



C H A N G E
S I M U L A T I O N

xMED CORPORATION

“ONESHOT” DISPOSABLE VACCINE SYRINGE

PROJECT NOTES

prendo



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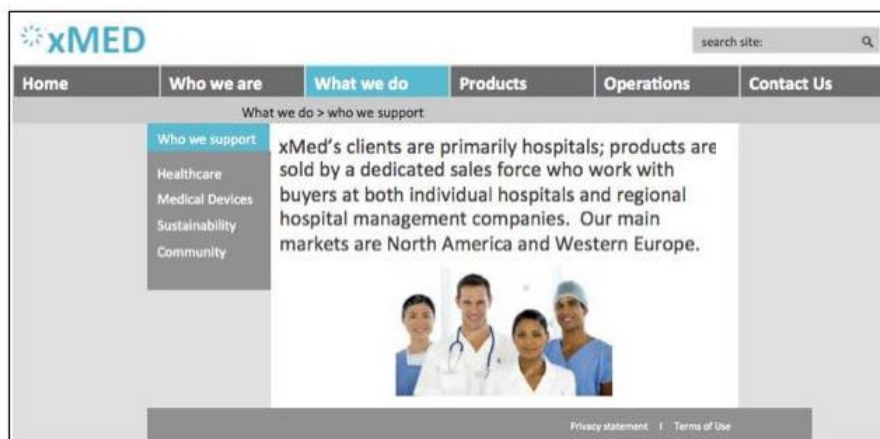
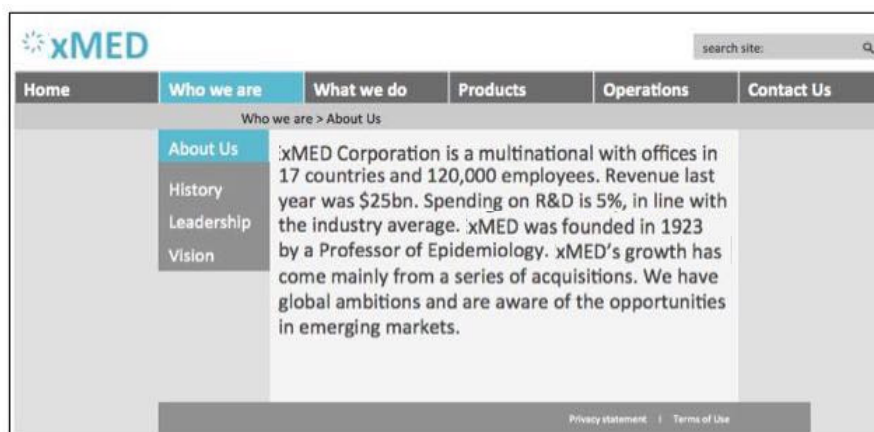
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EXECUTIVE SUMMARY

xMED is a multinational manufacturer of a wide range of medical equipment. The CEO has sent a message to the entire company asking teams to initiate an innovation project, that obtains a good market fit, financial and human resources and a high level of coordination, but most importantly, achieves the support of the entire top management and two external stakeholders.

A colleague in R&D has come up with a prototype “oneshot” disposable vaccine syringe that should be ideal for the Sub Saharan African market. Your team will carry out your strategy (to obtain support for the syringe project) via a series of consecutive tactics, that each have a time cost. You have 100 days.

xMED WEBSITE EXTRACTS



MESSAGE FROM THE CEO

From Mary Bolt (mary.bolt@xMEDcorp.com)

To Innovation Team (innovAB@xMEDcorp.com)

Subject: INNOVATION PROJECT

Colleagues, in today's fast-moving marketplace, it is essential that we continuously innovate in order to stay alive. I expect your team to initiate an innovation project over the coming months. But innovation isn't just about cool ideas. In order to realize tangible results, you will need to come up with a design with a good market fit, secure the required financial and human resources, and achieve a high level of coordination across all the teams and functions involved.

Most importantly, you will need to obtain the backing of top management and key external stakeholders in order for your project to move forward, and this will rely on your 'internal selling' skills. In 100 days' time, I hope to choose your project for official launch.

