

CHANGE INITIATIVE PLAN

Q3 2022



The reusable packaging platform

Eliminating packaging from groceries



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EXECUTIVE SUMMARY

Online zero waste retailer Good Club recognises the need to expand beyond their current D2C operations in order to scale the reuse and return infrastructure required for a meaningful societal shift away from single-use packaging within the UK's grocery market.

There is a need to accelerate the systems change that Good Club is leading (Sharpe *et al.* 2016) to ensure Good Club can achieve their founding mission of eliminating single use packaging and offering affordable packaging-free groceries to the mainstream market.

This report details the components of a change initiative plan for Good Club. The plan outlines seven key components for effective change management from UC Berkeley's (2022) change management toolkit. The areas identified cover; the case for change, a compelling vision, communication plan, reviewing barriers and resistance that may occur during the implementation process as well as metrics for performance and actions for reinforcement.

INTRODUCTION

Good Club was founded on a mission to bring sustainable groceries to the mainstream, with an ambition to “help everyone live more sustainably” (Good Club, 2021), ensuring sustainable produce is affordable for the mainstream. Since its inception Good Club has evolved from a member-only bulk grocer to developing a zero-waste closed loop grocery service. Good Club aims to “accelerate the elimination of packaging waste from groceries” (Good Club, 2021).

To do this transformational change throughout society is required, accelerating the developments of processes and practises for change (Sharpe *et al.* 2016). This report aims to detail and justify all components of a change initiative plan to support Good Club’s mission for change. The report first explains the case for change. The second part of the report outlines a designed action plan based on the esteemed UC Berkeley (2022) change management toolkit.

The plan addresses seven key components Berkeley (2022) identify as being key for effective change management. Templates, tools, and tables are included where necessary to aid Good Club in the assessment and planning phase of the change management process. A change roadmap has been created covering the components set out in the action plan, alongside a timeline in achieving each phase of the initiative plan, this can be found in the appendix.

PART 1 LEADING CHANGE

Good Club is focused on “redesigning the single-use society” (Good Club, 2021), using a refillable, closed loop operation delivering groceries to households, reducing the need for single-use packaging.

Good Club’s mission means that large scale systems change is required. To do this Good Club recognises the need to move beyond its own D2C model, expanding into a reuse platform which facilitates an industry-wide systems change to develop a scalable reuse and returns platform.

Good Club find themselves leading a movement for systems change, transforming how consumers shop by eliminating single-use packaging. There is a need to accelerate the systems change that Good Club is leading (Sharpe *et al.* 2016), developing the infrastructure and logistical networks that support circular systems and thus diminish our current linear system, of take, make, waste (Taylor, 2018). Plastics Europe (2022) found that “faster systemic change is required to achieve the circularity levels” needed to effectively reduce short- and medium-term emissions.

To achieve the required large-scale systems transition Good Club must now look to scale-up its operation, to facilitate a reuse and returns infrastructure, this too will help Good Club achieve its founding mission of reducing costs and ensuring zero waste shopping can be truly affordable for the mainstream. Lucy *et al.* (2021) explain transforming consumption by way of circularity is a needed step to tackle environmental degradation, prioritising biodiversity and nature, while also delivering on future competitiveness.

To accelerate progress towards circular supply chains and return logistics, it is essential to “intensify the collaboration with value chain partners” (Plastics Europe, 2022). Good Club will be looking to collaborate with retailers, brands, logistics providers, cleaning providers and more to facilitate large scale growth in a reuse and returns infrastructure.

As well as providing reusable packaging for brands, a new system will include fully tracked reusable packaging which can be returned in-store, at other local points or collected from home. This will build on its competencies of returns, cleaning and filling.

Successful implementation of this major organisational change initiative requires organisational commitment and management acumen (Tappen *et al.* 2017). As such, I have created the following change initiative plan.

Creating a reuse ecosystem

Good Club are expanding beyond D2C to other retail channels. As well as providing reusable packaging for brands.

A new system will include fully tracked reusable pots which can be returned in-store, at other local points or collected from home.

This will build on our competencies of returns, cleaning and filling.

A multi-regional roll-out will follow 3 trial phases starting in Q2 2022.



PART 2 CHANGE INITIATIVE PLAN

To implement this large scale change the following action plan has been developed, to support the management of change and improve the chance for a successful execution. The plan follows the esteemed UC Berkley's (2022) change management template to ensure the outlined change has its best chance of success.

