many of the common pitfalls that are present during transitions.

The core activities of organizational change management should work in tandem with

general project management structures. Effective project management is incredibly useful for ensuring that organizational change is designed, developed, and delivered. Change management should be concerned with making sure that the desired solution is effectively embraced, adopted, and used.

Enterprise Change Management Capability

Enterprise change management capability is different from organizational change management and individual change management because it's more of an



Change Management in Accounts Payable

assessment of a team's capacity for change, rather than a specific model for how to achieve change. It can be considered as a core competency for organizations and used as a metric to assess how agile they are in the ever-evolving business landscape.

Teams with a high enterprise change management capability are competent at implementing change management strategies across the organization's various roles, structures, processes, projects, and leadership hierarchies. This competency should mean that change management processes are consistently and effectively applied to initiatives, leaders have the skills to guide their teams through change, and that employees know what to ask for when they require assistance or clarification.

Organizations that are competent at enterprise change management adapt quickly to external threats and opportunities, which means they can more effectively capitalize on market changes. They are also able to embrace strategic initiatives or adopt new technologies more rapidly and with less productivity loss. However, developing an organization's capability for change doesn't happen automatically. It's important that management takes a strategic and conscious approach towards cultivating this capability within their teams.

Change Management in Accounts Payable

Different industry sectors have different strategies for balancing technological change



with operational stability. The finance sector must be particularly cautious in its approach to change management because of the considerable security and economic concerns at stake. When it comes to implementing new projects such as automation in accounts payable (AP), it's vital to ensure that you have an effective strategy from the beginning.



Today, organizations are constantly required to implement new technology, such as robotic process automation tools, to stay ahead of the competition. But poorly implemented technological change can cause widespread disruption to productivity. That's why finance professionals are increasingly relying on change management to ensure software transitions are performed without incident.

Critical Factors for Successful AP Change Management

When implementing a new AP solution, it's critical to make effective use of change management strategies. Failure or disruption

of AP processes could result in missed payments, damaged relationships with suppliers, and invoices not being approved on time. Here are three critical changes that must be considered when implementing a new AP solution:

Go digital — Transitioning from paper documents to digital records can be a daunting task for some AP Clerks. Often, more experienced clerks feel comfortable working with paper documents and need encouragement that the new system will be as secure as existing processes. It's important to address their concerns and ensure they are confident working with any digital formats that are being introduced.

