

CASE STUDY

Samson Media is a publisher of several upmarket fashion magazines. It has strong links with a number of high profile fashion houses whose products are featured in the magazines and also provide a significant source of advertising revenue. Readers of the magazines are predominantly 35 – 54 year old women.

Readership has fallen over the last two years. This is due in the most part to due to competition from a range of other fashion magazines and consumers switching to digital media. Due to the decline in readership, profits have fallen by 20% and there has also been a fall in the share price.

As a consequence, a new CEO, Amir Johnson, has been appointed. Amir was the former Marketing Director for a well-known successful media business that included a national newspaper, magazines and a subscription television channel. The success of this business was based on targeting lower income groups and its publications are focused mainly on sport and celebrity gossip. They were also successful because they were able to undercut its competitors with low prices, enabled by a ruthless approach to achieving high levels of efficiency.

Amir and his team of Managers have developed a Strategic Plan that includes the following objectives.

- *Increase return on capital to 8% within 2 years*
- *Enact a transformational change of the company that will convert all magazines to a digital format only.*
- *Achieve cost efficiencies through reducing running costs*
- *Relocate to a smaller office.*

It is intended that the new digital magazines will have the following features:

- *Focus on health and beauty, fashion and celebrity gossip.*
- *Some free content but full access available only on a subscription basis.*
- *Additional features available to subscribers such as video clips, podcasts and discussion*

Running costs are as follows. All staff are full-time permanent staff and their total salary costs per annum is \$3,370,000.00. The cost of running the printing and distribution site, plus staff costs is currently approximately \$1,500,000 per annum. The current office rent is \$500,000 per annum.

As the General Manager, you have been asked to lead the development and implementation of the change management plan with the first step being to consult with an organisational change expert to discuss issues and strategies for change management for the company.

It is anticipated that while there will be some cost savings in making the change, there will also be costs involved including:

- *Redundancies – anticipated cost is \$300,000*
- *Upskilling staff - \$100,000*
- *Consulting with experts - \$100,000*
- *Communication throughout change with key stakeholders - \$100,000*
- *Office relocation - \$50,000 - \$80,000.*

Part B – Develop a change management plan

Instructions:

1. The particulars of the change. Ensure the following information is contained in your plan:

- The name of the change/project
- The stakeholder
- Revision History
- Stakeholder approval/endorsement
- Type of change – policy/process/people/system
- Resource requirements
- A Risk Assessment that includes your particular barriers to change. In identifying risks and barriers to change you must demonstrate high level problem solving skills and innovative approaches to risk mitigation
- Cost benefit analysis for your change
- Implementation strategies that includes:
 - The Action plan that details the activities, responsibility, resources and timeframe.
 - The Communication plan that includes strategies to inform stakeholders of the change. Ensure the strategies you develop are designed to promote the benefits of change to staff and to reduce the likelihood of a negative response/adverse outcomes.
 - The Training plan that identifies the training strategy, what training is required, who requires the training, the expected outcome, who will deliver the training, an estimation of the training cost.
- Proposed reporting protocols. What will you report, when and to whom?
- A bibliography that identifies your sources of information. You need to identify your sources of information to show that you have identified expert guidance on change management.