Since there are many complexities in executing a change initiative, it is critical that a number of change management components are considered and planned for. This change initiative follows the seven components for effective change management as defined by UC Berkeley (2022):

1. Case for Change – with the inclusion of a case for change template
2. Compelling vision – with the supporting compelling vision interview template
3. Communication – communication plan overview, and stakeholder analysis
4. Manage barriers
5. Manage resistance
6. Show progress – including a metrics template
7. Reinforcement – with the supporting checklist to aid this phase of the change management process

Within this section each component is detailed and discussed, where Berkeley provides supporting templates and tools these have been added and completed for Good Club's case for change. The following management template has formed the creation of an action plan to aid the implementation of this organisational change. Finally, a roadmap can be found in the appendix of this report.

CASE FOR CHANGE

“Guiding all other considerations is what type of change the organisation seeks” (Rosenfield *et al.* 2022).

Many academics and practitioners highlight the need to clearly define the problem that you want to solve, without such it can be difficult for a change initiative to succeed (Bunn, 2015; HR Berkeley, 2022, Miller, 2020; Rosenfield *et al.* 2022). Without this understanding, it can be difficult to address the necessary changes which can prohibit success (Miller, 2020).

The below case for change template captures the reasons why the change needs to occur (HR Berkeley 2022), whilst also understanding the present situation and the objectives that a company would like to be achieved (Bunn, 2015).

Background What current problems need to be solved? How did we get here?	113 million tonnes of plastic packaging is produced globally each year, but less than 10% of plastic packaging is ever actually recycled (Good Club 2021). Good Club have successfully partnered up with a circular cleaning provider, introduced food safe PP pots and developing a sustainable supply chain of dried foods. However, scalable growth and the needed investment requires improved margins and efficiencies, which requires volume.
Current State Where are we now? What opportunities are being missed?	Good Club has established a successful reuse, refill and return grocery service. Working with partners to fully close the loop. High operational costs, and low margins prohibit meaningful scalable growth. To achieve our founding mission of being affordable and accessible to the mainstream, Good Club requires a significant increase in volumes, which requires high investments into its operations, and meaningful collaborations.
Risks of Not Taking Action What future problems are anticipated if no action is taken? What is the impact to the organisation?	Good Club will continue to succeed at D2C but growth will reduce, and new entrants into the marketplace are likely to override the market positioning and market need, as innovations continue to be explored within the circular economy, particularly within reuse. It is likely that if Good Club cannot bridge into the mainstream, new entrants will overtake Good Club and the service will no longer be in demand.
Benefits of Taking Action What are the benefits of making the change? What is the impact?	This strategy can bring about meaningful change at industry level, and beyond which could enable significant systems change within grocery shopping. Additionally, this large-scale change will facilitate costs and operations efficiencies bringing down the cost of current reuse operations making zero waste living more affordable for households in the UK.

VISION

To execute transformational change successfully it is imperative to develop and communicate a clear vision (Ricks, 2020). Setting a clear vision that succinctly identifies the problem that you're hoping to address, and how the organisation can benefit from the transition (Bunn, 2015; Ricks, 2020) enables all stakeholders to buy into the proposed changes with clarity.

Completing the below template from UC Berkeley's Change Management Toolkit (2022) probes leaders to define a compelling vision while also considering the impact to stakeholders. Answering these questions is central in planning the communication change plan.

As Rosenfield *et al.* (2022) found, a leader cannot lead change alone, it is therefore vital that impact to stakeholders, communication of change to stakeholders and gaining their buy-in is important to the success of the change process.

Organisational Goal What do we hope to achieve?	To become the experts in reusable packaging, providing a service platform to facilitate speciality entities within the reuse and refill remit (i.e. packaging manufacturers, brands, logistics providers, collections schemes)
Benefits How will things be better?	Consolidating services into one platform is the only way to make reuse affordable. This change provides a higher chance in achieving the founding mission of making sustainable grocery shopping affordable, while also creating a meaningful impact to the systemic change required.
Impact to Stakeholders? Expected benefits Potential consequences/impact	A clear vision with a future growth trajectory. Significant increase in revenues and volumes for shareholders and suppliers, leading a movement for system-wide industrial change creates more opportunities and demand which in turn reduce costs and improves efficiencies. A shift in the business focus may lead to confusion and a lack of motivation among staff, employees, shareholders, and customers.