Your specific objective is to maximize the number of 'adopters', i.e. stakeholders who fully approve of your project. The internal adopters are those who will vote 'yes' when the management team decides whether to give your project the go-ahead. In addition, even though our external stakeholders (the customer and the banker) do not have any formal decision-making role, I would like our goal of maximum adoption to include them too. At the beginning, all the stakeholders will be 'unaware' of your project, i.e. they have no idea of what your project involves.

Your team, which is responsible for carrying out the innovation project, is made up of a small group of people who are all full time xMED employees. You are drawn from the different departments, and you have joined the team based on a belief that this innovation project fits perfectly the spirit of my message and is exactly what the company needs at this time.

You are all one level below the top management level as shown on the organization chart below. The managers know who you are, but you have never worked with any of them directly, and you do not have any particular relationships or influence over them when you start out. For the purposes of this project, you will be reporting directly to me.

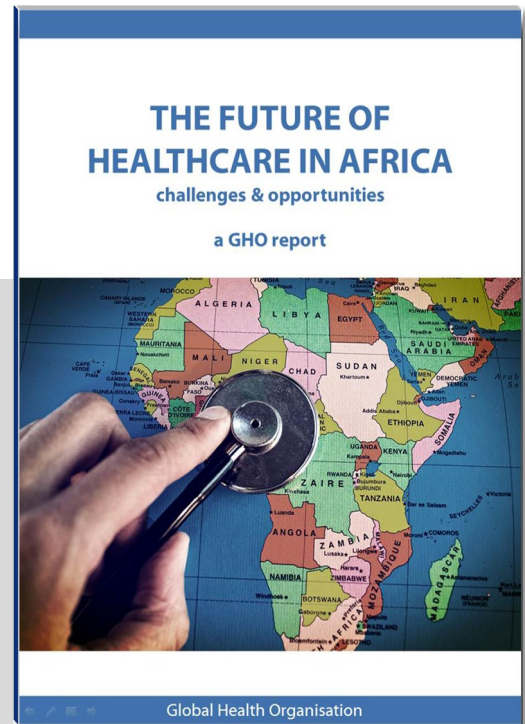
You will be implementing your strategy via a series of tactics, and each time you do so, that tactic will be considered as having been carried out 'by the core team'. In other words, you are 'acting as one'.

EXCERPT FROM REPORT ABOUT HEALTHCARE IN AFRICA

The annual operating budget of all of Sub Saharan Africa hospitals last year was \$15bn, about the same as that of France.

Many of the continent's population of 1.2 billion have limited access to hospitals or any form of healthcare, and many countries do not have medical insurance schemes.

Demand for simple medical procedures (and thus devices) is enormous, and largely unsatisfied, due to lack of hospitals, doctors, training, and funds to pay for the treatment either from the individuals or their insurers or national social security systems.



MESSAGE FROM COLLEAGUE IN R&D LAB

From R&D Lab (research@xMEDcorp.com)

To Innovation Team (innovAB@xMEDcorp.com)

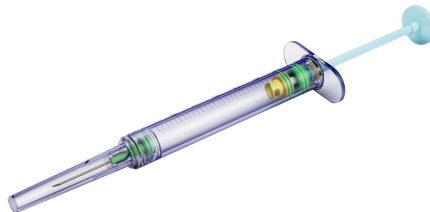
Cc Anica Riff (Head of R&D)

Subject: ONE-SHOT SYRINGE PROTOTYPE

Prompted by the potential market in Africa (and developing countries on other continents too), the R&D lab has developed a prototype “oneshot” disposable vaccine syringe that does not need refrigeration and only requires minimal medical training to use.

It even leaves a tiny tattoo on the child’s skin to show which vaccine has been injected.

We think the management team should be excited about this!



STAKEHOLDER PROFILES

EXTERNAL

Jean Verlot | Customer

Jean is Head of the European Union (EU)'s Department of Health Procurement. He is on the lookout for products that can help both the European community and developing countries around the world that rely on help and advice from the EU. Health care providers in Africa pay attention to his opinion on future directions in health procurement.



Judy Yang | Banker

Judy is a Senior VP at the European Bank of Commerce and Investment (EBCI), and is xMED's main point of contact. Judy has strong ties with members of the bank who are underwriting African businesses and are connected to many of the large African banks and members of the African business community.