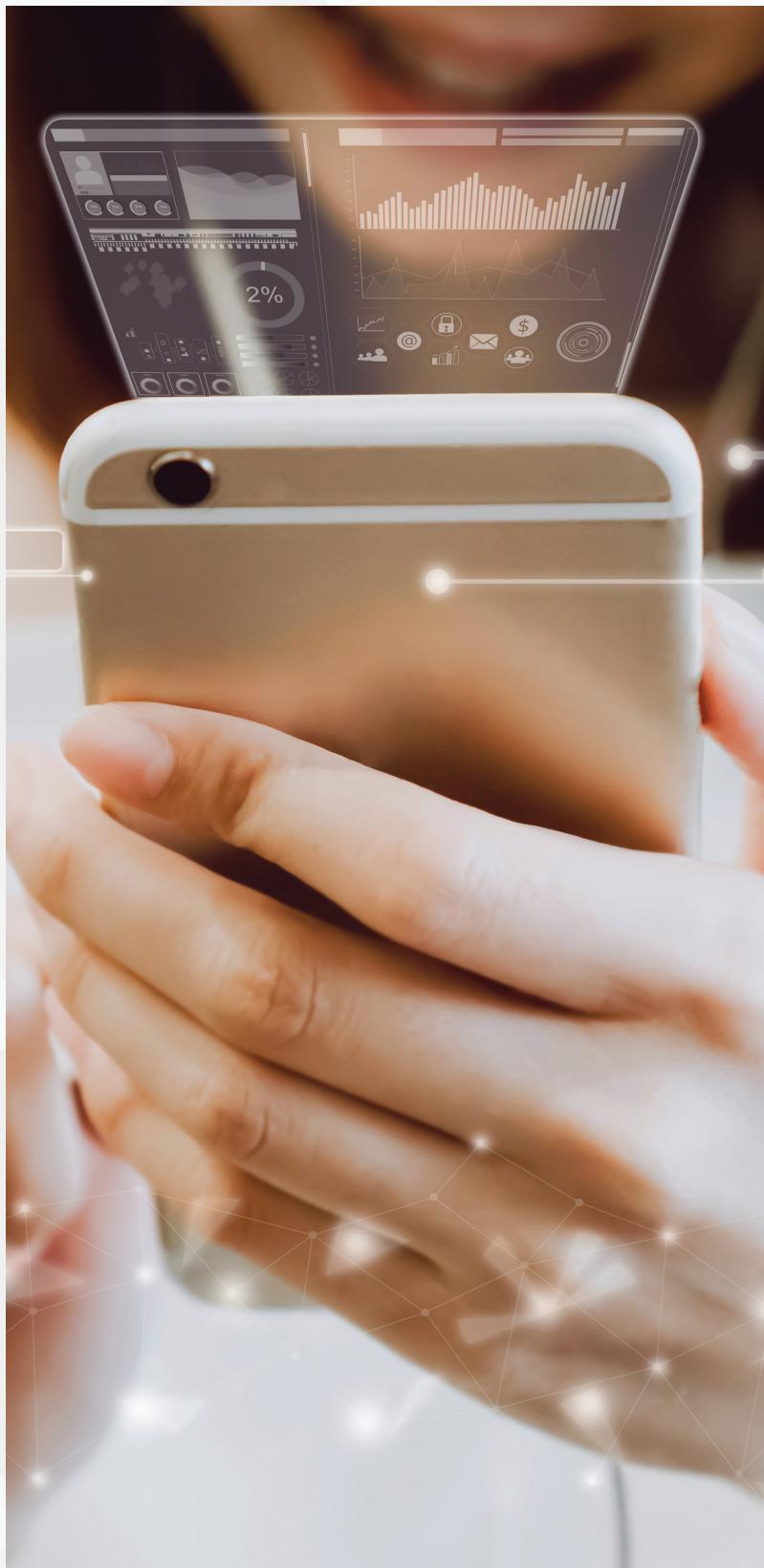
Establishing a Scanning Operator — The process of digitizing old paper records involves a lengthy process of scanning and indexing existing documents. If you are also incorporating optical character recognition technology (scanning software that makes the text machine-readable) digital errors can result in inaccurate records being transferred. Often AP processors are assigned to the task of digitizing the records, but they're not always best suited to the role. Instead, consider working with a thirdparty vendor that can provide a digital mail room facility.

Promote Trust — One of the key barriers to all forms of change is trust in new tools or technologies. AP clerks and managers tend to be experienced professionals who have their own ways of completing their jobs. New innovations, particularly technologies that automate familiar tasks, need to be demonstrably reliable before these key stakeholders trust them. It's vital that AP teams are consulted before final decisions are made about which solution is to be implemented.

When implementing new AP solutions, the whole team needs to take ownership of the solution. They need to understand how it works, how to access the information they require and what to do when things go wrong. Here are three factors that can assist the process:

Sponsorship — When management is united behind the need for change then teams are more likely to embrace the changes. However, sometimes it's not enough just to have leaders on board. It's also important to identify skilled or knowledgeable stakeholders who can serve as sponsors for

the need for change. Use these champions to spearhead the implementation of a new AP solution.





Education—Education should be at the heart of all change management strategies, and this is particularly true when implementing new AP solutions. It's not enough just to offer training in the tasks that are different; it's also necessary to educate teams about why processes have changed and how it benefits their workflow. This will help prepare them for handling unforeseen circumstances once the change has been fully implemented.

Culture — Each organization has its own unique culture, and it's important that change management strategies factor this in before implementing new ideas. Because AP teams are critical to business operations, it's vital that they are listened to carefully and that their knowledge and expertise are used to drive decision-making. Establishing a culture that is open and enthusiastic about change will go a long way to ensuring success.