COMMUNICATION

Successful change management requires ongoing dialogue and effective communication (Miller, 2020; Rosenfield *et al.* 2022; Harrington *et al.* 2015). Successful communication must be planned and scheduled (Rosenfield *et al.* 2022). All stakeholder groups must be identified and included within the communication plan. It is imperative to the success of the change initiative that stakeholders understand the change, and why it is important (Harrington *et al.*

2015). A communication plan allows continued communication with consistent messaging reaffirming the need for change.

The below communication plan outlines each focused stakeholder group and the planned communication to ensure stakeholders remain informed and committed throughout the change process. The case for change and vision should be consistently mentioned throughout, as well as addressing how teams may be impacted, and accommodate any feedback or concerns the team has. Effective communication should also provide specific information during each phase of the change process (HR Berkeley, 2022).

A change champion will be nominated for each stakeholder group to manage the communication and ensure each stakeholder group receives consistent communication and plenty of opportunity to raise concerns and provide input (HR Berkeley, 2022).

Stakeholders	Communicate Change	Change Champion
Employees	Team communication plan: -Deliver change message -Vision for the future -Explain what is/isn't changing -Explain how the team's work will be impacted Address issues, concerns, and ideas. Identify next steps for feedback, and best practises for communication. Schedule regular 1:1's and ongoing group updates.	<i>Nominated</i>
Suppliers/Brands	Communicate change, reason why, how this improves business and how this may impact the trading relationship.	<i>Nominated</i>
Shareholders	Identify stakeholder groups and create specific communication templates accordingly, with frequent progress updates.	<i>Nominated</i>
Customers	Communicate public changes, highlight why the changes are happening, the improvements they will make to the service and experience of customers. Reassure.	<i>Nominated</i>
3 rd Party partners (PSE, DPD)	Communicate change, reason why, how this improves business and how this may impact the trading relationship.	<i>Nominated</i>

BARRIERS & RESISTANCE

Large scale change is likely to receive resistance as it affects a wide range of stakeholders (Rosenfield *et al.* 2022). While it is impossible to predict barriers to the project, it is advised that taking time to understand potential hurdles and possible areas of resistance and devising strategies to overcome these could be beneficial to the overall success of the change initiative (Miller 2020). Rosenfield *et al.* (2022) find that the three most common reasons for resistance are; Feeling change is occurring too quickly, feeling devalued or unheard, disagreeing with the vision.

Explaining the need for change, and more importantly the urgency behind the change is an important approach in appeasing resistance (Rosenfield *et al.* 2022). Reassuring employees/stakeholders that the change is occurring due to external factors, or a greater need for change beyond the operation will help in addressing the feeling of being devalued. A communication plan must be designed to address these concerns, allowing employees the opportunity to be listened to, and provide input, as well as opportunities to reaffirm the vision and reasons for change (Ricks 2020).

SHOW PROGRESS

UC Berkeley (2022) highlight the importance of having success metrics to assess the progress of the change. Defining what is changing, the measurable metric or checkpoint, the change agent or owner and planned targets helps identify achievable milestones to monitor the success of the change initiative (Bunn, 2015). Moreover, progress metrics can incentivise performance, which can reinforce the desired behaviour change required for the envisioned strategic ambition (Harrington *et al.* 2015).

Success metrics help evaluate, indicate, and measure performance of the change implementation process. Any positive movement forward should be addressed and rewarded. This will keep the momentum towards the change and help against any outstanding resilience from stakeholders.

Good Club have identified three main objectives, each with their own metrics and key performance indicators, outlined below:

1. 10% month on month growth will need to be achieved to prove the financial strength of the current D2C operation. This will be measured by sales mix, increase in new customers and customer retention.

2. Contribution margin to reduce by >10%. This will be measured by a reduction in production and logistics costs.
3. Prove retail model for initial MVP of reuse platform. Explore B2B sales channels through collaboration in the reuse value chain.

These key objectives have specific metrics assigned to them, as well as future targets and an assigned owner. See an example table below, with sensitive information removed.