OFFICE OF THE CEO

Mary Bolt | CEO

Mary Bolt has been CEO for the last 3 years. She has an MBA from a top business school. Mary is responsible for overall group strategy. As part of a new strategic initiative, Mary is hoping to increase innovation within the company and to shift the culture in the direction of distributed leadership. This means that she tries to encourage people across the organization to take the lead in developing new products and bring them to the attention of senior leaders. In practice, Mary is often too busy to pay close attention to the details of the initiative.



Edward Arton | Executive Assistant

Edward Arton is the CEO's Executive Assistant. Responsible for the CEO's agenda, Edward is quite influential and has been generally supportive of recent innovations. Edward has worked with Mary since before she became the CEO, and is very protective of her time. He also sits in on many senior team meetings, so he is aware of key strategic priorities and can assess the importance of requests to meet with the CEO. Edward has been very supportive of the CEO's current strategic initiative to increase innovation within the company.



FINANCE

Christina Fox | CFO

Christina Fox has been the Chief Financial Officer for the last 3 years and was previously in charge of the Accounting function. She has been helping to improve the quality within the organization's manufacturing.



Hillary Norting | HR Manager

Hillary Norting is HR Manager, with worldwide oversight of recruiting, pay and benefit policies. An important part of her job is to find processes and policies to support the new strategic push for a more innovative company.



Wu Zing | Head of Accounting

As Head of Accounting, Wu reports to Christina. Wu has long believed that Accounting could take a more strategic role in the firm as opposed to being viewed only as the people who run the numbers and provide constraints. He has recently taken a course highlighting new ways to think about accounting and is anxious to join and support other innovative changes in the firm.



Paul Derkhard | Chief Counsel

Paul is responsible for regulatory and legal matters at xMED. Paul is constantly worried about legal and ethical behaviour in the firm. To date there have not been any major problems and he intends to keep it that way. He sees himself as a leader in prescribing ethical rules and worries about innovation and empowerment as they open up areas of potential violations of these rules.



OPERATIONS

Charles Obenk | COO

Charles Obenk came to his role as Chief Operating Officer from the manufacturing group. Charles has been with the company for many years and brings his manufacturing background to his new role. His focus is on quality and efficiency so as to keep costs low and improve the bottom line.



Bob Carter | Head of Purchasing

As Head of Purchasing, Bob has responsibility for finding reliable suppliers around the world. Bob is well respected and usually supports product innovations. Bob is very concerned with quality and costs and improving the bottom line. He recently attended an executive education program highlighting new trends in supply chain management and he is passionate about working with others to implement innovative practices in product development and supply chain management.



Carla Estrom | Head of Manufacturing

Carla is responsible for three main manufacturing centers in North America and Europe. Carla is unlikely to be very receptive to another product innovation. Carla believes that the firm should focus its attention on the Americas and Europe and is concerned about further expansion into Africa. This is an area of disagreement with David Merk, who wants to expand the product line in Africa, and thus has been a topic of many conversations between the two.



Kjell Hoglund | Head of Distribution

Dirk is responsible for logistics and distribution between the manufacturing centers and main customer locations. Kjell sees that the business is moving to be more and more global and he is concerned about ethical practices across the world. He believes that the culture at xMED is very strong and based on key values and he wants to support that culture.



SALES & MARKETING

David Merk | Chief Marketing Officer

David Merk was appointed as CMO last year, having risen fast through the ranks of the Marketing Department. David is known to speak his mind and to bring up new perspectives and detailed analyses when solving problems. He is widely respected and believes that the firm will prosper with an innovation push and a focus on quality. Based on conversations with Samatha Kron, he is intrigued by the possibility to expand further in Africa.



Marina Jao | Head of Sales

Marina has been with xMED for her whole career and was recently appointed as Head of Sales for the group. As Marina has worked her way up through sales and marketing, she has taken an interest in bringing more digitization into the firm. She has discussed these ideas with Ted Lostrom and William Salif.



Ralf Gifford | Head of Advertising

Ralf began his career on the agency side but has been Head of Advertising at xMED for 3 years. Ralf is relatively new to his role but already knows that he wants to take Advertising in new directions. He is interested in pushing the firm to get more of a presence on the web.