Change Management Best Practices

Whatever size your organization and whatever the change being implemented, effective engagement and communication are the keys to getting all stakeholders comfortable with the change that needs to happen. The following best practice guide will assist you in creating a robust and valuable change management strategy for your new AP solution.

Develop a vision—Successfully implementing an AP automation solution necessitates a strong vision of what you want the result to look like. By defining and understanding the ideal outcome from the very beginning, it becomes much easier to break requirements down into individual steps, processes, and tasks that together will help achieve your overall goals.

Change Management Best Practices



Dedicate time to your vision at the start, and you'll reap the rewards throughout the change process.

Change Must be Desirable and Relevant

When team members feel convinced that the change in question is relevant to them and offers professional benefits, they'll intuitively be much more supportive of it. Any effort to communicate why change is desirable and relevant to employees will make the process smoother and faster. This can be achieved by highlighting key problems with current systems, asking teams to offer their input on making the change a success, and outlining the direct benefits individuals can expect in their role or for their department.

The more specific you can be, the more support you're likely to receive. For example,

AP automation solutions benefit AP clerks and processors because they can spend less time on paperwork and more time analyzing payments and identifying opportunities to add value. CFOs will benefit because it will provide greater transparency, making audits and reporting much easier to perform.

Create Clear Structures and Appoint Change Agents

A well-defined governance structure sets out how decisions will be made and implemented, and it's a crucial success tool in change management. Leaders, or "change agents," should be appointed at each level of the organization to ensure that the change management process remains stable and effective.

This usually works best when advocates are found within departments and teams, and



then utilized to influence others. The best candidates tend to be charismatic individuals who command the respect of their peers and can, therefore, help guide them through the transition. Seek out these open-minded early adopters and train them ahead of others so that their positive approach can spread early in the change journey.

Stay Alert and Open-minded

Change management is an area known for its surprises, so it's extremely helpful for organizations to monitor change carefully and measure progress on a continual basis.

Doing so allows problems to be identified early and obstacles to be dealt with before they become too significant. An agile approach that encourages ongoing feedback from those impacted by the change, and leaders who are approachable and well-liked, will offer the most intuitive and significant contributions.

Address Concerns From Your Workforce

Without an engaged and supportive workforce, change management becomes significantly more difficult to implement. Therefore, it's



important to address concerns and worries early on and in full, and to dedicate time and resources to ensure a detailed understanding of how change will impact each member of a team. To minimize concerns in the first place, be sure that change will be permanent and effective before you start implementing it. Nobody appreciates ongoing overhauls or an inconsistent strategy.

Keep Stakeholders Informed

Good communication breeds support and commitment. Making sure that stakeholders are updated with each step of change management, as well as making it clear that you are open to feedback and concerns throughout the process, will help everyone feel like a participant rather than a mere recipient. A failure to communicate effectively often results in resentment and a

slowing down of the change process. A little understanding goes a long way. A Prosci study of 288 organizations found that employees most want to hear messages about change from their CEO or their immediate supervisor. The CEO can communicate the broad impact on the company, whereas managers can provide more detail based on the way the change affects their team members.

Following these best practices will ensure that your organization will have the smoothest transition during periods of change. Building enterprise change management capability is a solid strategy for any organization, whether its planning immediate changes or not. For organizations looking to implement AP automation solutions, developing an effective change management solution is an absolute necessity.



Be The Change Agent

This guide was created by AvidXchange™. AvidXchange revolutionizes the way organizations pay their bills. Serving more than 5,500 clients throughout North America and 300,000 vendors nationwide, AvidXchange is an industry leader in automating invoice and payment processes for organizations spanning multiple industries including Real Estate, Financial Services, Energy, Non-Profit, and Construction.

Interested in automating your payables and creating efficiencies for your AP team? Schedule a meeting with an AP automation expert to learn how you can increase efficiency and protect your business. Our automation specialists will create a customized demo and walk you through the streamlined workflow of an automated AP process.

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