What is changing?	Metric	Current	June 22	Dec 22	Owner
Increase ZW range, product work to drive purchase	ZW Sales Mix	%	%	%	<i>Nominated</i>
Increased machine utilisation, range rationalisation, runs and change-overs	Filling Cost	£	£	£	<i>Nominated</i>
New machine installation	Cleaning cost	£	£	£	<i>Nominated</i>
New branding, SEO introduction	CAC	£	£	£	<i>Nominated</i>
Range expansion	Average Order Value	£	£	£	<i>Nominated</i>
Introducing RFID tech innovation for tracking	Pick, Pack & Returns	£	£	£	<i>Nominated</i>

REINFORCEMENT

To ensure the sustained success of the change initiative, it is advised that monitoring the change and adapting components can enhance the success of the change initiative. Too often communication of the change ends at the start, Harrington *et al.* (2015) find that leaders must go beyond initial communications, actively engaging stakeholders throughout the implementation process making ongoing improvements.

The following checklist allows a leader to continuously restate the vision, reaffirm the need for change, and monitor progress (recharting the path where necessary) whilst ensuring that stakeholders remain communicated too throughout the process (Ricks, 2020). Good Club will monitor metrics in fortnightly company-wide meetings, as well as in detailed departments meetings, highlighting any barriers, concerns and successes that will need to be communicated or reacted too.

A behavioural change plan defines what success looks like and can therefore be measured after the change is implemented (UC Berkeley 2022). The change communication plan is a useful tool in deciding what to communicate, to who, and through which method of communication. Sharing updates of progress regularly helps ease resistance and keep morale high as the drive to change is carried out (Bunn, 2015).

Checklist	
Behavioural change plan	x
Monitor metrics for continuous improvement	x
Follow team communication plan, adapt and expand as required.	
Change communication plan. Communicate and celebrate metrics and progress	

CONCLUSION AND RECOMMENDATIONS

“Large scale change is the only real and sustainable bridge to get us from where we are now, to where we need to be, in a way that retains the principles of what we stand for.” (NHS England, 2018).

Today’s ever-changing trading landscape demands challenging the status quo, a shift in mindsets and improving sustainability approaches (ERM, 2021). It highlights the significance of climate change, and the urgent need to adapt. Good Club are in leading position to progress meaningful change to support systems change from our dominant throwaway model, to one of reuse and return, which in turn will reduce plastic pollution, tackle our ever growing broken recycle system by reducing the need for recycling and post-consumer waste collection (Plastics Europe, 2020) as well as reducing carbon emissions.

The process of crafting and implementing organisational change is a major challenge, particularly when the ambition to change is for the benefit of socio-economic systems beyond the operational parameters of an organisation. Sharpe *et al.* (2016) explain the process of change is limited in its ability to work by the “systemic complexity of global problems”, yet at the same time the viability as business usual is going to continue to be affected by the serious threat of sustainability challenges, making transformation changes throughout society vital (Senge *et al.* 2017, Sharpe *et al.* 2016). This report has identified the importance of truly understanding the reason for change and the ambition for the change, Good Club have a viable reason to embark on such transformational change. Further supported by Lucy *et al.* (2021) who find that converting 20% of plastic packaging into reuse models presents a \$10 billion opportunity, making this transition not only imperative for environmental concerns but a critical step for Good Club to succeed and meaningfully transform how we shop in today’s grocery market.

Change management outlines steps to enable transition from current state to an envisioned future state (Harrington *et al.* 2015). The goal of transformational change is an improvement that is sustained over a period of time, in Good Club’s case the change initiative is hoped to bring about accelerating changes to socio-economic practises and process (Sharpe *et al.* 2016).

Harrington *et al.* (2015) have created a model for sustained change that goes beyond a series of actions, or “step-wise approach”, the intent of the model is that all elements are interrelated and adjusted, requiring ongoing attention. It is recommended that this model could be a useful reference point throughout the change initiative. When dealing with the unknown future to

work effectively it is important to continuously recharter and reposition the dial (Sharpe *et al.* 2016).



Figure 1: A model for sustainable change.

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APPENDIX

Change Action Plan

Assessment and Planning

Communications

Measures of Success



		Q2			Q3			Q4		
		APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
Assessment and Planning	Case for Change									
	Create a compelling vision									
	Risk assessment									
	Stakeholder assessment									
	Plan for barriers & resistance (behavioural plan)									
	Communication plan									
	Define metrics									
Communicate case for change and vision	Communication plan									
	Plan in scheduled meetings and 1:1's with stakeholders									
	Stakeholder assessment									
Manage and reinforce change	Introduce metrics									
	Review metrics progress									
	Behavioural plan									
	Change communication plan									
	Reinforce metrics									