Samantha Kron | Sales Team Manager

Samantha leads the Middle East & Africa sales team. Samantha has been very active with her sales team building up the firm's contacts and projects in the Middle East & Africa. Samantha and her team believe that these markets are ones where the firm can continue to flourish. She is known to be protective of her turf.



TECHNOLOGY

Vladimir Popof | CTO

Vladimir has been with XMED for over 10 years and was made CTO 2 years ago. He believes that technology will be key for xMED to move ahead. Vladimir tends to be a hands-off manager letting his people decide how they want to run their own operations.



Ted Lostrom | Technology Manager

Ted Lostrom is the Technology Manager, with responsibility for all IT operations, both internal and those that involve client communications. Ted wants to bring more digitization to the firm. He works closely with William Salif and others to make this a reality.



William Salif | WebMaster

William is responsible for the increasingly critical web-based front and back office systems. He believes that improving these systems can mean improving both efficiencies and the firms' ability to coordinate across boundaries. William is enthusiastic about the new strategic initiative to bring more innovation to the company and sees his work as fitting this new direction. He is very open to experimenting with new directions in innovation.



Anica Riff | Head of R&D

Highly regarded by her colleagues, Anica is now in charge of all new product development; she has fully supported the new strategic initiative to create more innovative products. Anica has been talking to Hillary Nortling, Head of HR, to make sure that employees are supported in this initiative.



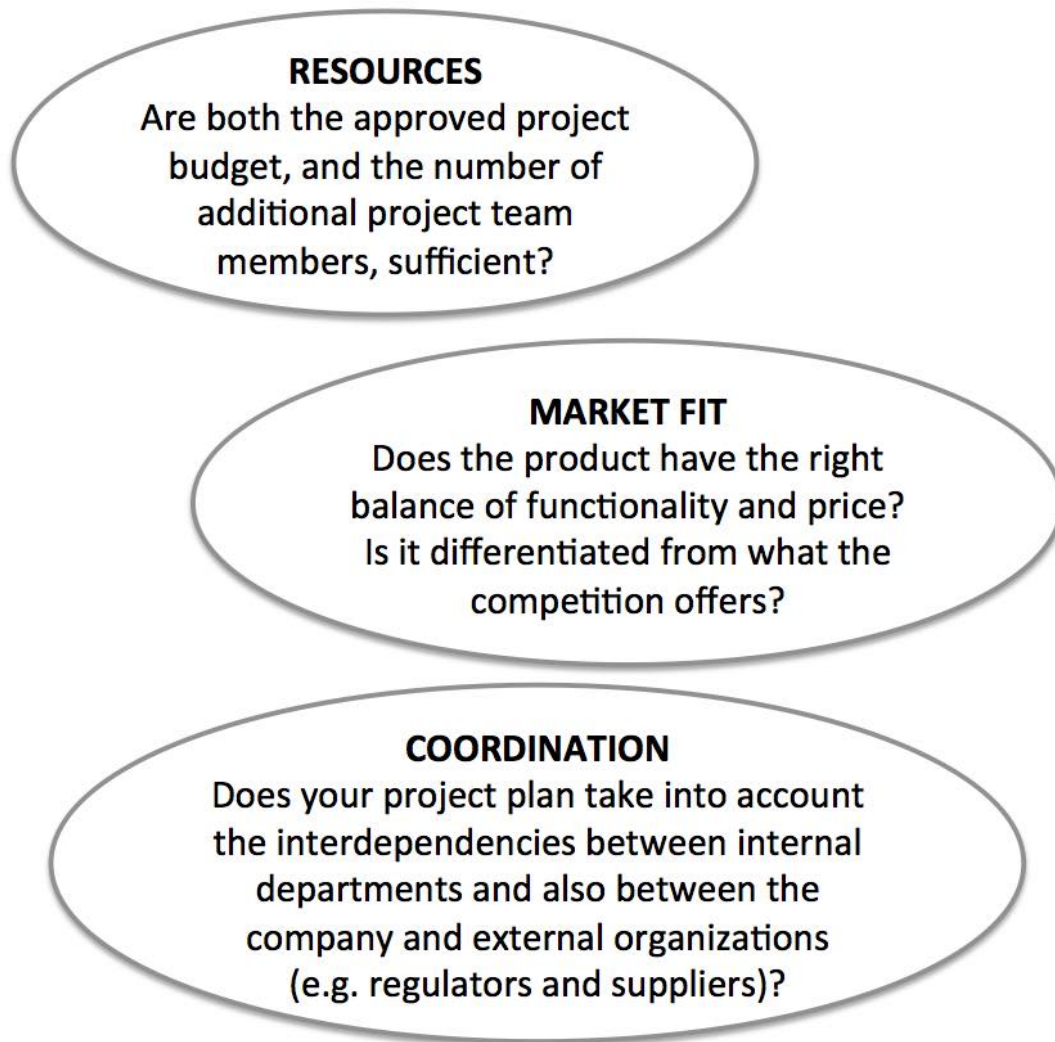
Ekta Unvala | Communications Tech Manager

Ekta is a natural innovator and he is responsible for internal and external group communications technology. Ekta would like to use this technology to improve marketing and has discussed improving quality outputs with David Merk. He believes that technology can chart a new course for xMED.



INNOVATION PARAMETERS

In deciding whether to support the innovation project, the stakeholders will not just be influenced by your change management skills. They will also be reviewing the status of the innovation itself, summarised by three key parameters:



The starting point is ZERO for all three parameters; the only thing you have is a prototype syringe produced by the R&D lab, but you have no idea whether this is what the market requires or what the price should be, no resources (apart from your core team) have been committed, and your project plan is non-existent. Each parameter will be measured as a percentage.

Certain tactics will change these parameters, and one of your challenges is to figure out which tactics are most effective for improving market fit, which tactics are most effective for increasing resources, and which tactics are most effective for improving coordination.

Remember that these parameters are not an end in themselves; they are a *means* to achieving the goal of maximum adoption of your innovation.

TACTICS

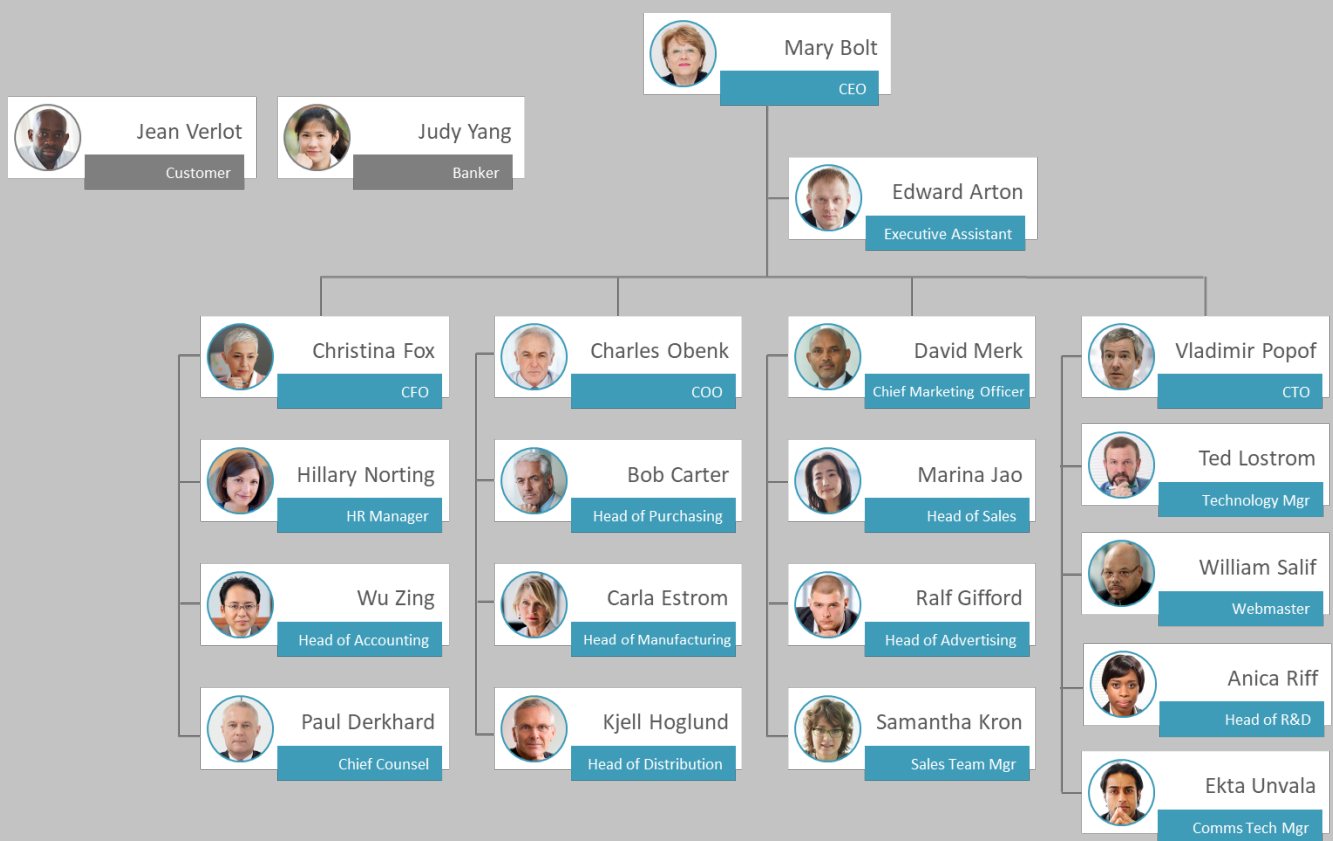
You need to carry out your strategy via a series of consecutive tactics, that each have a time cost.

TACTIC	DESCRIPTION	DAYS
Benchmarking	Conduct research on competitors, innovative manufacturers and other organizations, in order to gather ideas	4
Consultant	Hire a consulting firm to conduct a market study; results are sent one week later	2
Forecast	Ask a research staff member to conduct a forecasting study in order to assess market potential	2
Floor tour	Spend time with staff who report to the top management team, to improve understanding of organization-wide implications of the project	2
Focus group	Interview prospective and current customers to assess their requirements (does not involve Jean Verlot)	3
Lobbyist	Hire a lobbyist to promote your company's interests (relating to this project) with the relevant regulatory and tax authorities	3
Mass mailing	Send an email update about the state of the project (e.g. current level of market fit, or survey results) to all stakeholders	2
Networks	Observe the top managers and ask around to uncover some of the informal networks (details emerge a few days later)	3
PR video	Hire a PR company to develop a short video that explains the marketing vision, and send it to all internal stakeholders	3
Site visit	Visit another internal company site in order to discuss product ideas and to gather input on the development schedule	2
Team member	Recruit an additional team member with specific expertise in marketing or engineering	3
Workshop	Invite up to three stakeholders to a workshop in order to share general insights and ideas about the project	3

The following tactics require you to specify a communication method (email, phone or meeting), and in most cases, who to carry out the tactic with:

TACTIC	DESCRIPTION	DAYS (email)	DAYS (phone)	DAYS (mtg)
Advice	Ask for general advice about the project	1	1	2
Briefing	<i>(one stakeholder)</i> Give a presentation about the innovation project	1	1	2
Briefing	<i>(All internal stakeholders or All members of C-suite)</i> Give a presentation about the project, including an update on actions taken, the state of the three innovation parameters			3
CEO speech	Ask CEO to send out a prerecorded video speech supporting your project to all the top managers		1	2
Committees	Ask Executive Assistant for a list of members of the formal committees	1	1	
Decree	Ask CEO to issue a written announcement telling everyone that your project is going ahead		2	3
Experiment	Ask a stakeholder to help run a test of the prototype with staff from different departments		3	4
Indirect lobbying	Ask stakeholder (A) to try to convince another stakeholder (B) to support the project	1	1	1
Liaison team	Ask a stakeholder to provide team members to help cross-departmental communication on the project		3	4
Pilot	Ask a stakeholder to host an internal department meeting to demonstrate the product and gather ideas on working with other departments	3	3	4
Survey	Ask Technology Manager to set up online survey for all staff to share ideas on how to rollout the project	2	4	4

xMED org chart





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Prendo builds pioneering simulations that help leaders develop skills in areas such as stakeholder engagement; project leadership; strategy implementation; change, innovation and crisis management. Prendo simulations provide realistic, immersive environments that deliver experiences that are both accelerated and transparent, allowing skills to be developed much more effectively than in either traditional classrooms or the real world. The simulations are used by global organisations from all sectors and by many of the world's leading business educators. www.prendo.com

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